

ASSEMBLY BILL NO. 176—ASSEMBLYMEN MCCLAIN, KOIVISTO, GIUNCHIGLIANI, PARNELL, OHRENSCHALL, ARBERRY JR., ATKINSON, BUCKLEY, CLABORN, DENIS, GERHARDT, HOGAN, KIRKPATRICK, LESLIE, MANENDO, MARVEL, MCCLEARY, MUNFORD, OCEGUERA, PARKS, PERKINS, PIERCE, SMITH AND WEBER

MARCH 8, 2005

Referred to Concurrent Committees on Health
and Human Services and Ways and Means

SUMMARY—Requires portion of money in Fund for a Healthy Nevada to be used to provide dental benefits to certain senior citizens. (BDR 40-347)

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; requiring a portion of the money in the Fund for a Healthy Nevada to be used to provide dental benefits to certain senior citizens; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law creates the Fund for a Healthy Nevada, which is funded from 50
2 percent of the proceeds from the litigation settlement between the State and tobacco
3 producers. (NRS 439.620) Existing law creates the Task Force for the Fund for a
4 Healthy Nevada to administer the Fund and directs the Task Force to distribute a
5 certain percentage of the money in the Fund for specific purposes. These purposes
6 include funding for the Senior Rx program, which provides subsidies for
7 pharmaceutical services for senior citizens, as well as funding programs that assist
8 senior citizens with independent living, improve health services for children,
9 improve the health and well-being of persons with disabilities, and address tobacco
10 use, prevention and treatment. (NRS 439.630)

11 This bill changes the distribution of the revenue in the Fund for a Healthy
12 Nevada. This bill reduces from 30 percent to 30 percent minus \$500,000 of the
13 money distributed to the Aging Services Division of the Department of Human
14 Resources to fund programs that assist senior citizens with independent living. This
15 bill distributes \$500,000 of the revenue to the Aging Services Division to fund
16 contracts and grants for programs that provide dental benefits to senior citizens who



17 satisfy the eligibility requirements of the Senior Rx program, as set forth in NRS
18 439.665 to 439.690. The Task Force for the Fund for a Healthy Nevada must
19 approve all contracts and grants for the dental benefits program.

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

1 **Section 1.** NRS 439.620 is hereby amended to read as follows:
2 439.620 1. The Fund for a Healthy Nevada is hereby created
3 in the State Treasury. The State Treasurer shall deposit in the Fund:
4 (a) Fifty percent of all money received by this State pursuant to
5 any settlement entered into by the State of Nevada and a
6 manufacturer of tobacco products; and
7 (b) Fifty percent of all money recovered by this State from a
8 judgment in a civil action against a manufacturer of tobacco
9 products.
10 2. The State Treasurer shall administer the Fund. As
11 administrator of the Fund, the State Treasurer:
12 (a) Shall maintain the financial records of the Fund;
13 (b) Shall invest the money in the Fund as the money in other
14 state funds is invested;
15 (c) Shall manage any account associated with the Fund;
16 (d) Shall maintain any instruments that evidence investments
17 made with the money in the Fund;
18 (e) May contract with vendors for any good or service that is
19 necessary to carry out the provisions of this section; and
20 (f) May perform any other duties necessary to administer the
21 Fund.
22 3. The interest and income earned on the money in the Fund
23 must, after deducting any applicable charges, be credited to the
24 Fund. All claims against the Fund must be paid as other claims
25 against the State are paid.
26 4. Upon receiving a request from the State Treasurer or the
27 Department for an allocation for administrative expenses from the
28 Fund pursuant to this section, the Task Force for the Fund for a
29 Healthy Nevada shall consider the request within 45 days after
30 receipt of the request. If the Task Force approves the amount
31 requested for allocation, the Task Force shall notify the State
32 Treasurer of the allocation. If the Task Force does not approve the
33 requested allocation within 45 days after receipt of the request, the
34 State Treasurer or the Department, as applicable, may submit its
35 request for allocation to the Interim Finance Committee. Except as
36 otherwise limited by this subsection, the Interim Finance Committee
37 may allocate all or part of the money so requested. The annual
38 allocation for administrative expenses from the Fund, whether



