

ASSEMBLY BILL NO. 429—COMMITTEE ON HEALTH
AND HUMAN SERVICES

(ON BEHALF OF DIVISION OF HEALTH CARE
FINANCING AND POLICY)

MARCH 10, 1999

Referred to Committee on Health and Human Services

SUMMARY—Makes various changes concerning division of health care financing and policy of department of human resources and children's health insurance program. (BDR 38-635)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: 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 welfare; clarifying the duties of and making various changes concerning the division of health care financing and policy of the department of human resources; making various changes concerning the children's health insurance program; repealing the prospective expiration of the provisions governing the division of health care financing and policy; providing a penalty; 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 422 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 and 3 of this act.
3 **Sec. 2.** *“Children’s health insurance program” means the program*
4 *established pursuant to 42 U.S.C. §§ 1397aa to 1397jj, inclusive, to*
5 *provide health insurance for uninsured children from low-income*
6 *families in this state.*
7 **Sec. 3. 1.** *Before adopting, amending or repealing any regulation*
8 *for the administration of a program of public assistance or any other*
9 *program for which the division of health care financing and policy is*
10 *responsible, the administrator shall give at least 30 days’ notice of his*
11 *intended action.*

2. *The notice of intent to act upon a regulation must:*

(a) *Include a statement of the need for and purpose of the proposed regulation, and either the terms or substance of the proposed regulation or a description of the subjects and issues involved, and of the time when, the place where, and the manner in which, interested persons may present their views thereon.*

(b) *Include a statement identifying the entities that may be financially affected by the proposed regulation and the potential financial impact, if any, upon local government.*

(c) *State each address at which the text of the proposed regulation may be inspected and copied.*

(d) *Be mailed to all persons who have requested in writing that they be placed upon a mailing list, which must be kept by the administrator for that purpose.*

3. *All interested persons must be afforded a reasonable opportunity to submit data, views or arguments upon a proposed regulation, orally or in writing. The administrator shall consider fully all oral and written submissions relating to the proposed regulation.*

4. *The administrator shall keep, retain and make available for public inspection written minutes of each public hearing held pursuant to this section in the manner provided in subsections 1 and 2 of NRS 241.035.*

5. *The administrator may record each public hearing held pursuant to this section and make those recordings available for public inspection in the manner provided in subsection 4 of NRS 241.035.*

6. *An objection to any regulation on the ground of noncompliance with the procedural requirements of this section may not be made more than 2 years after its effective date.*

Sec. 4. NRS 422.001 is hereby amended to read as follows:

422.001 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 422.010 to 422.055, inclusive, **and section 2 of this act** have the meanings ascribed to them in those sections.

Sec. 5. NRS 422.050 is hereby amended to read as follows:

422.050 1. "Public assistance" includes:

~~(1.)~~ (a) State supplementary assistance;

~~(2.)~~ (b) Temporary assistance for needy families;

~~(3.)~~ (c) Medicaid;

~~(4.)~~ (d) Food stamp assistance;

~~(5.)~~ (e) Low-income home energy assistance;

~~(6.)~~ (f) The program for child care and development; and

~~(7.)~~ (g) Benefits provided pursuant to any other public welfare program administered by the welfare division or the division of health care

financing and policy pursuant to such additional federal legislation as is

not inconsistent with the purposes of this chapter.

1 **2. The term does not include the children's health insurance**
2 **program.**

3 **Sec. 6.** NRS 422.2352 is hereby amended to read as follows:

4 422.2352 As used in NRS 422.2352 to 422.2374, inclusive, **and**
5 **section 3 of this act,** 422.301 to 422.306, inclusive, **and** 422.380 to
6 422.390, inclusive, ~~[and 422.580,]~~ unless the context otherwise requires,
7 “administrator” means the administrator of the division of health care
8 financing and policy.

9 **Sec. 7.** NRS 422.2366 is hereby amended to read as follows:

10 422.2366 1. The administrator or his designated representative may
11 administer oaths and take testimony thereunder and issue subpoenas
12 requiring the attendance of witnesses before the division of health care
13 financing and policy at a designated time and place and the production of
14 books, papers and records relative to:

15 (a) Eligibility or continued eligibility to provide medical care, remedial
16 care or other services pursuant to the state plan for Medicaid ~~[:]~~ **or the**
17 **children's health insurance program;** and

18 (b) Verification of treatment and payments to a provider of medical
19 care, remedial care or other services pursuant to the state plan for Medicaid
20 ~~[:]~~ **or the children's health insurance program.**

21 2. If a witness fails to appear or refuses to give testimony or to
22 produce books, papers and records as required by the subpoena, the district
23 court of the county in which the investigation is being conducted may
24 compel the attendance of the witness, the giving of testimony and the
25 production of books, papers and records as required by the subpoena.

