

SENATE BILL NO. 400—SENATORS NEAL, FLORES AND DONATE

MARCH 27, 2023

JOINT SPONSOR: ASSEMBLYMAN D’SILVA

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to homelessness.
(BDR 38-1027)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

CONTAINS UNFUNDED MANDATE (§ 3.3)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 welfare; revising provisions governing the duties of a reinvestment advisory committee; revising provisions governing contracts entered into by the Department of Health and Human Services for the operation of a Medicaid managed care program; requiring Continuums of Care to establish a fiscal working group; requiring the transmission of a portion of the proceeds of the license fee for certain gaming licensees to the Continuums of Care in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Department of Health and Human Services, to the
2 extent that money is available, to: (1) establish a Medicaid managed care program
3 to provide health care services to recipients of Medicaid in all geographic areas of
4 this State; and (2) conduct a statewide procurement process to select health
5 maintenance organizations to provide the health care services. (NRS 422.273)
6 **Sections 2 and 3** of this bill require each contract entered into by the Department
7 with a health maintenance organization to provide such services to include a
8 requirement for the health maintenance organization to reinvest a percentage of the
9 annual profits of the health maintenance organization in programs and initiatives to
10 address homelessness and to provide sustainable medication and prescription



services, alcohol or drug intervention or rehabilitation services and emergency and supportive housing in the local communities in which the health maintenance organization operates.

Existing law establishes a reinvestment advisory committee in each county of this State whose population is 700,000 or more (currently only Clark County) and prescribes the duties of a reinvestment advisory committee, which includes reviewing, making recommendations and reporting to the Legislature and Director of the Department concerning the reinvestment of funds by a health maintenance organization that provides health care services through managed care to recipients of Medicaid in the communities served by those organizations. (NRS 422.185, 422.205) **Section 1** of this bill revises the duties of the reinvestment advisory committee such that the recommendations and reports of the advisory committee are required to concern the reinvestment of funds by managed care organizations to address homelessness and to provide sustainable medication and prescription services, alcohol or drug intervention or rehabilitation services, and emergency and supportive housing, in conformance with the amendatory provisions of **sections 2 and 3**.

Existing federal law establishes a Continuum of Care Program to provide funding for efforts by nonprofit providers, states, and local governments to quickly rehouse homeless individuals and families. (42 U.S.C. 11381 et seq.; 24 C.F.R. Part 578) Federal law requires representatives from relevant organizations to establish a Continuum of Care for a geographic area to carry out certain responsibilities and to establish a board to act on behalf of the Continuum. (24 C.F.R. 578.5) Existing law of this State establishes a monthly licensee fee for certain gaming licensees which is based upon the gross revenue of the licensee. (NRS 463.370) **Sections 3.3 and 3.7** of this bill require a portion of the proceeds of the gaming licensee fee which is imposed on gross revenue which exceeds \$134,000 per calendar month to be transmitted to the Continuums of Care in this State, in proportion to the population served by each Continuum of Care, to direct the use of such money. **Section 3.3:** (1) establishes requirements for the membership of such a fiscal working group; (2) sets forth the purposes for which the fiscal working group is required to direct the use of the money from the proceeds of the gaming license fee; and (3) requires the fiscal working group to prepare an annual report. **Section 3.3** requires a city whose population is 150,000 or more but less than 500,000 which is in the service area of a Continuum of Care, which includes a city whose population is 500,000 or more to transmit \$2,000,000 to the Continuum of Care each fiscal year to be used for programs to address homelessness. **Section 3.3** authorizes a Continuum of Care to enter into service agreements with federally-qualified health centers.

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

Section 1. NRS 422.205 is hereby amended to read as follows:
422.205 1. A reinvestment advisory committee shall:

(a) Solicit and review reports from the Division and Medicaid managed care organizations concerning the reinvestment of funds by those Medicaid managed care organizations in the communities served by the Medicaid managed care organizations.