1 allocated by the Task Force or the Interim Finance Committee must
2 not exceed:

3 (a) Not more than 2 percent of the money in the Fund, as
4 calculated pursuant to this subsection, each year to pay the costs
5 incurred by the State Treasurer to administer the Fund; and

6 (b) Not more than 3 percent of the money in the Fund, as
7 calculated pursuant to this subsection, each year to pay the costs
8 incurred by the Department, including, without limitation, the Aging
9 Services Division of the Department, to carry out its duties set forth
10 in NRS 439.625 to 439.690, inclusive.

11 ➤ For the purposes of this subsection, the amount of money
12 available for allocation to pay for the administrative costs must be
13 calculated at the beginning of each fiscal year based on the total
14 amount of money anticipated by the State Treasurer to be deposited
15 in the Fund during that fiscal year.

16 5. The money in the Fund remains in the Fund and does not
17 revert to the State General Fund at the end of any fiscal year.

18 6. All money that is deposited or paid into the Fund is hereby
19 appropriated to the Department and, except as otherwise provided in
20 paragraphs (c), (d), (e) and ~~(h)~~ (i) of subsection 1 of NRS
21 439.630, may only be expended pursuant to an allocation made by
22 the Task Force for the Fund for a Healthy Nevada. Money expended
23 from the Fund for a Healthy Nevada must not be used to supplant
24 existing methods of funding that are available to public agencies.

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

26 439.630 1. The Task Force for the Fund for a Healthy
27 Nevada shall:

28 (a) Conduct public hearings to accept public testimony from a
29 wide variety of sources and perspectives regarding existing or
30 proposed programs that:

31 (1) Promote public health;

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

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

35 (4) Reduce or prevent the abuse of and addiction to alcohol
36 and drugs; and

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

39 (b) Establish a process to evaluate the health and health needs of
40 the residents of this State and a system to rank the health problems
41 of the residents of this State, including, without limitation, the
42 specific health problems that are endemic to urban and rural
43 communities.



(c) Reserve not more than 30 percent of all revenues deposited in the Fund for a Healthy Nevada each year for direct expenditure by the Department to pay for prescription drugs and pharmaceutical services for senior citizens pursuant to NRS 439.635 to 439.690, inclusive, and to fund in whole or in part any program established pursuant to NRS 422.274 or 422.2745. From the money reserved to the Department pursuant to this paragraph, the Department may subsidize all of the cost of policies of health insurance that provide coverage to senior citizens for prescription drugs and pharmaceutical services pursuant to NRS 439.635 to 439.690, inclusive, and fund in whole or in part any program established pursuant to NRS 422.274 or 422.2745. The Department shall consider recommendations from the Task Force for the Fund for a Healthy Nevada in carrying out the provisions of NRS 439.635 to 439.690, inclusive, and administering any program established pursuant to NRS 422.274 or 422.2745. The Department shall submit a quarterly report to the Governor, the Task Force for the Fund for a Healthy Nevada and the Interim Finance Committee regarding the general manner in which expenditures have been made pursuant to this paragraph and the status of the program.

(d) Reserve not more than 30 percent *minus \$500,000* of all revenues deposited in the Fund for a Healthy Nevada each year for allocation by the Aging Services Division of the Department in the form of grants for existing or new programs that assist senior citizens with independent living, including, without limitation, programs that provide:

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

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

(e) *Reserve not more than \$500,000 of all revenues deposited in the Fund for a Healthy Nevada each year for allocation by the Aging Services Division of the Department in the form of contracts or grants for existing or new programs that provide dental benefits to persons who are domiciled in this State and are 62 years of age or older:*

(1) Who satisfy the residency requirement set forth in subsection 2 of NRS 439.665; and

(2) Whose incomes are not over the amounts set forth in subsection 2 of NRS 439.665, as adjusted pursuant to the provisions of that section.



