



**Board of Trustees
for the
Trust Fund for Public Health**

Annual Report

January 2002

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Trust Fund for Public Health Annual Report Executive Summary

During the 1999 session, the Nevada Legislature approved Assembly Bill 474, which determined how the money received by the State of Nevada from the tobacco settlement would be distributed. According to Assembly Bill (AB) 474, ten percent of all tobacco settlement proceeds were allocated to the Trust Fund for Public Health.

The interest and income earned on the money in the Trust Fund was then appropriated to the Board of Trustees for the Trust Fund for Public Health to support projects in three areas: promotion of public health and programs for disease or illness prevention, research on issues related to public health, and provision of direct health care services to children and senior citizens. An eleven-member Board of Trustees was created by the legislation to provide strategic direction for the expenditure of these funds, including the development of guidelines for making annual grant awards.

During the 2001 legislative session, Senate Bill 488 was introduced, proposing securitization of the Master Settlement Agreement (MSA) revenue stream. Although a letter supporting Senate Bill 488 was drafted on behalf of the Board of Trustees, this legislation was not passed. The Board of Trustees plans to request support for securitization for the Trust Fund for Public Health during the next legislative session.

Another bill introduced and passed during the 2001 session was Assembly Bill 378, which made an appropriation to the University and Community College System of Nevada for loans to nursing students. The Board of Trustees did not support this bill. In fact, the Board of Trustees expressed concern regarding legislative appropriation of Trust Fund monies and capitalization on this revenue source because it is outside the scope of the Trust Fund. Members of the Board of Trustees expressed concern that if this continues, the revenue stream generated by the Trust Fund for Public Health could diminish and become unable to fund public health projects in Nevada.

The Health Division enlisted the assistance of the Purchasing Division with the Request For Proposal (RFP) process and helped establish guidelines and procedures for future grant cycles. Based on the three focus areas of the Trust Fund for Public Health, these established guidelines provided parameters in preparing, evaluating, and monitoring the progress of proposed projects.

Thirty-two organizations submitted “letters of intent” requesting over \$2.2 million in funds. Of the organizations expressing interest in funding, 23 submitted proposals. Combined funding requests exceeded \$1.6 million. An evaluation committee scored each application, ultimately recommending seven applicants to the Board of Trustees for further consideration. The applicants appeared at the Board of Trustees’ July 13, 2001 meeting, where final funding approval was made. The total amount allocated to applicants was \$251,000 for the period beginning October 1, 2001 and ending September 30, 2002.

Annual Report for 2001

Overview

The national tobacco settlement refers to the agreement reached on November 23, 1998, by virtually all states and the major tobacco companies in the United States, ending litigation on the issue of the liability of the tobacco companies for damages caused to states by cigarette smoking. Prior to the settlement agreement, each state had filed a complaint in its own state court seeking damages and injunction relief. Under the settlement, tobacco companies did not admit liability but agreed to make certain payments to states and change corporate conduct in exchange for states dismissing lawsuits. Under the present national tobacco settlement agreement, payments to the State of Nevada, and consequently the Trust Fund for Public Health, are anticipated to continue during the next 25 years.

During the 1999 session, the Nevada Legislature approved two bills, Assembly Bill 474 and Senate Bill 496, which determined how the money received by the State of Nevada from the tobacco settlement would be distributed. Following the disbursement of funds for several one-time expenditures, tobacco settlement money received by Nevada was distributed as follows: fifty percent to the Fund for a Healthy Nevada; forty percent to the Millennium Scholarship Program; and ***ten percent to the Trust Fund for Public Health*** (see Distribution Chart, Appendix A).

The State Treasurer's Office is responsible for investing these funds, as it does other state funds. The interest and income earned on the money in the Trust Fund is then appropriated to the Board of Trustees for the Trust Fund for Public Health to support projects in the following areas:

1. Promotion of public health and programs for disease or illness prevention,
2. Research on issues related to public health, and
3. Provision of direct health care services to children and senior citizens.

