
ASSEMBLY BILL NO. 127—COMMITTEE ON HEALTH
AND HUMAN SERVICES

(ON BEHALF OF THE TASK FORCE FOR THE FUND
FOR A HEALTHY NEVADA)

FEBRUARY 24, 2005

Referred to Committee on Health and Human Services

SUMMARY—Provides subsidies from Fund for a Healthy Nevada for coverage of limited-scope dental and vision benefits to certain senior citizens. (BDR 40-714)

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

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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; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Department of Human Resources to provide subsidies from the Fund for a Healthy Nevada to pay for prescription drugs and pharmaceutical services for senior citizens. (NRS 439.630) The Fund is created from money received by the State from the settlement of litigation and judgments in civil actions with tobacco manufacturers. (NRS 439.620) Existing law further authorizes the Department to enter into contracts with private health insurers to arrange for the availability of health insurance policies for prescription drugs and pharmaceutical services for senior citizens. (NRS 439.665)

This bill expands those provisions to include limited-scope dental and vision benefits. Thus, this bill authorizes the Department of Human Resources to enter into contracts with private health insurers to provide coverage for limited-scope dental and vision benefits for senior citizens. In addition, money deposited in the Fund for a Healthy Nevada may be used to subsidize those benefits.



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

1 **Section 1.** NRS 439.600 is hereby amended to read as follows:

2 439.600 1. The Legislature hereby declares that its priorities
3 in expending the proceeds to the State of Nevada from settlement
4 agreements with and civil actions against manufacturers of tobacco
5 products are:

6 (a) To increase the number of Nevada students who attend and
7 graduate from Nevada institutions of higher education; and

8 (b) To assist Nevada residents in obtaining and maintaining
9 good health.

10 2. To further these priorities, the Legislature hereby declares
11 that it is in the best interest of the residents of this State that all
12 money received by the State of Nevada pursuant to any settlement
13 entered into by the State of Nevada and a manufacturer of tobacco
14 products and all money recovered by the State of Nevada from a
15 judgment in a civil action against a manufacturer of tobacco
16 products be dedicated solely toward the achievement of the
17 following goals:

18 (a) Increasing the number of Nevada residents who enroll in and
19 attend a university, college or community college in the State of
20 Nevada;

21 (b) Reducing and preventing the use of tobacco products,
22 alcohol and illegal drugs, especially by children;

23 (c) Expanding the availability of health insurance and health
24 care for children and adults in this State, especially for children and
25 for adults with disabilities;

26 (d) Assisting senior citizens who have modest incomes in
27 purchasing prescription drugs *and dental and vision services*, and
28 assisting those senior citizens in meeting their needs related to
29 health care, home care, respite care and their ability to live
30 independent of institutional care; and

31 (e) Promoting the general health of all residents of the State of
32 Nevada.

33 **Sec. 2.** NRS 439.630 is hereby amended to read as follows:

34 439.630 1. The Task Force for the Fund for a Healthy
35 Nevada shall:

36 (a) Conduct public hearings to accept public testimony from a
37 wide variety of sources and perspectives regarding existing or
38 proposed programs that:

39 (1) Promote public health;

40 (2) Improve health services for children, senior citizens and
41 persons with disabilities;

42 (3) Reduce or prevent the use of tobacco;



1 (4) Reduce or prevent the abuse of and addiction to alcohol
2 and drugs; and

3 (5) Offer other general or specific information on health care
4 in this State.