1 ↪ *The Aging Services Division of the Department shall not award*
2 *a contract or grant pursuant to this paragraph unless the Task*
3 *Force for the Fund for a Healthy Nevada has approved the*
4 *contract or grant.*

5 (f) Allocate, by contract or grant, for expenditure not more than
6 20 percent of all revenues deposited in the Fund for a Healthy
7 Nevada each year for programs that prevent, reduce or treat the use
8 of tobacco and the consequences of the use of tobacco.

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

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

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

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

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

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

34 ~~(i)~~ (j) Maximize expenditures through local, federal and
35 private matching contributions.

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

39 ~~(k)~~ (l) Develop policies and procedures for the administration
40 and distribution of contracts, grants and other expenditures to state
41 agencies, political subdivisions of this State, nonprofit
42 organizations, universities and community colleges. A condition of
43 any such contract or grant must be that not more than 8 percent of
44 the contract or grant may be used for administrative expenses or



1 other indirect costs. The procedures must require at least one
2 competitive round of requests for proposals per biennium.

3 ~~[(f)]~~ (m) To make the allocations required by paragraphs ~~[(e);~~
4 ~~(f) and (g);]~~ (f), (g) and (h):

- 5 (1) Prioritize and quantify the needs for these programs;
- 6 (2) Develop, solicit and accept applications for allocations;
- 7 (3) Conduct annual evaluations of programs to which
- 8 allocations have been awarded; and
- 9 (4) Submit annual reports concerning the programs to the
- 10 Governor and the Interim Finance Committee.

11 ~~[(m)]~~ (n) Transmit a report of all findings, recommendations
12 and expenditures to the Governor and each regular session of the
13 Legislature.

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

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

19 4. To make the allocations required by ~~[paragraph]~~ paragraphs
20 (d) and (e) of subsection 1, the Aging Services Division of the
21 Department shall:

22 (a) Prioritize and quantify the needs of senior citizens for these
23 programs;

24 (b) Develop, solicit and accept ~~[grant]~~ applications for
25 allocations;

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

28 (d) Award grants, *contracts* or other allocations;

29 (e) Conduct annual evaluations of programs to which grants,
30 *contracts* or other allocations have been awarded; and

31 (f) Submit annual reports concerning the ~~[grant—program]~~
32 *allocations made by the Aging Services Division pursuant to*
33 *paragraphs (d) and (e) of subsection 1* to the Governor and the
34 Interim Finance Committee.

35 5. The Aging Services Division of the Department shall submit
36 each proposed grant *or contract* which would be used to expand or
37 augment an existing state program to the Interim Finance
38 Committee for approval before the grant *or contract* is awarded.
39 The request for approval must include a description of the proposed
40 use of the money and the person or entity that would be authorized
41 to expend the money. The Aging Services Division of the
42 Department shall not expend or transfer any money allocated to the
43 Aging Services Division pursuant to this section to subsidize any
44 portion of the cost of policies of health insurance that provide
45 coverage to senior citizens for prescription drugs and



1 pharmaceutical services pursuant to NRS 439.635 to 439.690,
2 inclusive, or to pay for any program established pursuant to NRS
3 422.274 or 422.2745.

4 6. The Department, on behalf of the Task Force, shall submit
5 each allocation proposed pursuant to paragraph ~~(e), (f) or (g)~~ (f),
6 (g) or (h) of subsection 1 which would be used to expand or
7 augment an existing state program to the Interim Finance
8 Committee for approval before the contract or grant is awarded. The
9 request for approval must include a description of the proposed use
10 of the money and the person or entity that would be authorized to
11 expend the money.

12 **Sec. 3.** This act becomes effective on July 1, 2005.