An eleven-member Board of Trustees (see Board List, Appendix B) was created by the legislation to provide strategic direction for how the funds will be expended, including the development of guidelines for making annual grant awards. The members of the Board of Trustees represent the Nevada State Health Division, State Board of Health, Maternal and Child Health Advisory Board, Commission on Aging, University of Nevada School of Medicine, Nevada Association of Counties, Clark County School District, Washoe and Clark county health districts, and a Governor's appointee with experience providing health care services.

The Nevada State Health Division is responsible for developing and maintaining a mailing list for the Board of Trustees for the Trust Fund for Public Health. This is used to distribute meeting agendas and minutes, and solicit applications for funding. Individuals may access additional information, as well as request to be placed on the mailing list, by visiting the Board of Trustees' site on the Health Division web page, www.health2k.state.nv.us.

Legislative Impact

During the last legislative session, Senate Bill 488 was introduced proposing securitization of the Master Settlement Agreement revenue stream. Nevada anticipates receiving approximately \$1.26 billion over the next twenty-five years; however, this amount is subject to adjustments for inflation and changes in cigarette consumption. According to the State Treasurer's Office, Nevada's April 15, 2000, payment was \$21.8 million; however, that amount is nine percent, or \$2.2 million, below the original projection.

Securitization is the process of issuing bonds to receive up-front value from an asset that is expected to provide cash over a long period of time. Through securitization, the State sells the rights to receive a portion or all of the tobacco settlement revenues to an independent corporation, which issues bonds to pay the purchase price. Investors buy the bonds and set the interest rate based on the likelihood of timely repayment, including a thorough review of ratings, debt service coverage levels, and reserves. According to the State Treasurer's Office, every dollar received from the securitized portion of the settlement will be

used to pay down the debt as quickly as possible, thus tobacco securitization transactions are expected to be repaid in fifteen years.

The proposed legislation discussed the advantages of securitization: the State will not be dependent on tobacco settlement revenues for funding for critical public health programs and investing securitization funds in the broader market will diversify the asset represented by the tobacco settlement. Although a letter was sent on behalf of the Board of Trustees in support of the concept of SB 488, this legislation was not passed.

Another bill introduced during the 2001 Legislative session, AB 378, appropriated funds for loans to nursing students entering the University and Community College System of Nevada (UCCSN). According to AB 378, the appropriation was to equal 25 percent of the available interest earned on the Trust Fund or the sum of \$250,000, whichever was less (see Financial Summary, Appendix C). The Board of Trustees did not support this bill, as it removes money from the Trust Fund, monies originally allocated for community public health projects. The Board of Trustees viewed this as a siege on limited trust funds compared to the other “pots of money” in the tobacco settlement agreement. This bill was signed into law on June 14, 2001. As a result, \$95,819 was appropriated to the UCCSN, however, if these monies are not committed for expenditure after June 30, 2003, it reverts to the Trust Fund for Public Health as soon as all payments of money committed have been made.

Request for Proposal (RFP) Process

The Health Division enlisted the assistance of the State Purchasing Division with the RFP process and establishing guidelines and procedures for future grant cycles. Based on the three focus areas of the Trust Fund for Public Health, these established guidelines provide parameters in preparing, evaluating, and monitoring the progress of proposed projects. The Services Purchasing Section helped produce the Board of Trustees’ first RFP procurement.

RFP Process Timeline

State Purchasing announced the release of the RFP on February 20, 2001, with a deadline for final RFP submittal by May 15, 2001 (see RFP Map Distribution, Appendix D). On June 21, 2001, notifications were sent to the top seven vendors, inviting them to present their proposal to the Board of Trustees. At the July 13, 2001 meeting, the seven vendors presented their proposals and the Board of Trustees gave their final funding approval. Projects were funded for one year, October 1, 2001 through September 30, 2002.

