

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 the Department to establish the Fiscal Advisory Committee for a Flexible Continuum of Care Plan; making appropriations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Department of Health and Human Services, to the extent that money is available, to: (1) establish a Medicaid managed care program to provide health care services to recipients of Medicaid in all geographic areas of this State; and (2) conduct a statewide procurement process to select health maintenance organizations to provide the health care services. (NRS 422.273) **Sections 2 and 3** of this bill require each contract entered into by the Department with a health maintenance organization to provide such services to 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 services, alcohol or drug intervention or rehabilitation services and emergency and



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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) **Section 3.3** of this bill: (1) requires the Department to establish the Fiscal Advisory Committee for a Flexible Continuum of Care Plan; (2) authorizes the Department to make grants of money to the Advisory Committee to fund certain services; and (3) requires the Advisory Committee to prepare an annual report. **Section 3.3** requires a city whose population is 150,000 or more but less than 500,000 to transmit not less than \$2,000,000 to the Department each fiscal year for allocation to the Advisory Committee to fund programs to address homelessness in the service area of the Continuum of Care in which the city is located. **Section 3.3** requires the Department to assist the Advisory Committee to enter into service agreements with federally-qualified health centers.

Sections 7.1-7.9 of this bill make appropriations to the Department for allocation to the Advisory Committee to carry out the provisions of **section 3.3**.

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 ~~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 from the requirements for contracting with the health maintenance organization.

3. During the development and implementation of any Medicaid managed care program, the Department shall cooperate



1 with the University of Nevada School of Medicine by assisting in
2 the provision of an adequate and diverse group of patients upon
3 which the school may base its educational programs.

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

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

13 6. To the extent that money is available, a Medicaid managed
14 care program must include, without limitation, a state-directed
15 payment arrangement established in accordance with 42 C.F.R. §
16 438.6(c) to require a Medicaid managed care organization to
17 reimburse a critical access hospital and any federally-qualified
18 health center or rural health clinic affiliated with a critical access
19 hospital for covered services at a rate that is equal to or greater than
20 the rate received by the critical access hospital, federally-qualified
21 health center or rural health clinic, as applicable, for services
22 provided to recipients of Medicaid on a fee-for-service basis.

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

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

44 9. As used in this section, unless the context otherwise
45 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(l)(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. The Department shall establish the Fiscal Advisory Committee for a Flexible Continuum of Care Plan which consists of the following members appointed by the Director of the Department:

(a) A representative from the largest incorporated city in the service area of each Continuum of Care in this State, who must also reside in the service area of the Continuum of Care in which the city he or she represents is located;

(b) A person who represents a county in this State;

(c) A person who represents law enforcement;

(d) A person selected from a list of nominees provided by the Nevada Resort Association; and

(e) A representative of a nonprofit organization that provides services to persons who are homeless.

2. To the extent practicable, each member appointed pursuant to paragraphs (a), (b), (c) and (e) of subsection 1 must be selected from a list of nominees provided by a Continuum of Care in this State. Except as otherwise provided in this subsection and subsection 1, each Continuum of Care in this State shall submit a list of nominees to fill any vacancy on the Advisory Committee. Each member appointed pursuant to paragraph (a) of subsection 1 must be selected from a list of nominees provided by the Continuum of Care whose service area includes the city which the member represents.

3. Each member of the Advisory Committee serves a term of 2 years. Members may be reappointed for additional terms of 2 years in the same manner as the original appointments. Any vacancy occurring in the membership of the Advisory Committee must be filled in the same manner as the original appointment.

4. The members of the Advisory Committee serve without compensation but are entitled to receive the per diem allowance



1 and travel expenses provided for state officers and employees
2 generally.

3 5. A majority of the members of the Advisory Committee
4 constitutes a quorum for the transaction of business, and a
5 majority of a quorum present at any meeting is sufficient for any
6 official action taken by the Advisory Committee.

7 6. A member of the Advisory Committee who is an officer or
8 employee of this State or a political subdivision of this State must
9 be relieved from his or her duties without loss of regular
10 compensation to prepare for and attend meetings of the Advisory
11 Committee and perform any work necessary to carry out the duties
12 of the Advisory Committee in the most timely manner practicable.
13 A state agency or political subdivision of this State shall not
14 require an officer or employee who is a member of the Advisory
15 Committee to:

16 (a) Make up the time he or she is absent from work to carry
17 out his or her duties as a member of the Advisory Committee; or

18 (b) Take annual leave or compensatory time for the absence.