26 **Sec. 8.** NRS 422.290 is hereby amended to read as follows:

27 422.290 1. To restrict the use or disclosure of any information
28 concerning applicants for and recipients of public assistance **or assistance**
29 **pursuant to the children's health insurance program** to purposes directly
30 connected to the administration of this chapter, and to provide safeguards
31 therefor, under the applicable provisions of the Social Security Act, the
32 welfare division and the division of health care financing and policy shall
33 establish and enforce reasonable regulations governing the custody, use
34 and preservation of any records, files and communications filed with the
35 welfare division or the division of health care financing and policy.

36 2. If, pursuant to a specific statute or a regulation of the welfare
37 division or the division of health care financing and policy, names and
38 addresses of, or information concerning, applicants for and recipients of
39 assistance , **including, without limitation, assistance pursuant to the**
40 **children's health insurance program,** are furnished to or held by any
41 other agency or department of government, such agency or department of

1 government is bound by the regulations of the department prohibiting the
2 publication of lists and records thereof or their use for purposes not
3 directly connected with the administration of this chapter.

4 3. Except for purposes directly connected with the administration of
5 this chapter, no person may publish, disclose or use, or permit or cause to
6 be published, disclosed or used, any confidential information pertaining to
7 a recipient of assistance , *including, without limitation, a recipient of*
8 *assistance pursuant to the children's health insurance program*, under
9 the provisions of this chapter.

10 **Sec. 9.** NRS 422.293 is hereby amended to read as follows:

11 422.293 1. When a recipient of Medicaid *or a recipient of insurance*
12 *provided pursuant to the children's health insurance program* incurs an
13 illness or injury for which medical services are payable ~~under the state~~
14 ~~plan~~ *by the department* and which is incurred under circumstances
15 creating a legal liability in some person other than the recipient or a
16 division of the department to pay all or part of the costs of such services,
17 the department is subrogated to the right of the recipient to the extent of all
18 such costs and may join or intervene in any action by the recipient or his
19 successors in interest to enforce such legal liability.

20 2. If a recipient or his successors in interest fail or refuse to commence
21 an action to enforce the legal liability, the department may commence an
22 independent action, after notice to the recipient or his successors in
23 interest, to recover all costs to which it is entitled. In any such action by the
24 department, the recipient or his successors in interest may be joined as
25 third-party defendants.

26 3. In any case where the department is subrogated to the rights of the
27 recipient or his successors in interest as provided in subsection 1, the
28 department has a lien upon the proceeds of any recovery from the persons
29 liable, whether the proceeds of the recovery are by way of judgment,
30 settlement or otherwise. Such a lien must be satisfied in full, unless
31 reduced pursuant to subsection 5, at such time as:

32 (a) The proceeds of any recovery or settlement are distributed to or on
33 behalf of the recipient, his successors in interest or his attorney; and

34 (b) A dismissal by any court of any action brought to enforce the legal
35 liability established by subsection 1.

36 No such lien is enforceable unless written notice is first given to the person
37 against whom the lien is asserted.

38 4. The recipient or his successors in interest shall notify the
39 department in writing before entering any settlement agreement or
40 commencing any action to enforce the legal liability referred to in
41 subsection 1. Except if extraordinary circumstances exist, a person who
42 fails to comply with the provisions of this subsection shall be deemed to
43 have waived any

1 consideration by the director or his designated representative of a reduction
2 of the amount of the lien pursuant to subsection 5 and shall pay to the
3 department all costs to which it is entitled and its court costs and attorney's
4 fees.

5 5. If the department receives notice pursuant to subsection 4, the
6 director or his designated representative may, in consideration of the legal
7 services provided by an attorney to procure a recovery for the recipient,
8 reduce the lien on the proceeds of any recovery.

9 6. The attorney of a recipient:

10 (a) Shall not condition the amount of attorney's fees or impose
11 additional attorney's fees based on whether a reduction of the lien is
12 authorized by the director or his designated representative pursuant to
13 subsection 5.

14 (b) Shall reduce the amount of the fees charged the recipient for
15 services provided by the amount the attorney receives from the reduction
16 of a lien authorized by the director or his designated representative
17 pursuant to subsection 5.

18 **Sec. 10.** NRS 422.29314 is hereby amended to read as follows:

19 422.29314 1. The welfare division shall provide public assistance
20 pursuant to:

21 (a) The program established to provide temporary assistance for needy
22 families;

23 (b) ~~["The program for assistance to the medically indigent;"]~~ **Medicaid;** or

24 (c) Any program for which a grant has been provided to this state
25 pursuant to 42 U.S.C. §§ 1397 et seq.,
26 to a qualified alien who complies with the requirements established by the
27 welfare division pursuant to federal law and this chapter for the receipt of
28 benefits pursuant to that program.

29 2. As used in this section, "qualified alien" has the meaning ascribed
30 to it in 8 U.S.C. § 1641.