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

10 (c) Reserve not more than 30 percent of all revenues deposited
11 in the Fund for a Healthy Nevada each year for direct expenditure
12 by the Department to pay for prescription drugs , ~~{and}~~
13 pharmaceutical services *and limited-scope dental and vision*
14 *benefits* for senior citizens pursuant to NRS 439.635 to 439.690,
15 inclusive, and to fund in whole or in part any program established
16 pursuant to NRS 422.274 or 422.2745. From the money reserved to
17 the Department pursuant to this paragraph, the Department may
18 subsidize all of the cost of policies of health insurance that provide
19 coverage to senior citizens for prescription drugs , ~~{and}~~
20 pharmaceutical services *and limited-scope dental and vision*
21 *benefits* pursuant to NRS 439.635 to 439.690, inclusive, and fund in
22 whole or in part any program established pursuant to NRS 422.274
23 or 422.2745. The Department shall consider recommendations from
24 the Task Force for the Fund for a Healthy Nevada in carrying out
25 the provisions of NRS 439.635 to 439.690, inclusive, and
26 administering any program established pursuant to NRS 422.274 or
27 422.2745. The Department shall submit a quarterly report to the
28 Governor, the Task Force for the Fund for a Healthy Nevada and the
29 Interim Finance Committee regarding the general manner in which
30 expenditures have been made pursuant to this paragraph and the
31 status of the program.

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

37 (1) Respite care or relief of family caretakers;

38 (2) Transportation to new or existing services to assist senior
39 citizens in living independently; and

40 (3) Care in the home which allows senior citizens to remain
41 at home instead of in institutional care.

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



(e) Allocate, by contract or grant, for expenditure not more than 20 percent of all revenues deposited in the Fund for a Healthy Nevada each year for programs that prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco.

(f) Allocate, by contract or grant, for expenditure not more than 10 percent of all revenues deposited in the Fund for a Healthy Nevada each year for programs that improve health services for children.

(g) Allocate, by contract or grant, for expenditure not more than 7.5 percent of all revenues deposited in the Fund for a Healthy Nevada each year for programs that improve the health and well-being of persons with disabilities. In making allocations pursuant to this paragraph, the Task Force shall, to the extent practicable, allocate the money evenly among the following three types of programs:

(1) Programs that provide respite for persons caring for persons with disabilities;

(2) Programs that provide positive behavioral supports to persons with disabilities; and

(3) Programs that assist persons with disabilities to live safely and independently in their communities outside of an institutional setting.

(h) Reserve not more than 2.5 percent of all revenues deposited in the Fund for a Healthy Nevada each year for direct expenditure by the Department to fund in whole or in part any program established pursuant to NRS 422.2745. The Department shall consider recommendations from the Task Force for the Fund for a Healthy Nevada in administering any program established pursuant to NRS 422.2745.

(i) Maximize expenditures through local, federal and private matching contributions.

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

(k) Develop policies and procedures for the administration and distribution of contracts, grants and other expenditures to state agencies, political subdivisions of this State, nonprofit organizations, universities and community colleges. A condition of any such contract or grant must be that not more than 8 percent of the contract or grant may be used for administrative expenses or other indirect costs. The procedures must require at least one competitive round of requests for proposals per biennium.

(l) To make the allocations required by paragraphs (e), (f) and (g):

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



1 (2) Develop, solicit and accept applications for allocations;
2 (3) Conduct annual evaluations of programs to which
3 allocations have been awarded; and

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

6 (m) Transmit a report of all findings, recommendations and
7 expenditures to the Governor and each regular session of the
8 Legislature.

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

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

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

16 (a) Prioritize and quantify the needs of senior citizens for these
17 programs;

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

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

21 (d) Award grants or other allocations;

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

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

26 5. The Aging Services Division of the Department shall submit
27 each proposed grant which would be used to expand or augment an
28 existing state program to the Interim Finance Committee for
29 approval before the grant is awarded. The request for approval must
30 include a description of the proposed use of the money and the
31 person or entity that would be authorized to expend the money. The
32 Aging Services Division of the Department shall not expend or
33 transfer any money allocated to the Aging Services Division
34 pursuant to this section to subsidize any portion of the cost of
35 policies of health insurance that provide coverage to senior citizens
36 for prescription drugs, ~~and~~ pharmaceutical services *and limited-*
37 *scope dental and vision benefits* pursuant to NRS 439.635 to
38 439.690, inclusive, or to pay for any program established pursuant
39 to NRS 422.274 or 422.2745.

