

SENATE BILL NO. 4—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE AGING AND DISABILITY
SERVICES DIVISION OF THE DEPARTMENT OF
HEALTH AND HUMAN SERVICES)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing certain programs to pay for prescription drugs, pharmaceutical services and other benefits. (BDR 40-220)

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 public health; revising provisions governing the use of certain proceeds of litigation against manufacturers of tobacco products to pay for prescription drugs, pharmaceutical services and other benefits; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law creates the Fund for a Healthy Nevada and requires the State
2 Treasurer to deposit into the Fund a portion of any proceeds that the State of
3 Nevada receives from settlement agreements with and civil actions against
4 manufacturers of tobacco products. (NRS 439.620) Existing law requires the
5 Department of Health and Human Services to allocate money in the Fund for
6 certain purposes, including, without limitation and subject to legislative
7 authorization, for direct expenditure by the Department to pay for prescription
8 drugs, pharmaceutical services and other benefits for senior citizens and persons
9 with disabilities. Existing law also authorizes the Department to use such allocated
10 money to subsidize these costs for senior citizens and persons with disabilities.
11 (NRS 439.630) Existing law establishes the procedure for allocating and revoking
12 such subsidies. (NRS 439.635-439.690) Existing law requires the Department to
13 submit a quarterly report to the Governor and certain other entities regarding the
14 general manner in which these expenditures have been made. (NRS 439.630)

15 **Section 3** of this bill removes: (1) the requirement that such money must be
16 directly expended by the Department; and (2) the limitation that such money must
17 be used only to pay for benefits for senior citizens and persons with disabilities.



18 **Section 3** instead authorizes the Department to allocate money to provide grants
19 and enter into contracts or intergovernmental agreements to pay for or subsidize the
20 cost of prescription drugs, pharmaceutical services and other benefits for natural
21 persons who: (1) are residents of Nevada; and (2) meet other criteria for eligibility
22 established by regulation of the Department. **Section 3** also requires the
23 Department to submit the report concerning such expenditures annually rather than
24 quarterly. **Section 4** of this bill repeals the existing provisions governing the direct
25 subsidization of prescription drugs, pharmaceutical services and other benefits for
26 senior citizens and persons with disabilities by the Department. **Sections 1 and 2** of
27 this bill make conforming changes to remove references to the repealed provisions.

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

1 **Section 1.** NRS 439.529 is hereby amended to read as follows:
2 439.529 1. The Department may, to the extent that money is
3 available, administer a program pursuant to 42 U.S.C. §§ 300ff-21
4 et seq. to provide therapeutics to treat certain persons who have
5 been diagnosed with the human immunodeficiency virus and to
6 prevent the serious deterioration of the health of such persons. The
7 program may include the provision of subsidies and pharmaceutical
8 services.

9 2. The Director shall:

10 (a) Establish the criteria for eligibility for participation in the
11 program administered pursuant to this section, which must be in
12 accordance with the provisions of 42 U.S.C. §§ 300ff-21 et seq.; and

13 (b) Prescribe the manner in which the program will be
14 administered and services will be provided.

15 3. The Department may use any other program administered by
16 the Department to facilitate the provision of subsidies and services
17 pursuant to this section . ~~[, including, without limitation, the~~
18 ~~provision of subsidies for pharmaceutical services to senior citizens~~
19 ~~and persons with disabilities pursuant to NRS 439.635 to 439.690,~~
20 ~~inclusive.] If the Department uses another program to facilitate the~~
21 provision of subsidies and services pursuant to this section, the
22 Department shall not commingle the money available to carry out
23 the provisions of this section and the money available to carry out
24 the other program.

25 4. Money available to carry out the provisions of this section
26 must be accounted for separately by the Department.

27 **Sec. 2.** NRS 439.620 is hereby amended to read as follows:

28 439.620 1. The Fund for a Healthy Nevada is hereby created
29 in the State Treasury. The State Treasurer shall deposit in the Fund:

30 (a) Sixty percent of all money received by this State pursuant to
31 any settlement entered into by the State of Nevada and a
32 manufacturer of tobacco products; and



1 (b) Sixty percent of all money recovered by this State from a
2 judgment in a civil action against a manufacturer of tobacco
3 products.