19 7. At its first meeting and annually thereafter, the Advisory
20 Committee shall elect a Chair from among its members.

21 8. To the extent that funding is available for that purpose,
22 and upon application by the Advisory Committee in such form as
23 the Department may require, the Department may make grants to
24 the Advisory Committee to fund:

25 (a) Services for persons released from prison or a county, city
26 or town jail or detention facility including, without limitation,
27 sustainable medication and prescription drug services, alcohol or
28 drug intervention or rehabilitation services, and emergency and
29 supportive housing.

30 (b) Services for persons leaving emergency shelters, including,
31 without limitation, sustainable medication and prescription drug
32 services, alcohol or drug intervention or rehabilitation services,
33 and emergency and supportive housing.

34 (c) Services for persons leaving acute care settings, mental
35 health care facilities, drug and alcohol rehabilitation facilities, or
36 transitional housing.

37 (d) Emergency and supportive housing services, including,
38 without limitation, the acquisition and rehabilitation of properties
39 suitable for conversion to supportive housing.

40 9. A city in this State whose population is 150,000 or more
41 but less than 500,000 shall transmit to the Department not less
42 than \$2,000,000 each fiscal year from money available for that
43 purpose for allocation to the Advisory Committee to fund
44 programs to address homelessness in the service area of the
45 Continuum of Care in which the city is located.



10. *The Department shall assist the Advisory Committee to enter into an agreement with a federally-qualified health center to provide services described in paragraphs (a), (b) and (c) of subsection 8.*

11. *On or before September 30 of each year, the Advisory Committee shall submit to the governing board of the Continuum of Care, the Department and the Interim Finance Committee a report detailing the use of any grant of money received from the Department pursuant to subsection 8 and the status of any programs or services funded using such money.*

12. *Any grant of money made to the Advisory Committee and any funding allocated by the Advisory Committee to any person must not supplant, replace, offset or otherwise reduce funding for programs to address homelessness.*

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

Sec. 3.7. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 7.1. There is hereby appropriated from the State General Fund to the Department of Health and Human Services the sum of \$17,000,000:

1. For allocation to Fiscal Advisory Committee for a Flexible Continuum of Care Plan established pursuant to section 3.3 of this act to fund the services described in subsection 8 of section 3.3 of this act; or

2. To satisfy matching requirements for federal grants to fund the services described in subsection 8 of section 3.3 of this act.

Sec. 7.3. There is hereby appropriated from the State General Fund to the Department of Health and Human Services the sum of \$1,000,000 for allocation to the Fiscal Advisory Committee for a Flexible Continuum of Care Plan established pursuant to section 3.3 of this act to match an equal amount of money provided by local governments in the service area of the Northern Nevada Continuum of Care to fund the services described in subsection 8 of section 3.3 of this act in the service area of the Northern Nevada Continuum of Care.

Sec. 7.5. There is hereby appropriated from the State General Fund to the Department of Health and Human Services the sum of \$1,000,000 for allocation to the Fiscal Advisory Committee for a Flexible Continuum of Care Plan established pursuant to section 3.3 of this act to match an equal amount of money provided by local governments in the service area of the Rural Nevada Continuum of



Care to fund the services described in subsection 8 of section 3.3 of this act in the service area of the Rural Nevada Continuum of Care.

Sec. 7.7. Any remaining balance of the appropriations made by sections 7.1, 7.3 and 7.5 of this act must not be committed for expenditure after June 30, 2025, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2025, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2025.

Sec. 7.9. 1. There is hereby appropriated from the State General Fund to the Department of Health and Human Services for allocation to the Fiscal Advisory Committee for a Flexible Continuum of Care Plan established pursuant to section 3.3 of this act to address homelessness in the city of Las Vegas the following sums:

For the Fiscal Year 2023-2024..... \$9,000,000

For the Fiscal Year 2024-2025..... \$1,000,000

2. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years must not be committed for expenditure after June 30 of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 20, 2024, and September 19, 2025, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 20, 2024, and September 19, 2025, respectively.

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

Sec. 9. (Deleted by amendment.)

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



- 1 2. Sections 3.3, 3.7 and 7.1 to 7.9, inclusive, of this act become
2 effective on July 1, 2023.
- 3 3. Sections 1, 2 and 8 of this act become effective on
4 January 1, 2024.
- 5 4. Section 3 of this act becomes effective on January 1, 2026.
- 6 5. Sections 4 to 7, inclusive, and 9 of this act become effective
7 on July 1, 2027.
- 8 6. The amendatory provisions of section 2 of this act expire by
9 limitation on December 31, 2025.