(b) Report to the Division and Medicaid managed care organizations concerning initiatives of local governments in the county to address homelessness **and to provide sustainable**



medication and prescription drug services, alcohol or drug intervention or rehabilitation services, and emergency and supportive housing. ~~issues and social determinants of health.~~

(c) Make recommendations based on the reports reviewed pursuant to paragraph (a) to the Division and Medicaid managed care organizations concerning the reinvestment of funds by those Medicaid managed care organizations in the communities served by the Medicaid managed care organizations. Those recommendations must include, without limitation, recommendations for the use of such funds for the purposes of:

(1) Developing innovative partnerships with community development organizations and providers of housing services; and

(2) Supporting the initiatives of local governments in the county to address homelessness ~~[]~~ *and to provide sustainable medication and prescription drug services, alcohol or drug intervention or rehabilitation services, and emergency and supportive housing.* ~~issues and social determinants of health.~~

2. On or before December 31 of each year, a reinvestment advisory committee shall:

(a) Compile a report concerning:

(1) The uses of funds reinvested by Medicaid managed care organizations in the communities served by those Medicaid managed care organizations, including, without limitation, efforts to address homelessness ~~[, disparities in health care and social determinants of health;]~~ *and to provide sustainable medication and prescription drug services, alcohol or drug intervention or rehabilitation services, and emergency and supportive housing;* and

(2) The activities of the reinvestment advisory committee during the calendar year, including, without limitation, the recommendations made by the reinvestment advisory committee pursuant to paragraph (c) of subsection 1.

(b) Submit the report to:

(1) The Director of the Legislative Counsel Bureau for transmittal to:

(I) In odd-numbered years, the Joint Interim Standing Committee on Health and Human Services; and

(II) In even-numbered years, the next regular session of the Legislature.

(2) The Director of the Department.

3. As used in this section, "Medicaid managed care organization" means a managed care organization that provides health care services to recipients of Medicaid who reside in the county for which a reinvestment advisory committee is established.



Sec. 2. NRS 422.273 is hereby amended to read as follows:

422.273 1. For any Medicaid managed care program established in the State of Nevada, the Department shall contract only with a health maintenance organization that has:

(a) Negotiated in good faith with a federally-qualified health center to provide health care services for the health maintenance organization;

(b) Negotiated in good faith with the University Medical Center of Southern Nevada to provide inpatient and ambulatory services to recipients of Medicaid; and

(c) Negotiated in good faith with the University of Nevada School of Medicine to provide health care services to recipients of Medicaid.

➤ Nothing in this section shall be construed as exempting a federally-qualified health center, the University Medical Center of Southern Nevada or the University of Nevada School of Medicine from the requirements for contracting with the health maintenance organization.

2. During the development and implementation of any Medicaid managed care program, the Department shall cooperate with the University of Nevada School of Medicine by assisting in the provision of an adequate and diverse group of patients upon which the school may base its educational programs.

3. The University of Nevada School of Medicine may establish a nonprofit organization to assist in any research necessary for the development of a Medicaid managed care program, receive and accept gifts, grants and donations to support such a program and assist in establishing educational services about the program for recipients of Medicaid.

4. For the purpose of contracting with a Medicaid managed care program pursuant to this section, a health maintenance organization is exempt from the provisions of NRS 695C.123.

5. The provisions of this section apply to any managed care organization, including a health maintenance organization, that provides health care services to recipients of Medicaid under the State Plan for Medicaid or the Children's Health Insurance Program pursuant to a contract with the Division. Such a managed care organization or health maintenance organization is not required to establish a system for conducting external reviews of adverse determinations in accordance with chapter 695B, 695C or 695G of NRS. This subsection does not exempt such a managed care organization or health maintenance organization for services provided pursuant to any other contract.

6. *Each contract entered into by the Department with a health maintenance organization to provide health care services to*



recipients of Medicaid in all geographic areas of this State shall include a requirement for the health maintenance organization to reinvest a percentage of the annual profits of the health maintenance organization in programs and initiatives to address homelessness and to provide sustainable medication and prescription drug services, alcohol or drug intervention or rehabilitation services, and emergency and supportive housing in the local communities in which the health maintenance organization operates.

7. As used in this section, unless the context otherwise requires:

(a) "Federally-qualified health center" has the meaning ascribed to it in 42 U.S.C. § 1396d(l)(2)(B).

(b) "Health maintenance organization" has the meaning ascribed to it in NRS 695C.030.

(c) "Managed care organization" has the meaning ascribed to it in NRS 695G.050.