31 **Sec. 11.** NRS 422.306 is hereby amended to read as follows:

32 422.306 1. Upon receipt of a request for a hearing from a provider of
33 services under the state plan for Medicaid, the division of health care
34 financing and policy shall appoint a hearing officer to conduct the hearing.
35 Any employee or other representative of the division of health care
36 financing and policy who investigated or made the initial decision
37 regarding the action taken against a provider of services may not be
38 appointed as the hearing officer or participate in the making of any
39 decision pursuant to the hearing.

40 2. The division of health care financing and policy shall adopt
41 regulations prescribing the procedures to be followed at the hearing.

1 3. The decision of the hearing officer is a final decision. Any party,
2 including the division of health care financing and policy, who is
3 aggrieved by the decision of the hearing officer may appeal that decision to
4 the district court ***H in and for Carson City by filing a petition for judicial***
5 ***review within 30 days after receiving the decision of the hearing officer.***

6 4. ***A petition for judicial review filed pursuant to this section must be***
7 ***served upon every party within 10 days after the filing of the petition for***
8 ***judicial review.***

9 5. ***Unless otherwise provided by the court:***

10 (a) ***Within 90 days after the service of the petition for judicial review,***
11 ***the division of health care financing and policy shall transmit to the***
12 ***court the original or a certified copy of the entire record of the***
13 ***proceeding under review, including, without limitation, a transcript of***
14 ***the evidence resulting in the final decision of the hearing officer;***

15 (b) ***The petitioner who is seeking judicial review pursuant to this***
16 ***section shall serve and file an opening brief within 40 days after the***
17 ***division of health care financing and policy gives written notice to the***
18 ***parties that the record of the proceeding under review has been filed with***
19 ***the court;***

20 (c) ***The respondent shall serve and file an answering brief within 30***
21 ***days after service of the opening brief; and***

22 (d) ***The petitioner may serve and file a reply brief within 30 days after***
23 ***service of the answering brief.***

24 6. ***Within 7 days after the expiration of the time within which the***
25 ***petitioner may reply, any party may request a hearing. Unless a request***
26 ***for hearing has been filed, the matter shall be deemed submitted.***

27 7. The review of the court must be confined to the record. The court
28 shall not substitute its judgment for that of the hearing officer as to the
29 weight of the evidence on questions of fact. The court may affirm the
30 decision of the hearing officer or remand the case for further proceedings.
31 The court may reverse or modify the decision if substantial rights of the
32 appellant have been prejudiced because the administrative findings,
33 inferences, conclusions or decisions are:

34 (a) In violation of constitutional or statutory provisions;

35 (b) In excess of the statutory authority of the division of health care
36 financing and policy;

37 (c) Made upon unlawful procedure;

38 (d) Affected by other error of law;

39 (e) Clearly erroneous in view of the reliable, probative and substantial
40 evidence on the whole record; or

41 (f) Arbitrary or capricious or characterized by abuse of discretion or
42 clearly unwarranted exercise of discretion.

1 **Sec. 12.** NRS 422.369 is hereby amended to read as follows:

2 422.369 A person authorized by the ~~{welfare}~~ division *of health care*
3 *financing and policy* to furnish the types of medical and remedial care for
4 which assistance may be provided under the plan, or an agent or employee
5 of the authorized person, who, with the intent to defraud, furnishes such
6 care upon presentation of a Medicaid card which he knows was obtained or
7 retained in violation of any of the provisions of NRS 422.361 to 422.367,
8 inclusive, or is forged, expired or revoked, is guilty of a category D felony
9 and shall be punished as provided in NRS 193.130. In addition to any other
10 penalty, the court shall order the person to pay restitution.

11 **Sec. 13.** NRS 422.3742 is hereby amended to read as follows:

12 422.3742 1. If the plan for personal responsibility signed by the head
13 of a household pursuant to NRS 422.3724 includes a provision providing
14 for the payment of transitional assistance to the head of the household, the
15 welfare division may provide transitional assistance to the head of the
16 household if the household becomes ineligible for benefits for one or more
17 of the reasons described in 42 U.S.C. § 608(a)(11). The welfare division
18 shall not provide transitional assistance pursuant to this section for more
19 than 12 consecutive months.

20 2. As used in this section, "transitional assistance" means:

21 (a) Assistance provided by the welfare division to low-income families
22 to pay for the costs of child care; or

23 (b) Medicaid provided pursuant to the plan administered by the ~~{welfare~~
24 ~~division}~~ *department* pursuant to NRS 422.271.

25 **Sec. 14.** NRS 422.385 is hereby amended to read as follows:

26 422.385 1. The allocations and payments required pursuant to NRS
27 422.387 must be made, to the extent allowed by the state plan for
28 Medicaid, from the Medicaid budget account.

29 2. Except as otherwise provided in subsection 3, the money in the
30 intergovernmental transfer account must be transferred from that account
31 to the Medicaid budget account to the extent that money is available from
32 the Federal Government for proposed expenditures, including expenditures
33 for administrative costs. If the amount in the account exceeds the amount
34 authorized for expenditure by the division of health care financing and
35 policy for the purposes specified in NRS 422.387, the division of health
36 care financing and policy is authorized to expend the additional revenue in
37 accordance with the provisions of the state plan for Medicaid.

