

ASSEMBLY BILL NO. 374—ASSEMBLYMEN SPRINKLE, FRIERSON, ARAUJO, CARLTON, COHEN; ELLIOT ANDERSON, BENITEZ-THOMPSON, BILBRAY-AXELROD, BROOKS, BUSTAMANTE ADAMS, CARRILLO, DALY, DIAZ, FLORES, FUMO, JAUREGUI, JOINER, MCCURDY II, MILLER, NEAL, OHRENSCHALL, SPIEGEL, SWANK, THOMPSON, WATKINS AND YEAGER

MARCH 20, 2017

Referred to Committee on Health and Human Services

SUMMARY—Requires the Department of Health and Human Services, if authorized by federal law, to establish a health care plan within Medicaid for purchase by persons who are not otherwise eligible for Medicaid. (BDR 38-881)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to health care; requiring the Department of Health and Human Services, if authorized by federal law, to establish a health care plan within Medicaid which is available for purchase by certain persons; requiring the Director of the Department to seek any necessary waivers from the Federal Government to establish such a plan and to provide certain incentives to persons who purchase coverage through such a plan; including the Nevada Care Plan within the qualified health plans that are available through the Silver State Health Insurance Exchange; making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 The Patient Protection and Affordable Care Act (Public Law 111-148, as  
2 amended) provides a refundable federal income tax credit and cost-sharing  
3 reductions to certain eligible persons who earn not more than 400 percent of the  
4 federally designated poverty level in order to offset the cost of certain health care  
5 plan premiums. (26 U.S.C. § 36B, 42 U.S.C. § 18071; 45 C.F.R. § 155.305) The



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6 Act further requires that such credits and cost-sharing reductions only be made  
7 available to purchase health insurance which is offered on a state health insurance  
8 exchange, which includes, without limitation, the Silver State Health Insurance  
9 Exchange established by this State in 2011. (26 U.S.C. § 36B, 42 U.S.C. § 18071;  
10 NRS 695I.200) Existing federal law authorizes the Secretary of the United States  
11 Department of Health and Human Services to waive certain Medicaid requirements  
12 or provisions of the Act to promote state health care innovation. (42 U.S.C. §§  
13 1315, 18052)

14 Existing federal law states that the purpose of the Medicaid program is to  
15 promote access to health insurance for certain low-income persons. (42 U.S.C. §  
16 1396) Existing law authorizes this State to enroll Medicaid recipients in a managed  
17 care program provided by a health maintenance organization pursuant to a contract  
18 with the Nevada Department of Health and Human Services. (42 U.S.C. § 1396u-2;  
19 NRS 422.273) Existing federal law also authorizes a state to receive its Federal  
20 Medical Assistance Percentage (FMAP) allotment of money from the Federal  
21 Government to reimburse providers of health care for medical services which are  
22 provided as part of a managed care program. (42 U.S.C. §§ 1396d, 1396u-2)  
23 Existing law requires this State to develop a State Plan for Medicaid which  
24 includes, without limitation, a list of the medical services provided to Medicaid  
25 recipients. (42 U.S.C. § 1396a; NRS 422.063) Existing law also prohibits a state  
26 from using FMAP or other federal Medicaid money to reimburse a provider of  
27 health care for medical services which are provided to a person who earns more  
28 than 138 percent of the federally designated poverty level or for other expenses  
29 which are unrelated to the administration of Medicaid. (42 U.S.C. §§ 1396a,  
30 1396b(a)(7); 42 C.F.R. 433.15(b))

31 **Section 2** of this bill requires the Director of the Nevada Department of Health  
32 and Human Services to seek any necessary waiver of certain provisions of federal  
33 law to allow the Nevada Care Plan, if established pursuant to **section 3** of this bill,  
34 to be offered by certain insurers or for purchase through the Silver State Health  
35 Insurance Exchange to persons who are otherwise ineligible for Medicaid.  
36 Additionally, **section 2** requires the Director to seek any necessary federal waiver  
37 to allow persons to use the federal income tax credits and cost-sharing reductions  
38 authorized by the Act to purchase coverage through the Nevada Care Plan. **Section**  
39 **5** of this bill revises the definition of “qualified health plan” to include the Nevada  
40 Care Plan so that it may be offered for purchase in the same manner as other health  
41 plans through the Silver State Health Insurance Exchange, if established.

42 **Section 3** of this bill requires the Department, to the extent allowed by federal  
43 law, to establish the Nevada Care Plan within Medicaid and make coverage through  
44 the Plan available for purchase to any person who is not otherwise eligible for  
45 Medicaid. **Section 3** further requires the benefits offered by the Nevada Care Plan  
46 to be the same as those provided to Medicaid recipients who do not participate in  
47 the Medicaid managed care program, except that transportation services that are  
48 provided when there is not an emergency are not required to be covered.