Sec. 3. NRS 422.273 is hereby amended to read as follows:

422.273 1. To the extent that money is available, the Department shall:

(a) Establish a Medicaid managed care program to provide health care services to recipients of Medicaid in all geographic areas of this State. The program is not required to provide services to recipients of Medicaid who are aged, blind or disabled pursuant to Title XVI of the Social Security Act, 42 U.S.C. §§ 1381 et seq.

(b) Conduct a statewide procurement process to select health maintenance organizations to provide the services described in paragraph (a).

2. For any Medicaid managed care program established in the State of Nevada, the Department shall contract only with a health maintenance organization that has:

(a) Negotiated in good faith with a federally-qualified health center to provide health care services for the health maintenance organization;

(b) Negotiated in good faith with the University Medical Center of Southern Nevada to provide inpatient and ambulatory services to recipients of Medicaid;

(c) Negotiated in good faith with the University of Nevada School of Medicine to provide health care services to recipients of Medicaid; and

(d) Complied with the provisions of subsection 2 of NRS 695K.220.

Nothing in this section shall be construed as exempting a federally-qualified health center, the University Medical Center of Southern Nevada or the University of Nevada School of Medicine



1 from the requirements for contracting with the health maintenance
2 organization.

3 3. During the development and implementation of any
4 Medicaid managed care program, the Department shall cooperate
5 with the University of Nevada School of Medicine by assisting in
6 the provision of an adequate and diverse group of patients upon
7 which the school may base its educational programs.

8 4. The University of Nevada School of Medicine may establish
9 a nonprofit organization to assist in any research necessary for the
10 development of a Medicaid managed care program, receive and
11 accept gifts, grants and donations to support such a program and
12 assist in establishing educational services about the program for
13 recipients of Medicaid.

14 5. For the purpose of contracting with a Medicaid managed
15 care program pursuant to this section, a health maintenance
16 organization is exempt from the provisions of NRS 695C.123.

17 6. To the extent that money is available, a Medicaid managed
18 care program must include, without limitation, a state-directed
19 payment arrangement established in accordance with 42 C.F.R. §
20 438.6(c) to require a Medicaid managed care organization to
21 reimburse a critical access hospital and any federally-qualified
22 health center or rural health clinic affiliated with a critical access
23 hospital for covered services at a rate that is equal to or greater than
24 the rate received by the critical access hospital, federally-qualified
25 health center or rural health clinic, as applicable, for services
26 provided to recipients of Medicaid on a fee-for-service basis.

27 7. The provisions of this section apply to any managed care
28 organization, including a health maintenance organization, that
29 provides health care services to recipients of Medicaid under the
30 State Plan for Medicaid or the Children's Health Insurance Program
31 pursuant to a contract with the Division. Such a managed care
32 organization or health maintenance organization is not required to
33 establish a system for conducting external reviews of adverse
34 determinations in accordance with chapter 695B, 695C or 695G of
35 NRS. This subsection does not exempt such a managed care
36 organization or health maintenance organization for services
37 provided pursuant to any other contract.

38 8. *Each contract entered into by the Department with a*
39 *health maintenance organization to provide the services described*
40 *in paragraph (a) of subsection 1 shall include a requirement for*
41 *the health maintenance organization to reinvest a percentage of*
42 *the annual profits of the health maintenance organization in*
43 *programs and initiatives to address homelessness and to provide*
44 *sustainable medication and prescription drug services, alcohol or*
45 *drug intervention or rehabilitation services, and emergency and*



supportive housing in the local communities in which the health maintenance organization operates.

9. As used in this section, unless the context otherwise requires:

(a) "Critical access hospital" means a hospital which has been certified as a critical access hospital by the Secretary of Health and Human Services pursuant to 42 U.S.C. § 1395i-4(e).

(b) "Federally-qualified health center" has the meaning ascribed to it in 42 U.S.C. § 1396d(1)(2)(B).

(c) "Health maintenance organization" has the meaning ascribed to it in NRS 695C.030.

(d) "Managed care organization" has the meaning ascribed to it in NRS 695G.050.

(e) "Rural health clinic" has the meaning ascribed to it in 42 C.F.R. § 405.2401.

