

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—Revises provisions governing reserve and allocation of revenue in the Fund for a Healthy Nevada. (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; revising provisions governing the reserve and allocation of revenue in the Fund for a Healthy Nevada; 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 439.620 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:



- 1 (a) Shall maintain the financial records of the Fund;
- 2 (b) Shall invest the money in the Fund as the money in other
- 3 state funds is invested;
- 4 (c) Shall manage any account associated with the Fund;
- 5 (d) Shall maintain any instruments that evidence investments
- 6 made with the money in the Fund;
- 7 (e) May contract with vendors for any good or service that is
- 8 necessary to carry out the provisions of this section; and
- 9 (f) May perform any other duties necessary to administer the
- 10 Fund.

11 3. The interest and income earned on the money in the Fund

12 must, after deducting any applicable charges, be credited to the

13 Fund. All claims against the Fund must be paid as other claims

14 against the State are paid.

15 4. Upon receiving a request from the State Treasurer or the

16 Department for an allocation for administrative expenses from the

17 Fund pursuant to this section, the Task Force for the Fund for a

18 Healthy Nevada shall consider the request within 45 days after

19 receipt of the request. If the Task Force approves the amount

20 requested for allocation, the Task Force shall notify the State

21 Treasurer of the allocation. If the Task Force does not approve the

22 requested allocation within 45 days after receipt of the request, the

23 State Treasurer or the Department, as applicable, may submit its

24 request for allocation to the Interim Finance Committee. Except as

25 otherwise limited by this subsection, the Interim Finance Committee

26 may allocate all or part of the money so requested. The annual

27 allocation for administrative expenses from the Fund, whether

28 allocated by the Task Force or the Interim Finance Committee must

29 not exceed:

30 (a) Not more than 2 percent of the money in the Fund, as

31 calculated pursuant to this subsection, each year to pay the costs

32 incurred by the State Treasurer to administer the Fund; and

33 (b) Not more than 3 percent of the money in the Fund, as

34 calculated pursuant to this subsection, each year to pay the costs

35 incurred by the Department, including, without limitation, the Aging

36 Services Division of the Department, to carry out its duties set forth

37 in NRS 439.625 to 439.690, inclusive.

38 ➤ For the purposes of this subsection, the amount of money

39 available for allocation to pay for the administrative costs must be

40 calculated at the beginning of each fiscal year based on the total

41 amount of money anticipated by the State Treasurer to be deposited

42 in the Fund during that fiscal year.

43 5. The money in the Fund remains in the Fund and does not

44 revert to the State General Fund at the end of any fiscal year.



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

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

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

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

(1) Promote public health;

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

(3) Reduce or prevent the use of tobacco;

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

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

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



1 general manner in which expenditures have been made pursuant to
2 this paragraph and the status of the program.

3 (d) Reserve not more than 30 percent minus ~~[\$200,000]~~
4 **\$350,000** of all revenues deposited in the Fund for a Healthy
5 Nevada each year for allocation by the Aging Services Division of
6 the Department in the form of grants for existing or new programs
7 that assist senior citizens with independent living, including, without
8 limitation, programs that provide:

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

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

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

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

17 (e) Reserve not more than \$200,000 of all revenues deposited in
18 the Fund for a Healthy Nevada each year for allocation by the
19 Director to:

20 (1) Provide guaranteed funding to finance assisted living
21 facilities that satisfy the criteria for certification set forth in section 3
22 of Assembly Bill No. 248 of this Session; and

23 (2) Fund assisted living facilities that satisfy the criteria for
24 certification set forth in section 3 of Assembly Bill No. 248 of this
25 Session and assisted living supportive services that are provided
26 pursuant to the provisions of the home and community-based
27 services waiver which are amended pursuant to section 4 of
28 Assembly Bill No. 248 of this Session.

29 ➤ The Director shall develop policies and procedures for allocating
30 money which is reserved pursuant to this paragraph.

31 (f) *Reserve \$150,000 of all revenues deposited in the Fund for*
32 *a Healthy Nevada each year if available for allocation by the*
33 *Aging Services Division of the Department in the form of*
34 *contracts or grants for existing or new programs that provide*
35 *dental benefits to persons who are domiciled in this State and are*
36 *62 years of age or older:*

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

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

42 (g) Allocate, by contract or grant, for expenditure not more than
43 20 percent of all revenues deposited in the Fund for a Healthy
44 Nevada each year for programs that prevent, reduce or treat the use
45 of tobacco and the consequences of the use of tobacco.



~~[(e)]~~ (h) 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.

~~[(h)]~~ (i) 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.

~~[(i)]~~ (j) 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.

~~[(j)]~~ (k) Maximize expenditures through local, federal and private matching contributions.

~~[(k)]~~ (l) 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.

~~[(l)]~~ (m) 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.

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

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

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

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



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

~~[(a)]~~ (o) Transmit a report of all findings, recommendations and expenditures to the Governor and each regular session of the Legislature.