4 2. The State Treasurer shall administer the Fund. As
5 administrator of the Fund, the State Treasurer:

6 (a) Shall maintain the financial records of the Fund;

7 (b) Shall invest the money in the Fund as the money in other
8 state funds is invested;

9 (c) Shall manage any account associated with the Fund;

10 (d) Shall maintain any instruments that evidence investments
11 made with the money in the Fund;

12 (e) May contract with vendors for any good or service that is
13 necessary to carry out the provisions of this section; and

14 (f) May perform any other duties necessary to administer the
15 Fund.

16 3. The interest and income earned on the money in the Fund
17 must, after deducting any applicable charges, be credited to the
18 Fund. All claims against the Fund must be paid as other claims
19 against the State are paid.

20 4. The State Treasurer or the Department may submit to the
21 Interim Finance Committee a request for an allocation for
22 administrative expenses from the Fund pursuant to this section.
23 Except as otherwise limited by this subsection, the Interim Finance
24 Committee may allocate all or part of the money so requested. The
25 annual allocation for administrative expenses from the Fund must:

26 (a) Not exceed 2 percent of the money in the Fund, as calculated
27 pursuant to this subsection, each year to pay the costs incurred by
28 the State Treasurer to administer the Fund; and

29 (b) Not exceed 5 percent of the money in the Fund, as calculated
30 pursuant to this subsection, each year to pay the costs incurred by
31 the Department, including, without limitation, the Aging and
32 Disability Services Division of the Department, to carry out its
33 duties set forth in NRS 439.630 . ~~and to administer the provisions~~
34 ~~of NRS 439.635 to 439.690, inclusive.]~~

35 ↪ For the purposes of this subsection, the amount of money
36 available for allocation to pay for the administrative costs must be
37 calculated at the beginning of each fiscal year based on the total
38 amount of money anticipated by the State Treasurer to be deposited
39 in the Fund during that fiscal year.

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

42 6. All money that is deposited or paid into the Fund is hereby
43 appropriated to be used for any purpose authorized by the
44 Legislature or by the Department for expenditure or allocation in
45 accordance with the provisions of NRS 439.630. Money expended



1 from the Fund must not be used to supplant existing methods of
2 funding that are available to public agencies.

3 **Sec. 3.** NRS 439.630 is hereby amended to read as follows:

4 439.630 1. The Department shall:

5 (a) Conduct, or require the Grants Management Advisory
6 Committee created by NRS 232.383 to conduct, public hearings to
7 accept public testimony from a wide variety of sources and
8 perspectives regarding existing or proposed programs that:

9 (1) Promote public health;

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

12 (3) Reduce or prevent alcohol and other substance use
13 disorders; and

14 (4) Offer other general or specific information on health care
15 in this State.

16 (b) Establish a process to evaluate the health and health needs of
17 the residents of this State and a system to rank the health problems
18 of the residents of this State, including, without limitation, the
19 specific health problems that are endemic to urban and rural
20 communities, and report the results of the evaluation to the Joint
21 Interim Standing Committee on Health and Human Services on an
22 annual basis.

23 (c) Subject to legislative authorization, allocate money ~~for~~
24 ~~direct expenditure by~~ *to* the Department *to provide grants and*
25 *enter into contracts or intergovernmental agreements* to pay for
26 prescription drugs, pharmaceutical services and, to the extent money
27 is available, other benefits, including, without limitation, dental and
28 vision benefits and hearing aids or other devices that enhance the
29 ability to hear, for ~~senior citizens and persons with disabilities~~
30 ~~pursuant to NRS 439.635 to 439.690, inclusive.~~ *natural persons*
31 *who are residents of this State and meet the criteria for eligibility*
32 *established by regulation of the Department.* From the money
33 allocated pursuant to this paragraph, the Department may subsidize
34 any portion of the cost of providing prescription drugs,
35 pharmaceutical services and, to the extent money is available, other
36 benefits, including, without limitation, dental and vision benefits
37 and hearing aids or other devices that enhance the ability to hear, to
38 ~~senior citizens and persons with disabilities pursuant to NRS~~
39 ~~439.635 to 439.690, inclusive.~~ *such natural persons.* The
40 Department shall consider recommendations from the Grants
41 Management Advisory Committee in carrying out the provisions of
42 ~~NRS 439.635 to 439.690, inclusive.~~ *this paragraph.* The
43 Department shall submit ~~a quarterly~~ *an annual* report to the
44 Governor, the Interim Finance Committee, the Joint Interim
45 Standing Committee on Health and Human Services and any other



1 committees or commissions the Director deems appropriate
2 regarding the general manner in which expenditures have been made
3 pursuant to this paragraph.