RFP Evaluation

Proposals were consistently evaluated and scored in accordance with NRS 333.335 and based upon the following criteria:

- Vendor’s understanding of the background, need for, and scope of the services/project;
- Adequacy of the proposed project approach;
- Adequacy of the proposed plan of action;
- Adequacy of the proposed evaluation;
- Qualification and experience with similar work;
- Reasonableness of cost; and
- Other factors deemed relevant by the evaluation committee in its determination of the best value for the State.

The evaluation committee consisted of seven members. Three were members of the Board of Trustees; four represented other disciplines, such as program/organizational planning and implementation, direct service/management, research/assessment measures, and fiscal control/budgeting. The evaluators utilized a scoring sheet to evaluate the technical, narrative, and cost proposals.

Funded Proposals

Upon completion of the proposal review process, the evaluation recommended seven applicants to the Board of Trustees for further consideration. The applicants appeared at the Board of Trustees July 13, 2001 meeting, to discuss their proposals and address questions from the Board of Trustees. All applicants appearing at the July meeting were awarded funding. The total amount allocated to the applicants was \$251,000 for the period of October 1, 2001 through September 30, 2002.

Approved Funding Levels

Board of Regents, University of Nevada, Reno	\$47,000
Community College of Southern Nevada	\$50,000
Nevada Rural Health Center	\$25,000
Northern Nevada Dental Health Program	\$50,000
Ron Wood Family Resource Center	\$25,000
St. Mary's Foundation	\$23,000
Washoe County District Health Department	\$31,000

Total: \$251,000

2001 Project Briefs

The project descriptions in this next section provide a brief overview of services and activities each grantee has proposed to conduct for their target population and the impact it has on public health in Nevada.

Promoting End of Life Care

Board of Regents, University of Nevada, Reno

Grant Award: \$47,000

Agency Description

The End of Life Care Project resides in the Nevada Center for Ethics and Health Policy (NCEHP), a University of Nevada, Reno sponsored program whose mission is to provide statewide collaboration for the promotion of ethical and appropriate health care for all Nevadans through engagement, education and empowerment. The Center was established in 1999 through a grant from the Robert Wood Johnson Foundation, which led to the formation of the Nevada Community-State Partnership on End of Life Care. This coalition includes 80 organizations statewide.

Project Description

This project will focus on disseminating information to consumers and providers on “end of life” issues such as: fears related to pain and suffering; how families and caregivers are affected; institutional and health care facility dilemmas; and financial concerns. Through this funding, the Center plans to:

- Distribute the Knight-Ridder Tribune Series on “end of life” care to news media in Reno and Las Vegas,
- Make resource packets available to Nevadans through libraries, hospices, family resource centers, faith communities, and NCEHP,
- Develop and maintain a pilot community health care ethics committee for the Truckee Meadows and Carson Valley areas,
- Expand the distribution of the Nevada Public Affairs Review issue on “end of life” care to include groups such as the State Board of Nursing, the Nevada State Medical Association, lawyers, professionals, hospitals, and healthcare agencies, and
- Develop a booklet of consumer articles on maintaining a healthy outlook during advanced illness.

***Miles for Smiles
Community College of Southern Nevada***

Grant Award: \$50,000

Agency Description

The Community College of Southern Nevada (CCSN), Dental Hygiene Program, is a state entity regulated by the Board of Regents of the University and Community College System of Nevada. Since its inception 25 years ago, the Dental Hygiene Program has ranked as one of the top programs in the nation. Its excellent reputation attracted the Blue Cross Blue Shield of Nevada to help establish the Miles for Smiles program. As a teaching organization, the Dental Hygiene Program participates in numerous community outreach projects with various state and private organizations throughout the year.

