

ASSEMBLY BILL NO. 251—COMMITTEE ON HEALTH AND HUMAN SERVICES

(ON BEHALF OF CLARK COUNTY)

FEBRUARY 16, 1999

Referred to Committee on Health and Human Services

SUMMARY—Authorizes county hospitals to join purchasing groups and to purchase supplies, materials and equipment under certain circumstances without complying with Local Government Purchasing Act. (BDR 40-265)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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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 county hospitals; authorizing county hospitals to join purchasing groups for the purpose of purchasing supplies, materials and equipment used by the hospital; authorizing county hospitals under certain circumstances to purchase supplies, materials and equipment without complying with the Local Government Purchasing Act; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 450 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 5, inclusive, of this act.
3 **Sec. 2. 1.** *A county hospital may, with the approval of the*
4 *governing body of the hospital, become a member of a purchasing group*
5 *for the purpose of purchasing supplies, materials and equipment used by*
6 *the county hospital.*
7 **2.** *A county hospital that becomes a member of a purchasing group*
8 *may, in accordance with the requirements of section 3 of this act,*
9 *purchase supplies, materials and equipment through the purchasing*
10 *group without complying with the requirements for competitive bidding*
11 *set forth in chapter 332 of NRS.*

1 **Sec. 3.** *A county hospital that is authorized pursuant to NRS*
2 *450.191 or section 2 of this act to purchase supplies, materials and*
3 *equipment in accordance with this section through the purchasing*
4 *contracts of the company that manages the hospital or through a*
5 *purchasing group may purchase the supplies, materials and equipment*
6 *without complying with the requirements for competitive bidding set*
7 *forth in chapter 332 of NRS if:*

8 1. *The documents pertaining to the proposed purchase, including,*
9 *without limitation, the prices available to the company or purchasing*
10 *group, are summarized in writing and, together with a sworn statement*
11 *by an officer or agent of the company or purchasing group that the*
12 *prices were obtained by the company or purchasing group through a*
13 *process of competitive bidding, are presented to the governing body of the*
14 *county hospital at its next regularly scheduled meeting; and*

15 2. *The governing body, after reviewing the summary and statement,*
16 *finds that the proposed purchase will be made at a lower price than the*
17 *lowest price reasonably obtainable by the hospital through competitive*
18 *bidding pursuant to chapter 332 of NRS or available to the hospital*
19 *pursuant to NRS 333.470 and approves the proposed purchase.*

20 **Sec. 4.** *“Allied health profession” means:*

21 1. *Psychology as defined in chapter 641 of NRS;*

22 2. *Podiatry as defined in chapter 635 of NRS; or*

23 3. *Oriental medicine or acupuncture as defined in chapter 634A of*
24 *NRS.*

25 **Sec. 5.** *“Purchasing group” means a cooperative organization of*
26 *hospitals and other health care organizations that affiliate for the*
27 *purpose of combining their purchasing power to secure a lower cost for*
28 *their purchases of supplies, materials and equipment than would be*
29 *available to the members of the purchasing group individually.*

30 **Sec. 6.** NRS 450.005 is hereby amended to read as follows:

31 450.005 As used in this chapter, unless the context otherwise requires,

32 ~~*“allied health profession” means:*~~

33 ~~*—1.— Psychology as defined in chapter 641 of NRS;*~~

34 ~~*—2.— Podiatry as defined in chapter 635 of NRS; or*~~

35 ~~*—3.— Oriental medicine or acupuncture as defined in chapter 634A of*~~

36 ~~*NRS.*~~ *the words and terms defined in sections 4 and 5 of this act have*
37 *the meanings ascribed to them in those sections.*

38 **Sec. 7.** NRS 450.191 is hereby amended to read as follows:

39 450.191 1. The governing body of a county hospital may contract
40 with a company which manages hospitals for the rendering of management
41 services in a county hospital under the ultimate authority of the governing
42 body.

1 2. The agreement may provide ~~[that]~~ :
2 **(a) That** the administrator of the hospital **must** be an employee of the
3 company which manages the hospital ~~[-~~
4 ~~—3.— The agreement may also provide that] ; and~~
5 **(b) That** the hospital may, ~~[with the approval of the governing body of~~
6 ~~the hospital,]~~ **in accordance with the requirements of section 3 of this act,**
7 purchase supplies, materials and equipment ~~[after complying with the~~
8 ~~requirements for competitive bidding of chapter 332 of NRS if the hospital~~
9 ~~finds that similar merchandise is available, at a reasonable savings below~~
10 ~~the lowest bid,]~~ through the purchasing contracts of the company which
11 manages the hospital, or through ~~[another group purchasing arrangement~~
12 ~~among hospitals. Except as otherwise provided in subsection 4, the prices~~
13 ~~available to the company which manages the hospital or to other~~
14 ~~purchasing groups must be submitted at the time of the bid opening as~~
15 ~~other bids are made under chapter 332 of NRS. The documents pertaining~~
16 ~~to each proposed purchase or acquisition must be summarized in writing~~
17 ~~for presentation at the next regularly scheduled meeting of the governing~~
18 ~~body of the hospital. After reviewing the summary the governing body~~
19 ~~shall approve or disapprove the proposed purchase or acquisition.~~
20 ~~—4.— If, after the process of competitive bidding pursuant to chapter 332~~
21 ~~of NRS is completed, the company which manages the hospital offers to~~
22 ~~the hospital through its purchasing contracts a lower price for supplies,~~
23 ~~materials and equipment than the lowest price obtained by the hospital~~
24 ~~through competitive bidding or available to the hospital pursuant to NRS~~
25 ~~333.470, the hospital, with the approval of its governing body, may~~
26 ~~purchase those supplies, materials and equipment through the purchasing~~
27 ~~contracts of the company which manages the hospital without further~~
28 ~~competitive bidding.]~~ **a purchasing group, without complying with the**
29 **requirements for competitive bidding set forth in chapter 332 of NRS.**
30 **Sec. 8.** This act becomes effective upon passage and approval.