4 (d) Subject to legislative authorization, allocate, by contract or
5 grant, money for expenditure by the Aging and Disability Services
6 Division of the Department in the form of grants for existing or new
7 programs that assist senior citizens and other specified persons with
8 independent living, including, without limitation, programs that
9 provide:

10 (1) Respite care or relief of informal caretakers, including,
11 without limitation, informal caretakers of any person with
12 Alzheimer's disease or other related dementia regardless of the age
13 of the person;

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

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

18 ➤ The Aging and Disability Services Division of the Department
19 shall consider recommendations from the Grants Management
20 Advisory Committee concerning the independent living needs of
21 senior citizens.

22 (e) Allocate \$200,000 of all revenues deposited in the Fund for a
23 Healthy Nevada each year for direct expenditure by the Director to
24 award competitive grants to finance the establishment or expansion
25 of assisted living facilities that provide services pursuant to the
26 provisions of the home and community-based services waiver which
27 are amended pursuant to NRS 422.3962. The Director shall develop
28 policies and procedures for awarding grants pursuant to this
29 paragraph. If any money allocated pursuant to this paragraph
30 remains after awarding grants to all eligible applicants, the Director
31 must reallocate such money to the Aging and Disability Services
32 Division of the Department to be used for the purposes described in
33 paragraph (d).

34 (f) Subject to legislative authorization, allocate to the Division
35 money for programs that are consistent with the guidelines
36 established by the Centers for Disease Control and Prevention of the
37 United States Department of Health and Human Services relating to
38 evidence-based best practices to prevent, reduce or treat the use of
39 tobacco and the consequences of the use of tobacco. In making
40 allocations pursuant to this paragraph, the Division shall allocate the
41 money, by contract or grant:

42 (1) To the district board of health in each county whose
43 population is 100,000 or more for expenditure for such programs in
44 the respective county;



1 (2) For such programs in counties whose population is less
2 than 100,000; and

3 (3) For statewide programs for tobacco cessation and other
4 statewide services for tobacco cessation and for statewide
5 evaluations of programs which receive an allocation of money
6 pursuant to this paragraph, as determined necessary by the Division
7 and the district boards of health.

8 (g) Subject to legislative authorization, allocate, by contract or
9 grant, money for expenditure for programs that improve the health
10 and well-being of residents of this State, including, without
11 limitation, programs that improve health services for children.

12 (h) Subject to legislative authorization, allocate, by contract or
13 grant, money for expenditure for programs that improve the health
14 and well-being of persons with disabilities. In making allocations
15 pursuant to this paragraph, the Department shall, to the extent
16 practicable, allocate the money evenly among the following three
17 types of programs:

18 (1) Programs that provide respite care or relief of informal
19 caretakers for persons with disabilities;

20 (2) Programs that provide positive behavioral supports to
21 persons with disabilities; and

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

25 (i) Maximize expenditures through local, federal and private
26 matching contributions.

27 (j) Ensure that any money expended from the Fund will not be
28 used to supplant existing methods of funding that are available to
29 public agencies.

30 (k) Develop policies and procedures for the administration and
31 distribution of contracts, grants and other expenditures to state
32 agencies, political subdivisions of this State, nonprofit
33 organizations, universities, state colleges and community colleges.
34 A condition of any such contract or grant must be that not more than
35 8 percent of the contract or grant may be used for administrative
36 expenses or other indirect costs. The procedures must require at
37 least one competitive round of requests for proposals per biennium.

38 (l) To make the allocations required by paragraphs (f), (g) and
39 (h):

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

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

42 (3) Review and consider the recommendations of the Grants

43 Management Advisory Committee submitted pursuant to
44 NRS 232.385;



1 (4) Conduct annual evaluations of programs to which
2 allocations have been awarded; and

3 (5) Submit annual reports concerning the programs to the
4 Governor, the Interim Finance Committee, the Joint Interim
5 Standing Committee on Health and Human Services and any other
6 committees or commissions the Director deems appropriate.

7 (m) Transmit a report of all findings, recommendations and
8 expenditures to the Governor, each regular session of the
9 Legislature, the Joint Interim Standing Committee on Health and
10 Human Services and any other committees or commissions the
11 Director deems appropriate.