49 **Section 5.5** of this bill makes an appropriation to the Division of Health Care  
50 Financing and Policy of the Department for costs associated with establishing and  
51 administering the Nevada Care Plan.



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

1       **Section 1.** Chapter 422 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 and 3 of this act.

3       **Sec. 2.** *The Director shall apply to the Secretary of the*  
4 *United States Department of Health and Human Services for any*  
5 *necessary waiver pursuant to 42 U.S.C. § 1315 or § 18052, as*  
6 *applicable, to:*

7       1. *Allow the Director to enter into a contract with one or*  
8 *more insurers to provide coverage to persons who enroll in the*  
9 *Nevada Care Plan established pursuant to section 3 of this act and*  
10 *which may be made available for purchase through the Silver*  
11 *State Health Insurance Exchange established by NRS 695I.200;*  
12 *and*

13       2. *Allow a person who is determined eligible for advance*  
14 *payments of the premium tax credit and cost-sharing reductions*  
15 *pursuant to 45 C.F.R. § 155.305 to use such credits and reductions*  
16 *to purchase coverage through the Nevada Care Plan.*

17       **Sec. 3.** 1. *To the extent allowed by federal law, the Director*  
18 *shall establish the Nevada Care Plan within Medicaid and make*  
19 *coverage available for purchase through the Plan to any person*  
20 *who is not otherwise eligible for Medicaid.*

21       2. *The coverage provided to a person who enrolls in the*  
22 *Nevada Care Plan must be the same as the coverage provided to*  
23 *recipients of Medicaid who do not participate in a Medicaid*  
24 *managed care program, except that transportation services that*  
25 *are provided when there is not an emergency, including, without*  
26 *limitation, pursuant to NRS 422.27495, are not required to be*  
27 *included in such coverage.*

28       3. *If the Secretary of the United States Department of Health*  
29 *and Human Services grants any necessary waiver described in*  
30 *section 2 of this act:*

31       (a) *The Director may enter into a contract with one or more*  
32 *providers of insurance to provide the coverage described in this*  
33 *section to persons who enroll in the Nevada Care Plan; and*

34       (b) *May make the Nevada Care Plan available for purchase*  
35 *through the Silver State Health Insurance Exchange established*  
36 *by NRS 695I.200.*

37       4. *The Director shall, in consultation with the Commissioner*  
38 *of Insurance and the Executive Director of the Silver State Health*  
39 *Insurance Exchange, adopt such regulations as necessary to carry*  
40 *out the provisions of this section.*

41       5. *As used in this section, "provider of insurance" has the*  
42 *meaning ascribed to it in NRS 679A.118.*



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

2     **Sec. 5.** NRS 695I.080 is hereby amended to read as follows:

3     695I.080 Except as otherwise provided in NRS 695I.370,  
4     “qualified health plan” ~~has the meaning ascribed to it in~~ **means:**

5     **1. A health plan which meets the requirements of** § 1301 of  
6     the Federal Act ~~H~~; **or**

7     **2. The Nevada Care Plan if established pursuant to section 3**  
8     **of this act.**

9     **Sec. 5.5.** 1. There is hereby appropriated from the State  
10    General Fund to the Division of Health Care Financing and Policy  
11    of the Department of Health and Human Services for the  
12    administrative expenses to establish and administer the Nevada Care  
13    Plan pursuant to sections 2 and 3 of this act the following sums:

14        For the Fiscal Year 2017-2018..... \$89,540

15        For the Fiscal Year 2018-2019..... \$89,540

16    2. Any balance of the sums appropriated by subsection 1  
17    remaining at the end of the respective fiscal years must not be  
18    committed for expenditure after June 30 of the respective fiscal  
19    years by the entity to which the appropriation is made or any entity  
20    to which money from the appropriation is granted or otherwise  
21    transferred in any manner, and any portion of appropriated money  
22    remaining must not be spent for any purpose after September 21,  
23    2018, and September 20, 2019, respectively, by either the entity to  
24    which the money was appropriated or the entity to which the money  
25    was subsequently granted or transferred, and must be reverted to the  
26    State General Fund on or before September 21, 2018, and  
27    September 20, 2019, respectively.

28    **Sec. 6.** 1. This section and sections 1 and 2 of this act  
29    become effective upon passage and approval.

30    2. Section 5.5 of this act becomes effective on July 1, 2017.

31    3. Sections 3, 4 and 5 of this act become effective upon  
32    passage and approval for the purpose of adopting regulations and  
33    performing any other preparatory administrative tasks that are  
34    necessary to carry out the provisions of this act and on January 1,  
35    2019, for all other purposes.