38 3. If enough money is available to support Medicaid, money in the
39 intergovernmental transfer account may be transferred to an account
40 established for the provision of health care services to uninsured children
41 ~~{who are under the age of 13 years}~~ pursuant to a federal program in which
42 at least 50 percent of the cost of such services is paid for by the Federal

1 Government, *including, without limitation, the children's health*
2 *insurance program*, if enough money is available to continue to satisfy
3 existing obligations of the Medicaid program or to carry out the provisions
4 of NRS 439B.350 to 439B.360.

5 **Sec. 15.** NRS 422.410 is hereby amended to read as follows:

6 422.410 1. Unless a different penalty is provided pursuant to NRS
7 422.361 to 422.369, inclusive, or 422.450 to 422.590, inclusive, a person
8 who knowingly and designedly, by any false pretense, false or misleading
9 statement, impersonation or misrepresentation, obtains or attempts to
10 obtain monetary or any other public assistance, *, or money, property,*
11 *medical or remedial care or any other service provided pursuant to the*
12 *children's health insurance program*, having a value of \$100 or more,
13 whether by one act or a series of acts, with the intent to cheat, defraud or
14 defeat the purposes of this chapter is guilty of a category E felony and shall
15 be punished as provided in NRS 193.130. In addition to any other penalty,
16 the court shall order the person to pay restitution.

17 2. For the purposes of subsection 1, whenever a recipient of temporary
18 assistance for needy families pursuant to the provisions of this chapter
19 receives an overpayment of benefits for the third time and the
20 overpayments have resulted from a false statement or representation by the
21 recipient or from the failure of the recipient to notify the welfare division
22 of a change in his circumstances which would affect the amount of
23 assistance he receives, a rebuttable presumption arises that the payment
24 was fraudulently received.

25 3. For the purposes of subsection 1, "public assistance" includes any
26 money, property, medical or remedial care or any other service provided
27 pursuant to a state plan.

28 **Sec. 16.** NRS 422.580 is hereby amended to read as follows:

29 422.580 1. A provider who receives payment to which he is not
30 entitled by reason of a violation of NRS 422.540, 422.550, 422.560 or
31 422.570 is liable for:

32 (a) An amount equal to three times the amount unlawfully obtained;

33 (b) Not less than \$5,000 for each false claim, statement or
34 representation;

35 (c) An amount equal to three times the total of the reasonable expenses
36 incurred by the state in enforcing this section; and

37 (d) Payment of interest on the amount of the excess payment at the rate
38 fixed pursuant to NRS 99.040 for the period from the date upon which
39 payment was made to the date upon which repayment is made pursuant to
40 the plan.

41 2. A criminal action need not be brought against the provider before
42 civil liability attaches under this section.

1 3. A provider who unknowingly accepts a payment in excess of the
2 amount to which he is entitled is liable for the repayment of the excess
3 amount. It is a defense to any action brought pursuant to this subsection
4 that the provider returned or attempted to return the amount which was in
5 excess of that to which he was entitled within a reasonable time after
6 receiving it.

7 4. The attorney general shall cause appropriate legal action to be taken
8 on behalf of the state to enforce the provisions of this section.

9 5. Any penalty or repayment of money collected pursuant to this
10 section is hereby appropriated to provide medical aid to the indigent
11 through programs administered by the ~~{welfare division.}~~ *department.*

12 **Sec. 17.** NRS 426A.060 is hereby amended to read as follows:

13 426A.060 1. The advisory committee on traumatic brain injuries,
14 consisting of 11 members, is hereby created.

15 2. The director shall appoint to the committee:

16 (a) One member who is an employee of the rehabilitation division of the
17 department.

18 (b) One member who is an employee of the ~~{welfare}~~ *division of health*
19 *care financing and policy* of the department of human resources and
20 participates in the administration of the state program providing Medicaid.

21 (c) One member who is a licensed insurer in this state.

22 (d) One member who represents the interests of educators in this state.

23 (e) One member who is a person professionally qualified in the field of
24 psychiatric mental health.

25 (f) Two members who are employees of private providers of
26 rehabilitative health care located in this state.

27 (g) One member who represents persons who operate community-based
28 programs for head injuries in this state.

29 (h) One member who represents hospitals in this state.

30 (i) Two members who represent the recipients of health care in this
31 state.

32 3. After the initial appointments, each member of the committee serves
33 a term of 3 years.

34 4. The committee shall elect one of its members to serve as chairman.

35 5. Members of the committee serve without compensation and are not
36 entitled to receive the per diem allowance or travel expenses provided for
37 state officers and employees generally.

38 6. The committee may:

39 (a) Make recommendations to the director relating to the establishment
40 and operation of any program for persons with traumatic brain injuries.

