

Senate Bill No. 4—Committee on
Health and Human Services

CHAPTER.....

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:

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

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 **Sections 1 and 2** of this bill make conforming changes to remove references to the repealed provisions.

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

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

Section 1. NRS 439.529 is hereby amended to read as follows:
439.529 1. The Department may, to the extent that money is available, administer a program pursuant to 42 U.S.C. §§ 300ff-21 et seq. to provide therapeutics to treat certain persons who have been diagnosed with the human immunodeficiency virus and to



prevent the serious deterioration of the health of such persons. The program may include the provision of subsidies and pharmaceutical services.

2. The Director shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

5. The money in the Fund remains in the Fund and does not 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 be used for any purpose authorized by the Legislature or by the Department for expenditure or allocation in accordance with the provisions of NRS 439.630. Money expended from the Fund must not be used to supplant existing methods of funding that are available to public agencies.

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

439.630 1. The Department shall:

(a) Conduct, or require the Grants Management Advisory Committee created by NRS 232.383 to 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 alcohol and other substance use disorders; and



(4) 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, and report the results of the evaluation to the Joint Interim Standing Committee on Health and Human Services on an annual basis.

(c) Subject to legislative authorization, allocate money ~~for direct expenditure by~~ *to* the Department *to provide grants and enter into contracts or intergovernmental agreements* to pay for prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, for ~~senior citizens and persons with disabilities pursuant to NRS 439.635 to 439.690, inclusive.~~ *natural persons who are residents of this State and meet the criteria for eligibility established by regulation of the Department.* From the money allocated pursuant to this paragraph, the Department may subsidize any portion of the cost of providing prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, to ~~senior citizens and persons with disabilities pursuant to NRS 439.635 to 439.690, inclusive.~~ *such natural persons.* The Department shall consider recommendations from the Grants Management Advisory Committee in carrying out the provisions of ~~NRS 439.635 to 439.690, inclusive.~~ *this paragraph.* The Department shall submit ~~a quarterly~~ *an annual* report to the Governor, the Interim Finance Committee, the Joint Interim Standing Committee on Health and Human Services and any other committees or commissions the Director deems appropriate regarding the general manner in which expenditures have been made pursuant to this paragraph.

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

(1) Respite care or relief of informal caretakers, including, without limitation, informal caretakers of any person with



Alzheimer's disease or other related dementia regardless of the age of the person;

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

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

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

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

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

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

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

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

(g) Subject to legislative authorization, allocate, by contract or grant, money for expenditure for programs that improve the health



and well-being of residents of this State, including, without limitation, programs that improve health services for children.

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

(1) Programs that provide respite care or relief of informal caretakers 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) Maximize expenditures through local, federal and private matching contributions.

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

(k) 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, state colleges 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.

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

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

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

(3) Review and consider the recommendations of the Grants Management Advisory Committee submitted pursuant to NRS 232.385;

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

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

(m) Transmit a report of all findings, recommendations and expenditures to the Governor, each regular session of the



Legislature, the Joint Interim Standing Committee on Health and Human Services and any other committees or commissions the Director deems appropriate.

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

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

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

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

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

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

(c) As appropriate, expand or augment existing state programs for senior citizens and other specified persons 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 allocations made by the Aging and Disability Services Division pursuant to paragraph (d) of subsection 1 to the Governor, the Interim Finance Committee, the Joint Interim Standing Committee on Health and Human Services and any other committees or commissions the Director deems appropriate.

4. The Aging and Disability 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 and Disability Services Division of the Department shall not expend or transfer any money allocated to the Aging and Disability Services Division pursuant to this section to subsidize any portion of the cost of providing prescription drugs, pharmaceutical services and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear ~~[to senior citizens or persons with disabilities]~~ pursuant to ~~[NRS 439.635 to 439.690, inclusive.]~~ *paragraph (c) of subsection 1.*

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

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

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

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