Project Description

The Miles for Smiles program has become the cornerstone for school-based children's dental outreach in southern Nevada. Operating in Clark County, a designated dental professional shortage area comparable to that of a third-world country, the Miles for Smiles mobile dental clinic provided dental screening and treatment services, as well as oral health education, to thousands of children at their schools or homeless shelters. Children receiving restorative services are usually in pain from rampant disease and decay. The dental care received through the Miles for Smiles clinic restores these children, as much as medically possible, to good oral health, while the educational services help prevent reoccurrence.

The program was established to bring low or no cost dental services to at-risk children throughout southern Nevada. This innovative program attacked the oral health "epidemic" by going beyond screenings, bringing actual dental treatment to needy children under the age of 18. Its mission is to bring these services to the target population, while building community awareness and support for the oral health issues and needs of children. The project estimates reaching 2,500 children through the school system and 3,000 children through health fairs during this one-year grant.

Key activities funded through the Trust Fund include:

- Educational Module,
- Preventive Services,
- Complete Restorative Services,
- Referral Service, and
- Research Module.

***Mammovan for Nevada Project
Nevada Rural Health Centers***

Grant Award: \$25,000

Agency Description

Nevada Rural Health Centers, Inc. operates the "Mammovan for Nevada," as well as 13 medical clinics throughout the state. Their mission is to provide access to quality health care services. As a non-profit community health center, medical services are provided regardless of a patient's ability to pay. The Mammovan became a reality in 1999 through the efforts of Senator John Ensign, who help acquire a \$500,000.00 federal grant to start the project.

Project Description

The Mammovan travels throughout the entire state of Nevada to provide:

- Mammograms,
- Clinical breast exams, and
- Pap smears.

Age recommendations for services:

- Mammogram – age 40 and over
- Clinical breast exams and Pap Smear – annually starting at age 18, or earlier if sexually active.

The target audience is geographically and financially underserved women. Due to community support and grants from the Susan G. Komen Breast Cancer Foundation and the Dema Guinn Fund, low-income women age 40 and over receive a mammogram without charge. Eligible women also receive free screening services through the State of Nevada's Women's Health Connection program.

The Mammovan travels throughout the state of Nevada visiting rural communities, such as Wendover, Jackpot, Austin, Pahrump, and Moapa. The Mammovan also spends a significant amount of time in underserved neighborhoods in Las Vegas and Reno. Approximately 3,000 women receive services each year.

Marketing of the Mammovan, promotion of education activities, equipment, and staff travel are activities funded by the Trust Fund to reach 2,500 low-income, geographically isolated women.



Children's Dental Health Access Northern Nevada Dental Health Program

Grant Award: \$50,000

Agency Description

In 1985, Northern and Northeastern Dental Societies (NNDS and NENDS) developed the Pediatric Dental Care Program in response to children's dental health access problem identified by the Maternal and Child Health Advisory Board. The dentists partnered with United Way of Northern Nevada and formed a nonprofit program that provides pro bono, comprehensive, restorative treatment services.

Project Description

Eventually, the Northern Nevada Dental Health Program (NNDHP) evolved and to date has recognized the tremendous need for dental health treatment and responded by providing access to free dental care to northern Nevada children, age 18 and younger, through dentists belonging to local dental societies. Eligibility is based on Medicaid or Nevada Check-up guidelines and possession of a current identification card. A family qualifies if they have been denied Medicaid or Nevada Check-up and have a family income that falls between 133% and 200% of the current federal poverty guidelines. Children unable to provide citizenship documentation must meet financial eligibility and are referred based on the magnitude of required treatment.

Complete preventative and comprehensive treatment, including limited specialty treatment, are provided through NNDHP; licensed dentists volunteering through NNDHP in northern Nevada provide the services.

Once eligibility has been determined, the NNDHP patient case manager assigns the child to a dentist and a copy of the referral letter is sent to the parent(s), the dentist and the referring agency. It is the

responsibility of the parent to schedule an appointment with that dentist. The child receives dental treatment with little or no compensation to the dentist. In return, the parents are expected to cooperate by complying with appointment schedules and treatment recommendations. Part-time staff to assist with case management and administration of the program, promotional items, and prevention campaigns are activities funded through the Trust Fund for Public Health.