Sec. 3.3. Chapter 439 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each Continuum of Care in this State shall establish a fiscal working group to consist of not more than seven members appointed by the governing board of the Continuum of Care and which must include:

(a) *A representative from each incorporated city in the service area of the Continuum of Care or, if there are more than three incorporated cities within the service area of the Continuum of Care, a representative from each of the three largest incorporated cities in the service area of the Continuum of Care;*

(b) *A person who represents a county within the service area of the Continuum of Care;*

(c) *A person who represents law enforcement in the service area of the Continuum of Care;*

(d) *A person selected from a list of nominees provided by the Nevada Resort Association who resides in the service area of the Continuum of Care; and*

(e) *A representative of a nonprofit organization that provides services to persons who are homeless in the service area of the Continuum of Care.*

2. The fiscal working group established pursuant to this section shall direct the use of any money allocated to the Continuum of Care pursuant to NRS 463.320. The money transmitted to the Continuum of Care pursuant to NRS 463.320 must be used exclusively to fund:

(a) *Services for persons released from prison or a county, city or town jail or detention facility including, without limitation, sustainable medication and prescription drug services, alcohol or*



1 *drug intervention or rehabilitation services, and emergency and*
2 *supportive housing.*

3 *(b) Services for persons leaving emergency shelters, including,*
4 *without limitation, sustainable medication and prescription drug*
5 *services, alcohol or drug intervention or rehabilitation services,*
6 *and emergency and supportive housing.*

7 *(c) Services for persons leaving acute care settings, mental*
8 *health care facilities, drug and alcohol rehabilitation facilities, or*
9 *transitional housing.*

10 *(d) Emergency and supportive housing services, including,*
11 *without limitation, the acquisition and rehabilitation of properties*
12 *suitable for conversion to supportive housing.*

13 *3. A fiscal working group created by a Continuum of Care*
14 *which has a service area that includes a city whose population is*
15 *500,000 or more shall:*

16 *(a) From the money allocated to the Continuum of Care*
17 *pursuant to NRS 463.320:*

18 *(1) In Fiscal Year 2023-2024, direct not less than*
19 *\$9,000,000 to such a city to be used for programs to address*
20 *homelessness in the city; and*

21 *(2) In each fiscal year after Fiscal Year 2023-2024, direct*
22 *not less than \$2,500,000 to such a city to be used for programs to*
23 *address homelessness in the city.*

24 *4. A city in the service area of a Continuum of Care described*
25 *in subsection 3 whose population is 150,000 or more but less than*
26 *500,000 shall transmit to the Continuum of Care not less than*
27 *\$2,000,000 each fiscal year from money available for that purpose*
28 *to be used for programs to address homelessness in the service*
29 *area of the Continuum of Care.*

30 *5. A Continuum of Care may enter into an agreement with a*
31 *federally-qualified health center to provide services described in*
32 *paragraphs (a), (b) and (c) of subsection 2.*

33 *6. On or before September 30 of each year, each fiscal*
34 *working group shall submit to the governing board of the*
35 *Continuum of Care and the Interim Finance Committee a report*
36 *detailing the use of the money allocated to the Continuum of Care*
37 *pursuant to NRS 463.320 and the status of any programs or*
38 *services funded using such money.*

39 *7. Any money allocated to a Continuum of Care pursuant to*
40 *NRS 463.320 and any funding allocated by a fiscal working group*
41 *to any person must not supplant, replace, offset or otherwise*
42 *reduce funding for programs to address homelessness.*

43 *8. As used in this section, "Continuum of Care" has the*
44 *meaning ascribed to it in 24 C.F.R. § 578.3.*



Sec. 3.7. NRS 463.320 is hereby amended to read as follows:

463.320 1. All gaming license fees imposed by the provisions of NRS 463.370, 463.373 to 463.383, inclusive, and 463.3855 must be collected and disposed of as provided in this section.

2. All state gaming license fees and penalties must be collected by the Commission and paid over immediately to the State Treasurer to be disposed of as follows:

(a) Except as otherwise provided in paragraphs (c) , ~~and~~ (d) ~~and~~ **and (e)**, all state gaming license fees and penalties other than the license fees imposed by the provisions of NRS 463.380 must be deposited for credit to the State General Fund.