40 6. The Department, on behalf of the Task Force, shall submit
41 each allocation proposed pursuant to paragraph (e), (f) or (g) of
42 subsection 1 which would be used to expand or augment an existing
43 state program to the Interim Finance Committee for approval before
44 the contract or grant is awarded. The request for approval must



1 include a description of the proposed use of the money and the
2 person or entity that would be authorized to expend the money.

3 **Sec. 3.** NRS 439.665 is hereby amended to read as follows:

4 439.665 1. The Department may enter into contracts with
5 private insurers who transact health insurance in this State to
6 arrange for the availability, at a reasonable cost, of policies of health
7 insurance that provide coverage to senior citizens for prescription
8 drugs , ~~and~~ pharmaceutical services ~~and~~ *and limited-scope dental*
9 *and vision benefits.*

10 2. Within the limits of the money available for this purpose in
11 the Fund for a Healthy Nevada, a senior citizen who is not eligible
12 for Medicaid and who is eligible for a policy of health insurance that
13 is made available pursuant to subsection 1 is entitled to an annual
14 grant from the Fund to subsidize the cost of that insurance,
15 including premiums and deductibles, if he has been domiciled in this
16 State for at least 1 year immediately preceding the date of his
17 application and:

18 (a) If the senior citizen is single, his income is not over \$21,500;
19 or

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

22 ➤ The monetary amounts set forth in this subsection must be
23 adjusted for each fiscal year by adding to each amount the product
24 of the amount shown multiplied by the percentage increase in the
25 Consumer Price Index from December 2002 to the December
26 preceding the fiscal year for which the adjustment is calculated.

27 3. The subsidy granted pursuant to this section must not exceed
28 the annual cost of insurance that ~~provides coverage for prescription~~
29 ~~drugs and pharmaceutical services,~~ *is made available pursuant to*
30 *subsection 1,* including premiums and deductibles.

31 4. A policy of health insurance that is made available pursuant
32 to subsection 1 must provide for:

33 (a) A copayment of not more than \$10 per prescription drug or
34 pharmaceutical service that is generic as set forth in the formulary of
35 the insurer; and

36 (b) A copayment of not more than \$25 per prescription drug or
37 pharmaceutical service that is preferred as set forth in the formulary
38 of the insurer.

39 5. The Department may waive the eligibility requirement set
40 forth in subsection 2 regarding household income upon written
41 request of the applicant or enrollee based on one or more of the
42 following circumstances:

43 (a) Illness;

44 (b) Disability; or



1 (c) Extreme financial hardship, when considering the current
2 financial circumstances of the applicant or enrollee.

3 ➡ An applicant or enrollee who requests such a waiver shall include
4 with that request all medical and financial documents that support
5 his request.

6 6. If the Federal Government provides any coverage *for dental*
7 *or vision benefits or coverage* of prescription drugs and
8 pharmaceutical services for senior citizens who are eligible for a
9 subsidy pursuant to subsections 1 to 5, inclusive, the Department
10 may, upon approval of the Legislature, or the Interim Finance
11 Committee if the Legislature is not in session, change any program
12 established pursuant to NRS 439.635 to 439.690, inclusive, and
13 otherwise provide assistance with prescription drugs , ~~and~~
14 pharmaceutical services *and limited-scope dental and vision*
15 *benefits* for senior citizens within the limits of the money available
16 for this purpose in the Fund for a Healthy Nevada.

17 7. The provisions of subsections 1 to 5, inclusive, do not apply
18 ~~if~~ *to the extent that* the Department provides assistance ~~with~~
19 ~~prescription drugs and pharmaceutical services~~ for senior citizens
20 pursuant to subsection 6.

21 **Sec. 4.** This act becomes effective on July 1, 2005.