41 (b) Make recommendations to the director concerning proposed
42 legislation relating to traumatic brain injuries.

43 (c) Collect information relating to traumatic brain injuries.

1 7. The committee shall prepare a report of its activities and
2 recommendations each year and submit a copy to the:

- 3 (a) Director;
4 (b) Legislative committee on health care; and
5 (c) Legislative commission.

6 8. As used in this section:

7 (a) “Director” means the director of the department.

8 (b) “Person professionally qualified in the field of psychiatric mental
9 health” has the meaning ascribed to it in NRS 433.209.

10 (c) “Provider of health care” has the meaning ascribed to it in NRS
11 629.031.

12 **Sec. 18.** NRS 428.090 is hereby amended to read as follows:

13 428.090 1. When a nonresident or any other person who meets the
14 uniform standards of eligibility prescribed by the board of county
15 commissioners or by NRS 439B.310, if applicable, falls sick in the county,
16 not having money or property to pay his board, nursing or medical aid, the
17 board of county commissioners of the proper county shall, on complaint
18 being made, give or order to be given such assistance to the poor person as
19 is in accordance with the policies and standards established and approved
20 by the board of county commissioners and within the limits of money
21 which may be lawfully appropriated for this purpose pursuant to NRS
22 428.050, 428.285 and 450.425.

23 2. If the sick person dies, the board of county commissioners shall give
24 or order to be given to the person a decent burial or cremation.

25 3. Except as otherwise provided in NRS 422.382, the board of county
26 commissioners shall make such allowance for the person’s board, nursing,
27 medical aid, burial or cremation as the board deems just and equitable, and
28 order it paid out of the county treasury.

29 4. The responsibility of the board of county commissioners to provide
30 medical aid or any other type of remedial aid under this section is relieved
31 to the extent provided in NRS 422.382 and to the extent of the amount of
32 money or the value of services provided by:

33 (a) The ~~twelfare division of the~~ department of human resources to or
34 for such persons for medical care or any type of remedial care under the
35 state plan for Medicaid; and

36 (b) The fund for hospital care to indigent persons under the provisions
37 of NRS 428.115 to 428.255, inclusive.

38 **Sec. 19.** NRS 228.410 is hereby amended to read as follows:

39 228.410 1. The attorney general has primary jurisdiction to
40 investigate and prosecute violations of NRS 422.540 to 422.570, inclusive,
41 and any fraud in the administration of the plan or in the provision of
42 medical assistance ~~+~~ pursuant to the plan. The provisions of this section

1 notwithstanding, the welfare division and the division of health care
2 financing and policy of the department of human resources shall enforce
3 the plan and any regulations adopted pursuant thereto.

4 2. For this purpose, the attorney general shall establish within his
5 office the Medicaid fraud control unit. The unit must consist of a group of
6 qualified persons, including, without limitation, an attorney, an auditor and
7 an investigator who, to the extent practicable, have expertise in nursing,
8 medicine and the administration of medical facilities.

9 3. The attorney general, acting through the Medicaid fraud control
10 unit:

11 (a) Is the single state agency responsible for the investigation and
12 prosecution of violations of NRS 422.540 to 422.570, inclusive;

13 (b) Shall review reports of abuse or criminal neglect of patients in
14 medical facilities which receive payments under the plan and, when
15 appropriate, investigate and prosecute the persons responsible;

16 (c) May review and investigate reports of misappropriation of money
17 from the personal resources of patients in medical facilities that receive
18 payments under the plan and, when appropriate, shall prosecute the
19 persons responsible;

20 (d) Shall cooperate with federal investigators and prosecutors in
21 coordinating state and federal investigations and prosecutions involving
22 fraud in the provision or administration of medical assistance pursuant to
23 the plan, and provide those federal officers with any information in his
24 possession regarding such an investigation or prosecution; and

25 (e) Shall protect the privacy of patients and establish procedures to
26 prevent the misuse of information obtained in carrying out the provisions
27 of this section.

28 4. When acting pursuant to NRS 228.175 or this section, the attorney
29 general may commence his investigation and file a criminal action without
30 leave of court, and he has exclusive charge of the conduct of the
31 prosecution.

32 5. As used in this section:

33 (a) "Medical facility" has the meaning ascribed to it in NRS 449.0151.

34 (b) "Plan" means the state plan for Medicaid established pursuant to
35 NRS 422.271.

36 **Sec. 20.** Chapter 232 of NRS is hereby amended by adding thereto a
37 new section to read as follows:

38 *"Children's health insurance program" has the meaning ascribed to it*
39 *in section 2 of this act.*

40 **Sec. 21.** NRS 232.365 is hereby amended to read as follows:

41 232.365 As used in NRS 232.365 to 232.373, inclusive, *and section*
42 *20 of this act* unless the context otherwise requires, the words and terms

1 defined in NRS 232.367, 232.369 and 232.371 *and section 20 of this act*
2 have the meanings ascribed to them in those sections.

