

SENATE BILL NO. 459—COMMITTEE ON HUMAN
RESOURCES AND FACILITIES

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 24, 2003

Referred to Committee on Human Resources and Facilities

SUMMARY—Revises provisions concerning health benefits for senior citizens subsidized by money in Fund for a Healthy Nevada. (BDR 40-1247)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public health; providing subsidies from the Fund for a Healthy Nevada for the coverage of limited-scope dental and vision benefits within the program of subsidies for the provision of prescription drugs and pharmaceutical services to senior citizens; revising the amount of the limit on the income of a senior citizen to qualify for a subsidy for the provision of prescription drugs, pharmaceutical services and limited-scope dental and vision benefits from money in the Fund; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 439.630 is hereby amended to read as follows:
2 439.630 1. The Task Force for the Fund for a Healthy
3 Nevada shall:
4 (a) Conduct public hearings to accept public testimony from a
5 wide variety of sources and perspectives regarding existing or
6 proposed programs that:
7 (1) Promote public health;



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- 1 (2) Improve health services for children, senior citizens and
2 persons with disabilities;
3 (3) Reduce or prevent the use of tobacco;
4 (4) Reduce or prevent the abuse of and addiction to alcohol
5 and drugs; and
6 (5) Offer other general or specific information on health care
7 in this state.

8 (b) Establish a process to evaluate the health and health needs of
9 the residents of this state and a system to rank the health problems
10 of the residents of this state, including, without limitation, the
11 specific health problems that are endemic to urban and rural
12 communities.

13 (c) Reserve not more than 30 percent of all revenues deposited
14 in the Fund for a Healthy Nevada each year for direct expenditure
15 by the Department to pay for prescription drugs , ~~and~~
16 pharmaceutical services *and limited-scope dental and vision*
17 *benefits* for senior citizens pursuant to NRS 439.635 to 439.690,
18 inclusive. From the money reserved to the Department pursuant to
19 this paragraph, the Department shall subsidize all of the cost of
20 policies of health insurance that provide coverage to senior citizens
21 for prescription drugs , ~~and~~ pharmaceutical services *and limited-*
22 *scope dental and vision benefits* pursuant to NRS 439.635 to
23 439.690, inclusive. The Department shall consider recommendations
24 from the Task Force for the Fund for a Healthy Nevada in carrying
25 out the provisions of NRS 439.635 to 439.690, inclusive. The
26 Department shall submit a quarterly report to the Governor, the Task
27 Force for the Fund for a Healthy Nevada and the Interim Finance
28 Committee regarding the general manner in which expenditures
29 have been made pursuant to this paragraph and the status of the
30 program.

31 (d) Reserve not more than 30 percent of all revenues deposited
32 in the Fund for a Healthy Nevada each year for allocation by the
33 Aging Services Division of the Department in the form of grants for
34 existing or new programs that assist senior citizens with independent
35 living, including, without limitation, programs that provide:

- 36 (1) Respite care or relief of family caretakers;
37 (2) Transportation to new or existing services to assist senior
38 citizens in living independently; and
39 (3) Care in the home which allows senior citizens to remain
40 at home instead of in institutional care.

41 The Aging Services Division of the Department shall consider
42 recommendations from the Task Force for the Fund for a Healthy
43 Nevada concerning the independent living needs of senior citizens.

44 (e) Allocate for expenditure not more than 20 percent of all
45 revenues deposited in the Fund for a Healthy Nevada each year for



1 programs that prevent, reduce or treat the use of tobacco and the
2 consequences of the use of tobacco.

3 (f) Allocate for expenditure not more than 20 percent of all
4 revenues deposited in the Fund for a Healthy Nevada each year for
5 programs that improve health services for children and the health
6 and well-being of persons with disabilities.

7 (g) Maximize expenditures through local, federal and private
8 matching contributions.

9 (h) Ensure that any money expended from the Fund for a
10 Healthy Nevada will not be used to supplant existing methods of
11 funding that are available to public agencies.

12 (i) Develop policies and procedures for the administration and
13 distribution of grants and other expenditures to state agencies,
14 political subdivisions of this state, nonprofit organizations,
15 universities and community colleges. A condition of any such grant
16 must be that not more than 8 percent of the grant may be used for
17 administrative expenses or other indirect costs. The procedures must
18 require at least one competitive round of requests for proposals per
19 fiscal year.

20 (j) To make the allocations required by paragraphs (e) and (f):

21 (1) Prioritize and quantify the needs for these programs;

22 (2) Develop, solicit and accept grant applications for
23 allocations;

24 (3) Conduct annual evaluations of programs to which
25 allocations have been awarded; and

26 (4) Submit annual reports concerning the programs to the
27 Governor and the Interim Finance Committee.

28 (k) Transmit a report of all findings, recommendations and
29 expenditures to the Governor and each regular session of the
30 Legislature.

31 2. The Task Force may take such other actions as are necessary
32 to carry out its duties.

33 3. The Department shall take all actions necessary to ensure
34 that all allocations for expenditures made by the Task Force are
35 carried out as directed by the Task Force.