12 (n) After considering the recommendations submitted to the
13 Director pursuant to subsection 6, develop a plan each biennium to
14 determine the percentage of available money in the Fund for a
15 Healthy Nevada to be allocated from the Fund for the purposes
16 described in paragraphs (c), (d), (f), (g) and (h). The plan must be
17 submitted as part of the proposed budget submitted to the Chief of
18 the Budget Division of the Office of Finance pursuant to
19 NRS 353.210.

20 (o) On or before September 30 of each even-numbered year,
21 submit to the Grants Management Advisory Committee, the Nevada
22 Commission on Aging created by NRS 427A.032 and the Nevada
23 Commission on Services for Persons with Disabilities created by
24 NRS 427A.1211 a report on the funding plan submitted to the Chief
25 of the Budget Division of the Office of Finance pursuant to
26 paragraph (n).

27 2. The Department may take such other actions as are
28 necessary to carry out its duties.

29 3. To make the allocations required by paragraph (d) of
30 subsection 1, the Aging and Disability Services Division of the
31 Department shall:

32 (a) Prioritize and quantify the needs of senior citizens and other
33 specified persons for these programs;

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

35 (c) As appropriate, expand or augment existing state programs
36 for senior citizens and other specified persons upon approval of the
37 Interim Finance Committee;

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

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

41 (f) Submit annual reports concerning the allocations made by
42 the Aging and Disability Services Division pursuant to paragraph
43 (d) of subsection 1 to the Governor, the Interim Finance Committee,
44 the Joint Interim Standing Committee on Health and Human



1 Services and any other committees or commissions the Director
2 deems appropriate.

3 4. The Aging and Disability Services Division of the
4 Department shall submit each proposed grant or contract which
5 would be used to expand or augment an existing state program to
6 the Interim Finance Committee for approval before the grant or
7 contract is awarded. The request for approval must include a
8 description of the proposed use of the money and the person or
9 entity that would be authorized to expend the money. The Aging
10 and Disability Services Division of the Department shall not expend
11 or transfer any money allocated to the Aging and Disability Services
12 Division pursuant to this section to subsidize any portion of the cost
13 of providing prescription drugs, pharmaceutical services and other
14 benefits, including, without limitation, dental and vision benefits
15 and hearing aids or other devices that enhance the ability to hear ~~to~~
16 ~~to senior citizens or persons with disabilities~~ pursuant to ~~NRS~~
17 ~~439.635 to 439.690, inclusive.~~ *paragraph (c) of subsection 1.*

18 5. A veteran may receive benefits or other services which are
19 available from the money allocated pursuant to this section for
20 senior citizens or persons with disabilities to the extent that the
21 veteran does not receive other benefits or services provided to
22 veterans for the same purpose if the veteran qualifies for the benefits
23 or services as a senior citizen or a person with a disability, or both.

24 6. On or before June 30 of each even-numbered year, the
25 Grants Management Advisory Committee, the Nevada Commission
26 on Aging and the Nevada Commission on Services for Persons with
27 Disabilities each shall submit to the Director a report that includes,
28 without limitation, recommendations regarding community needs
29 and priorities that are determined by each such entity after any
30 public hearings held by the entity.

31 **Sec. 4.** NRS 439.635, 439.648, 439.650, 439.655, 439.660,
32 439.665, 439.670, 439.675, 439.680, 439.685 and 439.690 are
33 hereby repealed.

34 **Sec. 5.** This act becomes effective on July 1, 2023.

LEADLINES OF REPEALED SECTIONS

439.635 Definitions.

439.648 “Person with a disability” defined.

439.650 “Senior citizen” defined.

439.655 Administration: Powers and duties of Department.



439.660 Administration: Cooperation between state and local agencies.

439.665 Contracts to subsidize cost of prescription drugs, pharmaceutical services and other benefits; eligibility for subsidies; waiver of eligibility requirements; coverage provided by Federal Government; authority of Department to change programs; eligibility of veterans for subsidies.

439.670 Request for subsidy; action on request; payment of subsidy.

439.675 Denial of request for subsidy; repayment and deposit of amount received pursuant to fraudulent request.

439.680 Judicial review of decision to deny request for subsidy.

439.685 Revocation of subsidy and payment of restitution.

439.690 Restrictions on use of information contained in request for subsidy.