3 **Sec. 22.** NRS 232.373 is hereby amended to read as follows:

4 232.373 The purposes of the division are:

5 1. To ensure that the Medicaid provided by this state ~~is~~ *and the*
6 *insurance provided pursuant to the children's health insurance program*
7 *in this state are* provided in the manner that is most efficient to this state.

8 2. To evaluate alternative methods of providing Medicaid ~~is~~ *and*
9 *providing insurance pursuant to the children's health insurance*
10 *program.*

11 3. To review Medicaid , *the children's health insurance program* and
12 other health programs of this state to determine the maximum amount of
13 money that is available from the Federal Government for such programs.

14 4. To promote access to quality health care for all residents of this
15 state.

16 5. To restrain the growth of the cost of health care in this state.

17 **Sec. 23.** NRS 274.270 is hereby amended to read as follows:

18 274.270 1. The governing body shall investigate the proposal made
19 by a business pursuant to NRS 274.260, and if it finds that the business is
20 qualified by financial responsibility and business experience to create and
21 preserve employment opportunities in the specially benefited zone and
22 improve the economic climate of the municipality and finds further that the
23 business did not relocate from a depressed area in this state or reduce
24 employment elsewhere in Nevada in order to expand in the specially
25 benefited zone, the governing body may, on behalf of the municipality,
26 enter into an agreement with the business, for a period of not more than 20
27 years, under which the business agrees in return for one or more of the
28 benefits authorized in this chapter and NRS 374.643 for qualified
29 businesses, as specified in the agreement, to establish, expand, renovate or
30 occupy a place of business within the specially benefited zone and hire
31 new employees at least 35 percent of whom at the time they are employed
32 are at least one of the following:

33 (a) Unemployed persons who have resided at least 6 months in the
34 municipality.

35 (b) Persons eligible for employment or job training under any federal
36 program for employment and training who have resided at least 6 months
37 in the municipality.

38 (c) Recipients of benefits under any state or county program of public
39 assistance, including , *without limitation*, temporary assistance for needy
40 families, ~~aid to the medically indigent~~ *Medicaid* and unemployment
41 compensation who have resided at least 6 months in the municipality.

42 (d) Persons with a physical or mental handicap who have resided at
43 least 6 months in the state.

1 (e) Residents for at least 1 year of the area comprising the specially
2 benefited zone.

3 2. To determine whether a business is in compliance with an
4 agreement, the governing body:

5 (a) Shall each year require the business to file proof satisfactory to the
6 governing body of its compliance with the agreement.

7 (b) May conduct any necessary investigation into the affairs of the
8 business and may inspect at any reasonable hour its place of business
9 within the specially benefited zone.

10 If the governing body determines that the business is in compliance with
11 the agreement, it shall issue a certificate to that effect to the business. The
12 certificate expires 1 year after the date of its issuance.

13 3. The governing body shall file with the administrator, the department
14 of taxation and the employment security division of the department of
15 employment, training and rehabilitation a copy of each agreement, the
16 information submitted under paragraph (a) of subsection 2 and the current
17 certificate issued to the business under that subsection. The governing
18 body shall immediately notify the administrator, the department of taxation
19 and the employment security division of the department of employment,
20 training and rehabilitation whenever the business is no longer certified.

21 **Sec. 24.** Chapter 439B of NRS is hereby amended by adding thereto a
22 new section to read as follows:

23 ***“Children’s health insurance program” has the meaning ascribed to it***
24 ***in section 2 of this act.***

25 **Sec. 25.** NRS 439B.010 is hereby amended to read as follows:

26 439B.010 As used in this chapter, unless the context otherwise
27 requires, the words and terms defined in NRS 439B.030 to 439B.150,
28 inclusive, ***and section 24 of this act*** have the meanings ascribed to them in
29 those sections.

30 **Sec. 26.** NRS 439B.310 is hereby amended to read as follows:

31 439B.310 For the purposes of NRS 439B.300 to 439B.340, inclusive,
32 “indigent” means those persons:

33 1. Who are not covered by any policy of health insurance;

34 2. Who are ineligible for Medicare, Medicaid, ***the children’s health***
35 ***insurance program***, the benefits provided pursuant to NRS 428.115 to
36 428.255, inclusive, or any other federal or state program of public
37 assistance covering the provision of health care;

38 3. Who meet the limitations imposed by the county upon assets and
39 other resources or potential resources; and

40 4. Whose income is less than:

41 (a) For one person living without another member of a household,
42 \$438.

43 (b) For two persons, \$588.

1 (c) For three or more persons, \$588 plus \$150 for each person in the
2 family in excess of two.

3 For the purposes of this subsection, “income” includes the entire income of
4 a household and the amount which the county projects a person or
5 household is able to earn. “Household” is limited to a person and his
6 spouse, parents, children, brothers and sisters residing with him.