36 4. To make the allocations required by paragraph (d) of
37 subsection 1, the Aging Services Division of the Department shall:

38 (a) Prioritize and quantify the needs of senior citizens for these
39 programs;

40 (b) Develop, solicit and accept grant applications for allocations;

41 (c) As appropriate, expand or augment existing state programs
42 for senior citizens upon approval of the Interim Finance Committee;

43 (d) Award grants or other allocations;

44 (e) Conduct annual evaluations of programs to which grants or
45 other allocations have been awarded; and



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1 (f) Submit annual reports concerning the grant program to the
2 Governor and the Interim Finance Committee.

3 5. The Aging Services Division of the Department shall submit
4 each proposed grant which would be used to expand or augment an
5 existing state program to the Interim Finance Committee for
6 approval before the grant is awarded. The request for approval must
7 include a description of the proposed use of the money and the
8 person or entity that would be authorized to expend the money. The
9 Aging Services Division of the Department shall not expend or
10 transfer any money allocated to the Aging Services Division
11 pursuant to this section to subsidize any portion of the cost of
12 policies of health insurance that provide coverage to senior citizens
13 for prescription drugs and pharmaceutical services pursuant to NRS
14 439.635 to 439.690, inclusive.

15 6. The Department, on behalf of the Task Force, shall submit
16 each allocation proposed pursuant to paragraph (e) or (f) of
17 subsection 1 which would be used to expand or augment an existing
18 state program to the Interim Finance Committee for approval before
19 the grant is awarded. The request for approval must include a
20 description of the proposed use of the money and the person or
21 entity that would be authorized to expend the money.

22 **Sec. 2.** NRS 439.665 is hereby amended to read as follows:

23 439.665 1. The Department ~~[shall]~~ *may* enter into contracts
24 with private insurers who transact health insurance in this state to
25 arrange for the availability, at a reasonable cost, of policies of health
26 insurance that provide coverage to senior citizens for prescription
27 drugs , ~~[and]~~ pharmaceutical services ~~[]~~ *and limited-scope dental*
28 *and vision benefits.*

29 2. Within the limits of the money available for this purpose in
30 the Fund for a Healthy Nevada, a senior citizen who is not eligible
31 for Medicaid and who ~~[purchases]~~ *is eligible for* a policy of health
32 insurance that is made available pursuant to subsection 1 is entitled
33 to an annual grant from the ~~[Trust]~~ Fund to subsidize the cost of that
34 insurance, including premiums and deductibles, if he has been
35 domiciled in this state for at least 1 year immediately preceding the
36 date of his application and :

37 (a) *If the senior citizen is single*, his ~~[household]~~ income is not
38 over \$21,500 ~~[]~~ ; or

39 (b) *If the senior citizen is married*, his household income is not
40 over \$28,660.

41 *The monetary amounts set forth in this subsection must be*
42 *adjusted for each fiscal year by adding to each amount the product*
43 *of the amount shown multiplied by the percentage increase in the*
44 *Consumer Price Index from December 2002 to the December*
45 *preceding the fiscal year for which the adjustment is calculated.*



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- 1 3. The subsidy granted pursuant to this section must not exceed
2 the annual cost of insurance that ~~{provides coverage for prescription~~
3 ~~drugs and pharmaceutical services,}~~ *is made available pursuant to*
4 *subsection 1*, including premiums and deductibles.
- 5 4. A policy of health insurance that is made available pursuant
6 to subsection 1 must provide for:
- 7 (a) A copayment of not more than \$10 per prescription drug or
8 pharmaceutical service that is generic as set forth in the formulary of
9 the insurer; and
- 10 (b) A copayment of not more than \$25 per prescription drug or
11 pharmaceutical service that is preferred as set forth in the formulary
12 of the insurer.
- 13 5. The Department may waive the eligibility requirement set
14 forth in subsection 2 regarding household income upon written
15 request of the applicant ~~{if the circumstances of the applicant's~~
16 ~~household have changed as a result of:}~~ *or enrollee based on one or*
17 *more of the following circumstances:*
- 18 (a) Illness;
19 (b) Disability; or
20 (c) Extreme financial hardship , ~~{based on a significant~~
21 ~~reduction of income,}~~ when considering the ~~{applicant's}~~ current
22 financial circumstances ~~{}~~ *of the applicant or enrollee.*
- 23 An applicant *or enrollee* who requests such a waiver shall include
24 with that request all medical and financial documents that support
25 his request.
- 26 6. If the Federal Government provides any coverage *for dental*
27 *or vision benefits or coverage* of prescription drugs and
28 pharmaceutical services for senior citizens who are eligible for a
29 subsidy pursuant to subsections 1 to 5, inclusive, the Department
30 may, upon approval of the Legislature, or the Interim Finance
31 Committee if the Legislature is not in session, change any program
32 established pursuant to NRS 439.635 to 439.690, inclusive, and
33 otherwise provide assistance with prescription drugs , ~~{and}~~
34 pharmaceutical services *and limited-scope dental and vision*
35 *benefits* for senior citizens within the limits of the money available
36 for this purpose in the Fund for a Healthy Nevada.
- 37 7. The provisions of subsections 1 to 5, inclusive, do not apply
38 ~~{if}~~ *to the extent that* the Department provides assistance ~~{with~~
39 ~~prescription drugs and pharmaceutical services for senior citizens}~~
40 pursuant to subsection 6.
- 41 **Sec. 3.** This act becomes effective on July 1, 2003.