***Insight Program
Ron Wood Family Resource Center***

Grant Award: \$25,000

Agency Description

The Ron Wood Family Resource Center was established in 1995 through local efforts. Originally created as a truancy prevention project, the Ron Wood Family Resource Center quickly grew to become a central location where families could go to obtain information and services. The center offers a wide variety of programs and strives to focus on family strengths to work toward approaching and dealing with family issues.

Project Description

The Insight Program is an ongoing program in its third year of operation. This is an after school program designed to educate youth about the risks of drug and alcohol use, emphasizing the development of sound social skills, including decision making, critical analysis, and refusal skills. Youth who are in trouble because of their anger and/or alcohol or drug use may attend this twelve part series facilitated through trained staff. The two main topics are: 1) understanding mood-altering chemicals, their negative effects, and the social consequences of drug use; and 2) techniques to recognize the causes and effects of anger and learning skills to express anger appropriately.

Workshops provided by the Insight Program:

- Target Audience: Middle School Students (6th – 8th grades)
Every Tuesday and Thursday Time: 2 – 3 pm

- Target Audience: High School Students (9th – 12th grades)
Every Tuesday and Thursday Time: 2 – 3 pm

- Target Audience: Elementary School Students (4th – 5th grades)
Every Wednesday Time: 6 – 7:30 pm

Funding from the Trust Fund for Public Health will be used: a) to integrate a tobacco component into the Insight Program curriculum expand the series an additional six hours; b) to develop a new program targeting elementary school children and incorporate a six-week workshop series; and c) expand the parenting training class to include a drug awareness component and match the youth curriculum.

***Pediatric Asthma Care Project
Saint Mary's Foundation***

Grant Award: \$23,000

Agency Description

Saint Mary's Foundation is a not-for-profit regional health network. Saint Mary's Asthma Care Project sites include the Nell J. Redfield Health Center (serving the southwest area of Reno, home to the region's largest Hispanic community) and Sun Valley Children's Clinic (serving Washoe County's north valley communities). These neighborhood-based clinics manifest the organization's mission of charitable care through the provision of health services to residents of Washoe County who have difficulty accessing health care due to financial, cultural, and language barriers. Annually, Saint Mary's clinics host 22,000 patient visits, 15,300 of which are children.

Project Description

There is pressing public health need to reduce the disproportionate impact of asthma in minorities and those living in poverty; many asthma-related deaths and hospitalizations are preventable when asthma is properly managed.

The clinics' clientele are predominantly Hispanic and non-English speaking. The overwhelming majority of clinic patients (93%) are unemployed or underemployed with incomes at or below federally established poverty income levels. Fifty-nine percent of the patients at the Redfield Center and seventy-seven percent at the Sun Valley Clinic are not eligible for health insurance of any type. Special sub-groups who will receive considerable benefit include infants and children, unemployed adults, families whose income is below established income guidelines or whose "bread winners" are working for minimum wage with no employer-provided health benefits.

Saint Mary's Clinics' Asthma Care Project Key Activities

- *Objective measurement of lung function* – spirometry, oximeters, peak flow meters to assess the severity of asthma and to monitor the course of treatment;
- *Medicating therapy* (administered via nebulizers, inhalers and aerochambers) to reverse/prevent the airway inflammation component of asthma and to treat narrowing airways;
- *Patient education* partnerships including the child, family and medical providers;
- *Early intervention* in respiratory-compromised conditions that lower the physical, social, educational, health, and academic achievement levels of children;
- *Sustainable strategies* for asthma self-management for families and children;
- *Provision of devices* and medications required for adequate self-management of asthma;
- *Substantially decreased incidences* of preventable asthma attacks; and
- *Decreased incidences of asthma-related preventable* hospitalizations and emergency room visits.