(b) All state gaming license fees imposed by the provisions of NRS 463.380 must, after deduction of costs of administration and collection, be divided equally among the various counties and transmitted to the respective county treasurers. Such fees, except as otherwise provided in this section, must be deposited by the county treasurer in the county general fund and be expended for county purposes. If the board of county commissioners desires to apportion and allocate all or a portion of such fees to one or more cities or towns within the county, the board of county commissioners shall, annually, before the preparation of the city or town budget or budgets as required by chapter 354 of NRS, adopt a resolution so apportioning and allocating a percentage of such fees anticipated to be received during the coming fiscal year to such city or cities or town or towns for the next fiscal year commencing July 1. After the adoption of the resolution, the percentage so apportioned and allocated must be converted to a dollar figure and included in the city or town budget or budgets as an estimated receipt for the next fiscal year. Quarterly, upon receipt of the money from the State, the county treasurer shall deposit an amount of money equal to the percentage so apportioned and allocated to the credit of the city or town fund to be used for city or town purposes, and the balance remaining must be deposited in the county general fund and must be expended for county purposes.

(c) One twenty-fifth of the license fee imposed by the provisions of NRS 463.370 on gross revenue which exceeds \$134,000 per calendar month that is paid pursuant to subsection 2 of NRS 464.045 by persons licensed to conduct off-track pari-mutuel wagering must, after the deduction of costs of administration and collection, be allocated pro rata among the counties in this State whose population is less than 100,000 in which on-track pari-mutuel wagering is conducted. The allocation must be based upon the amounts paid from each such county pursuant to subsection 2 of NRS 466.125 and transmitted to the respective county treasurers. Money received by a county treasurer pursuant to this paragraph



1 must be deposited in the county general fund and expended to
2 augment any stakes, purses or rewards which are offered with
3 respect to horse races conducted in that county by a state fair
4 association, agricultural society or county fair and recreation board.

5 (d) Ten percent of the amount of the license fee imposed by the
6 provisions of NRS 463.370 that is paid pursuant to subsection 2 of
7 NRS 464.045 by persons licensed to conduct off-track pari-mutuel
8 wagering which exceeds \$5,036,938 per calendar year must, after
9 the deduction of costs of administration and collection, be allocated
10 pro rata among the counties in this State whose population is less
11 than 100,000 in which on-track pari-mutuel wagering is conducted.
12 The allocation must be based upon the amounts paid from each such
13 county pursuant to subsection 2 of NRS 466.125 and must be
14 transmitted to the respective county treasurers as provided in this
15 paragraph. On March 1 of each year, the Board shall calculate the
16 amount of money to be allocated to the respective county treasurers
17 and notify the State Treasurer of the appropriate amount of each
18 allocation. The State Treasurer shall transfer the money to the
19 respective county treasurers. Money received by a county treasurer
20 pursuant to this paragraph must be deposited in the county general
21 fund and expended to augment any stakes, purses or rewards which
22 are offered with respect to horse races conducted in that county by a
23 state fair association, agricultural society or county fair and
24 recreation board.

25 *(e) Fifteen hundredths of the license fee imposed by the*
26 *provisions of NRS 463.370 on gross revenue which exceeds*
27 *\$134,000 per calendar month must, after the deduction of costs of*
28 *administration and collection, be transmitted to the Continuums of*
29 *Care in this State in proportion to the population of the service*
30 *area of each Continuum of Care.*

31 **Sec. 4.** (Deleted by amendment.)

32 **Sec. 5.** (Deleted by amendment.)

33 **Sec. 6.** (Deleted by amendment.)

34 **Sec. 7.** (Deleted by amendment.)

35 **Sec. 8.** The amendatory provisions of sections 1, 2 and 3 of
36 this act do not apply during the current term of any agreement
37 entered into between the Department of Health and Human Services
38 and a health maintenance organization pursuant to NRS 422.273
39 before January 1, 2024, but do apply to any extension or renewal of
40 such an agreement and to any agreement entered into between the
41 Department of Health and Human Services and a health
42 maintenance organization pursuant to NRS 422.273 on or after
43 January 1, 2024.

44 **Sec. 9.** (Deleted by amendment.)



Sec. 10. 1. This section becomes effective upon passage and approval.

2. Sections 3.3 and 3.7 of this bill become effective on July 1, 2023.

3. Sections 1, 2 and 8 of this act become effective on January 1, 2024.

4. Section 3 of this act becomes effective on January 1, 2026.

5. Sections 4 to 7, inclusive, and 9 of this act becomes effective on July 1, 2027.

6. The amendatory provisions of section 2 of this act expire by limitation on December 31, 2025.