7 **Sec. 27.** NRS 441A.220 is hereby amended to read as follows:

8 441A.220 All information of a personal nature about any person
9 provided by any other person reporting a case or suspected case of a
10 communicable disease, or by any person who has a communicable disease,
11 or as determined by investigation of the health authority, is confidential
12 medical information and must not be disclosed to any person under any
13 circumstances, including pursuant to any subpoena, search warrant or
14 discovery proceeding, except as follows:

15 1. For statistical purposes, provided that the identity of the person is
16 not discernible from the information disclosed.

17 2. In a prosecution for a violation of this chapter.

18 3. In a proceeding for an injunction brought pursuant to this chapter.

19 4. In reporting the actual or suspected abuse or neglect of a child or
20 elderly person.

21 5. To any person who has a medical need to know the information for
22 his own protection or for the well-being of a patient or dependent person,
23 as determined by the health authority in accordance with regulations of the
24 board.

25 6. If the person who is the subject of the information consents in
26 writing to the disclosure.

27 7. Pursuant to subsection 2 of NRS 441A.320.

28 8. If the disclosure is made to ~~the welfare division of~~ the department
29 of human resources and the person about whom the disclosure is made has
30 been diagnosed as having acquired immunodeficiency syndrome or an
31 illness related to the human immunodeficiency virus and is a recipient of
32 or an applicant for Medicaid.

33 9. To a fireman, police officer or person providing emergency medical
34 services if the board has determined that the information relates to a
35 communicable disease significantly related to that occupation. The
36 information must be disclosed in the manner prescribed by the board.

37 10. If the disclosure is authorized or required by specific statute.

38 **Sec. 28.** NRS 632.072 is hereby amended to read as follows:

39 632.072 1. The advisory committee on nursing assistants, consisting
40 of 10 members appointed by the board, is hereby created.

41 2. The board shall appoint to the advisory committee:

42 (a) One representative of facilities for long-term care;

43 (b) One representative of medical facilities which provide acute care;

- 1 (c) One representative of agencies to provide nursing in the home;
- 2 (d) One representative of the health division of the department of
- 3 human resources;
- 4 (e) One representative of the ~~{welfare}~~ division *of health care*
- 5 *financing and policy* of the department of human resources;
- 6 (f) One representative of the aging services division of the department
- 7 of human resources;
- 8 (g) One representative of the American Association of Retired Persons
- 9 or a similar organization;
- 10 (h) A nursing assistant;
- 11 (i) A registered nurse; and
- 12 (j) A licensed practical nurse.

13 3. The advisory committee shall advise the board with regard to

14 matters relating to nursing assistants.

15 **Sec. 29.** NRS 689A.505 is hereby amended to read as follows:

16 689A.505 “Creditable coverage” means, with respect to a person,

17 health benefits or coverage provided pursuant to:

- 18 1. A group health plan;
- 19 2. A health benefit plan;
- 20 3. Part A or Part B of Title XVIII of the Social Security Act, also
- 21 known as Medicare;
- 22 4. Title XIX of the Social Security Act, also known as Medicaid, other
- 23 than coverage consisting solely of benefits under section 1928 of that Title;
- 24 5. Chapter 55 of Title 10, United States Code (Civilian Health and
- 25 Medical Program of Uniformed Services (CHAMPUS));
- 26 6. A medical care program of the Indian Health Service or of a tribal
- 27 organization;
- 28 7. A state health benefit risk pool;
- 29 8. A health plan offered pursuant to chapter 89 of Title 5, United
- 30 States Code (Federal Employees Health Benefits Program (FEHBP));
- 31 9. A public health plan as defined in ~~{federal regulations}~~ *45 C.F.R. §*
- 32 *146.113*, authorized by the Public Health Service Act, section
- 33 2701(c)(1)(I), as amended by Public Law 104-191 ~~{; or}~~, *42 U.S.C. §*
- 34 *300gg(c)(1)(I)*;
- 35 10. A health benefit plan under section 5(e) of the Peace Corps Act ,
- 36 ~~{§}~~ *22 U.S.C. § 2504(e) ~~{§}~~ ; or*
- 37 *11. The children’s health insurance program established pursuant to*
- 38 *42 U.S.C. §§ 1397aa to 1397jj, inclusive.*

39 **Sec. 30.** NRS 689B.380 is hereby amended to read as follows:

40 689B.380 “Creditable coverage” means health benefits or coverage

41 provided to a person pursuant to:

- 42 1. A group health plan;
- 43 2. A health benefit plan;

1 3. Part A or Part B of Title XVIII of the Social Security Act, also
2 known as Medicare;

3 4. Title XIX of the Social Security Act, also known as Medicaid, other
4 than coverage consisting solely of benefits under section 1928 of that Title;

5 5. Chapter 55 of Title 10, United States Code (Civilian Health and
6 Medical Program of Uniformed Services (CHAMPUS));