The Trust Fund for Public Health grant award will be utilized to purchase medical equipment for the timely diagnosis, effective treatment, strategic management, and consistent monitoring of asthma in predominately low-income, Hispanic children. This essential equipment will be used in conjunction with comprehensive patient and caregiver education in the best practices for managing pediatric asthma.



Hispanic TB Education & Testing Project Washoe County District Health Department

Grant Award: \$31,000

Agency Description

The Washoe County District Health Department Tuberculosis (TB) Control Program is a public health entity charged with controlling the spread of Tuberculosis in the Washoe county community.

Project Description

Approximately ten percent of people with latent TB infection will progress to active or infectious TB during their lifetime. Recent immigrants to the United States are at greatest risk of developing active disease within their first five years in the United States. As a result, the Centers for Disease Control and Prevention (CDC) recommend screening populations at high risk for latent TB infection.

This project targets TB testing of recent immigrants to identify those with latent TB infection.

- Clients will be screened for active TB disease and offered medications, as appropriate. These medications are used to prevent the progression of latent TB infection to active or infectious disease.
- The program is a collaborative effort between the TB control program and the Miguel Ribera Family Resource Center. Clients will be referred to the program by the resource center and testing and treatment activities will take place at the Family Resource Center.
- Clients will be provided with TB testing, education, and further evaluation if they test positive at no charge. Transportation vouchers will be provided to those clients who require chest radiographs.
- Clients who begin medications will be offered medications and follow-up at the Miguel Ribera Family Resource Center at no charge.

This proactive approach will reach infected clients before they become ill and benefit both individuals and the community through the reduction of disease transmission.

Project Monitoring and Scheduled Activities

During the contract period, the Health Program Specialist assigned to the Board of Trustees will conduct site visits to ensure funded entities are utilizing Trust Fund monies as stipulated in their contracts and project activities comply with established parameters. Each funding recipient will have at least 2 site visits during the year (see Appendix E, Timeline Matrix). Projects will be responsible in providing the Health Division with quarterly financial reports and semi-annual progress reports of documenting achievements and lessons learned.

Future Activities

These projects represent nonprofit agencies, public agencies (including other government agencies), and nongovernmental agencies determined to provide services in one of these focus areas: 1) the promotion of public health and programs for disease and illness prevention, 2) research on issues related to public health, or 3) the provision of direct health care services to children and senior citizens.

The next round of grant awards will begin with the release of the Request for Applications (RFA) in January 2002, with a submission deadline of May 2002. In June 2002, notifications will be sent to the top applicants inviting them to present their proposal to the Board of Trustees during the July 2002 meeting. Projects are expected to commence on or about October 1, 2002, and continue through September 30, 2003.

It is anticipated that \$220,000 to \$250,000 will be awarded during 2002. Applicants may visit the Trust Fund for Public Health website at www.health2k.state.nv.us, for more information and to download the RFA guidelines and application.

APPENDIX A
Funding Distribution Chart

APPENDIX B

Members of the Board of Trustees

APPENDIX C
Financial Summary

End of Year Financial Summary

Office of the State Treasurer
Public Health Trust Fund
Fund Balance from January 1, 2001 through December 31, 2001

Fund No. 263-1091

Balance as of December 31, 2000		
	Tobacco Settlement Income	5,626,802
	Interest Earned	<u>136,432</u>
Beginning Balance		5,763,234
Revenue		
	Tobacco Settlement Income	3,680,795
	Interest Earned	<u>360,796</u>
Total Revenue		4,041,590
Expenditures		
	Transfer to Public Health Admin Fund 263-3212	(282,714)
	Transfer to Board of Regents for Nursing Loans	<u>(95,819)</u>
Total Expenditures		(378,533)
Fund Balance		<u><u>9,426,292</u></u>

APPENDIX D

RFP Geographical Distribution Map

APPENDIX E

Timeline Matrix