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

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

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

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

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

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

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

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

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

5. The Aging Services Division of the Department shall submit each proposed grant *or contract* which would be used to expand or augment an existing state program to the Interim Finance Committee for approval before the grant *or contract* is awarded. The request for approval must include a description of the proposed use of the money and the person or entity that would be authorized to expend the money. The Aging Services Division of the Department shall not expend or transfer any money allocated to the Aging Services Division pursuant to this section to subsidize any portion 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, or to pay for any program established pursuant to NRS 422.274 or 422.2745.

6. The Department, on behalf of the Task Force, shall submit each allocation proposed pursuant to paragraph ~~[(f), (g) or (h)]~~ (g), (h) or (i) of subsection 1 which would be used to expand or augment an existing state program to the Interim Finance Committee for approval before the contract or grant is awarded. The request for approval must include a description of the proposed use of the



1 money and the person or entity that would be authorized to expend
2 the money.

3 **Sec. 3.** Section 2 of Assembly Bill No. 248 of this Session is
4 hereby amended to read as follows:

5 Sec. 2. NRS 439.630 is hereby amended to read as
6 follows:

7 439.630 1. The Task Force for the Fund for a Healthy
8 Nevada shall:

9 (a) Conduct public hearings to accept public testimony
10 from a wide variety of sources and perspectives regarding
11 existing or proposed programs that:

12 (1) Promote public health;

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

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

16 (4) Reduce or prevent the abuse of and addiction to
17 alcohol and drugs; and

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

20 (b) Establish a process to evaluate the health and health
21 needs of the residents of this State and a system to rank the
22 health problems of the residents of this State, including,
23 without limitation, the specific health problems that are
24 endemic to urban and rural communities.

25 (c) Reserve not more than 30 percent of all revenues
26 deposited in the Fund for a Healthy Nevada each year for
27 direct expenditure by the Department to pay for prescription
28 drugs and pharmaceutical services for senior citizens pursuant
29 to NRS 439.635 to 439.690, inclusive, and to fund in whole
30 or in part any program established pursuant to NRS 422.274
31 or 422.2745. From the money reserved to the Department
32 pursuant to this paragraph, the Department may subsidize all
33 of the cost of policies of health insurance that provide
34 coverage to senior citizens for prescription drugs and
35 pharmaceutical services pursuant to NRS 439.635 to 439.690,
36 inclusive, and fund in whole or in part any program
37 established pursuant to NRS 422.274 or 422.2745. The
38 Department shall consider recommendations from the Task
39 Force for the Fund for a Healthy Nevada in carrying out the
40 provisions of NRS 439.635 to 439.690, inclusive, and
41 administering any program established pursuant to NRS
42 422.274 or 422.2745. The Department shall submit a
43 quarterly report to the Governor, the Task Force for the Fund
44 for a Healthy Nevada and the Interim Finance Committee
45 regarding the general manner in which expenditures have



1 been made pursuant to this paragraph and the status of the
2 program.

3 (d) Reserve not more than 30 percent minus ~~[\$50,000]~~
4 ~~\$200,000~~ of all revenues deposited in the Fund for a Healthy
5 Nevada each year for allocation by the Aging Services
6 Division of the Department in the form of grants for existing
7 or new programs that assist senior citizens with independent
8 living, including, without limitation, programs that provide:

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

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

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

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

18 (e) Reserve not more than ~~[\$50,000]~~ ~~\$200,000~~ of all
19 revenues deposited in the Fund for a Healthy Nevada each
20 year for allocation by the Director to:

21 (1) Provide guaranteed funding to finance assisted
22 living facilities that satisfy the criteria for certification set
23 forth in section 3 of Assembly Bill No. 248 of this ~~[act;]~~
24 ~~session~~; and

25 (2) Fund assisted living facilities that satisfy the
26 criteria for certification set forth in section 3 of Assembly Bill
27 No. 248 of this ~~[act]~~ ~~session~~ and assisted living supportive
28 services that are provided pursuant to the provisions of the
29 home and community-based services waiver which are
30 amended pursuant to section 4 of Assembly Bill No. 248 of
31 this ~~[act;]~~ ~~session~~.

32 ➤ The Director shall develop policies and procedures for
33 allocating money which is reserved pursuant to this
34 paragraph.

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

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

44 (h) Allocate, by contract or grant, for expenditure not
45 more than 7.5 percent of all revenues deposited in the Fund



1 for a Healthy Nevada each year for programs that improve the
2 health and well-being of persons with disabilities. In making
3 allocations pursuant to this paragraph, the Task Force shall, to
4 the extent practicable, allocate the money evenly among the
5 following three types of programs:

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

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

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

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

20 (j) Maximize expenditures through local, federal and
21 private matching contributions.

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

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

34 (m) To make the allocations required by paragraphs (f),
35 (g) and (h):

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

38 (2) Develop, solicit and accept applications for
39 allocations;

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

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



1 (n) Transmit a report of all findings, recommendations
2 and expenditures to the Governor and each regular session of
3 the Legislature.

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

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

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

12 (a) Prioritize and quantify the needs of senior citizens for
13 these programs;

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

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

19 (d) Award grants or other allocations;

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

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

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

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



1 of the proposed use of the money and the person or entity that
2 would be authorized to expend the money.
3 **Sec. 4.** 1. This section and section 3 of this act become
4 effective upon passage and approval.
5 2. Sections 1 and 2 of this act become effective on July 1,
6 2005.