7 6. A medical care program of the Indian Health Service or of a tribal
8 organization;

9 7. A state health benefit risk pool;

10 8. A health plan offered pursuant to chapter 89 of Title 5, United
11 States Code (Federal Employees Health Benefits Program (FEHBP));

12 9. A public health plan as defined in ~~federal regulations~~ **45 C.F.R. §**
13 **146.113**, authorized by the Public Health Service Act, section
14 2701(c)(1)(I), as amended by Public Law 104-191 ~~§-or~~, **42 U.S.C. §**
15 **300gg(c)(1)(I)**;

16 10. A health benefit plan under section 5(e) of the Peace Corps Act ,
17 ~~§~~ **22 U.S.C. § 2504(e) ~~D-1~~ ; or**

18 **11. *The children's health insurance program established pursuant to***
19 ***42 U.S.C. §§ 1397aa to 1397jj, inclusive.***

20 **Sec. 31.** NRS 689C.053 is hereby amended to read as follows:

21 689C.053 "Creditable coverage" means health benefits or coverage
22 provided to a person pursuant to:

23 1. A group health plan;

24 2. A health benefit plan;

25 3. Part A or Part B of Title XVIII of the Social Security Act, also
26 known as Medicare;

27 4. Title XIX of the Social Security Act, also known as Medicaid, other
28 than coverage consisting solely of benefits under section 1928 of that Title;

29 5. Chapter 55 of Title 10, United States Code (Civilian Health and
30 Medical Program of Uniformed Services (CHAMPUS));

31 6. A medical care program of the Indian Health Service or of a tribal
32 organization;

33 7. A state health benefit risk pool;

34 8. A health plan offered pursuant to chapter 89 of Title 5, United
35 States Code (Federal Employees Health Benefits Program (FEHBP));

36 9. A public health plan as defined in federal regulations authorized by
37 the Public Health Service Act, section 2701(c)(1)(I), as amended by Public
38 Law 104-191; ~~§-or~~

39 10. A health benefit plan under section 5(e) of the Peace Corps Act ,
40 ~~§~~ **22 U.S.C. § 2504(e) ~~D-1~~ ; or**

41 **11. *The children's health insurance program established pursuant to***
42 ***42 U.S.C. §§ 1397aa to 1397jj, inclusive.***

1 **Sec. 32.** NRS 695C.050 is hereby amended to read as follows:

2 695C.050 1. Except as otherwise provided in this chapter or in
3 specific provisions of this Title, the provisions of this Title are not
4 applicable to any health maintenance organization granted a certificate of
5 authority under this chapter. This provision does not apply to an insurer
6 licensed and regulated pursuant to this Title except with respect to its
7 activities as a health maintenance organization authorized and regulated
8 pursuant to this chapter.

9 2. Solicitation of enrollees by a health maintenance organization
10 granted a certificate of authority, or its representatives, must not be
11 construed to violate any provision of law relating to solicitation or
12 advertising by practitioners of a healing art.

13 3. Any health maintenance organization authorized under this chapter
14 shall not be deemed to be practicing medicine and is exempt from the
15 provisions of chapter 630 of NRS.

16 4. The provisions of NRS 695C.110, 695C.170 to 695C.200,
17 inclusive, 695C.250 and 695C.265 do not apply to a health maintenance
18 organization that provides health care services through managed care to
19 recipients of Medicaid *or insurance pursuant to the children's health*
20 *insurance program* pursuant to a contract with the ~~Welfare~~ division *of*
21 *health care financing and policy* of the department of human resources.
22 This subsection does not exempt a health maintenance organization from
23 any provision of this chapter for services provided pursuant to any other
24 contract.

25 **Sec. 33.** Section 89 of chapter 550, Statutes of Nevada 1997, at page
26 2644, is hereby amended to read as follows:

27 Sec. 89. 1. This section and sections 2 to 14.1, inclusive,
28 14.3 to 29, inclusive, 32 to 43, inclusive, 45, 47, 49 to 54,
29 inclusive, 56, 57, 59, 63, 64, 67 to 71, inclusive, and 74 to 88,
30 inclusive, of this act become effective on July 1, 1997.

31 2. Sections 1, 30, 30.5, 44, 46, 48, 54.5, 58, 60, 61, 62, 65, 66,
32 72 and 73 of this act become effective at 12:01 a.m. on July 1,
33 1997.

34 3. Sections 31 and 55 of this act become effective at 12:02 a.m.
35 on July 1, 1997.

36 4. Section 14.2 of this act becomes effective on July 1, 1998.

37 ~~[5. Sections 1 to 14.4, inclusive, 15 to 30, inclusive, 31 to 54,
38 ~~inclusive, 55 to 80.3, inclusive, and 84 of this act, and subsection 1~~
39 ~~of section 81 of this act, expires by limitation on June 30, 1999.]~~~~

40 **Sec. 34.** This act becomes effective upon passage and approval.