

ASSEMBLY BILL NO. 533—ASSEMBLYMAN BROWER

MARCH 15, 1999

Referred to Committee on Health and Human Services

SUMMARY—Authorizes board of county commissioners to create hospital district for sole purpose of entering contract for services with independent hospital under certain circumstances. (BDR 40-1549)

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 hospital districts; authorizing a board of county commissioners to create a hospital district for the sole purpose of contracting for hospital services under certain circumstances; 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 a
2 new section to read as follows:
3 ***1. A board of county commissioners may create a hospital district in***
4 ***an area where no hospital district exists for the sole purpose of***
5 ***contracting with a public agency or a privately owned hospital to provide***
6 ***the services of a hospital to the residents of the district. If such a contract***
7 ***is executed, the board of trustees:***
8 ***(a) Shall prepare a budget pursuant to NRS 450.650;***
9 ***(b) Shall levy a tax pursuant to NRS 450.660;***
10 ***(c) May accept donations pursuant to NRS 450.690;***
11 ***(d) May determine medical indigency pursuant to NRS 450.700; and***
12 ***(e) May not borrow money or otherwise incur or assume indebtedness.***
13 ***2. A board of county commissioners shall not create a hospital***
14 ***district pursuant to this section unless it determines that:***
15 ***(a) The proposed hospital district constitutes a geographic area of the***
16 ***county that is not served by adequate medical services;***
17 ***(b) There is no county hospital or the county hospital is not capable of***
18 ***providing the necessary services; and***

1 *(c) The proposal is approved by a majority of the votes cast on the*
2 *issue by persons in the proposed hospital district.*

3 *3. If a hospital district is created pursuant to this section, the board*
4 *of county commissioners may be designated by ordinance as, ex officio,*
5 *the board of trustees of the hospital district, notwithstanding the*
6 *provisions of subsection 3 of NRS 450.620.*

7 **Sec. 2.** NRS 450.550 is hereby amended to read as follows:

8 450.550 As used in NRS 450.550 to 450.750, inclusive, *and section 1*
9 *of this act*, unless the context otherwise requires:

10 1. "Board of trustees" means:

11 (a) A board of hospital trustees:

12 (1) Elected pursuant to NRS 450.620; or

13 (2) Appointed pursuant to NRS 450.625; or

14 (b) A board of county commissioners, if that board enacts an ordinance
15 which provides that the board of county commissioners is, ex officio, the
16 board of hospital trustees.

17 2. "District hospital" means a hospital constructed, maintained and
18 governed pursuant to NRS 450.550 to 450.750, inclusive.

19 **Sec. 3.** NRS 450.620 is hereby amended to read as follows:

20 450.620 1. Except as otherwise provided in subsection 2 and NRS
21 450.625, if a hospital district is created pursuant to NRS 450.550 to
22 450.750, inclusive, the board of county commissioners shall provide by
23 ordinance for:

24 (a) The number of members of the board of trustees;

25 (b) The term of office of the trustees, which must not exceed 4 years;
26 and

27 (c) The times and manner of the election of the trustees, which must be
28 nonpartisan.

29 2. If a hospital district specified in subsection 1 does not include
30 territory within more than one county, the board of county commissioners
31 may enact an ordinance providing that the board of county commissioners
32 is, ex officio, the board of hospital trustees of the district hospital. If such
33 an ordinance is enacted in a county:

34 (a) The county commissioners shall serve as the hospital trustees of the
35 district hospital during their terms of office as county commissioners; and

36 (b) If hospital trustees have been elected pursuant to subsection 1, the
37 term of office of each hospital trustee of the district hospital who is serving
38 in that capacity on the effective date of the ordinance is terminated as of the
39 effective date of the ordinance.

40 3. ~~[A]~~ *Except as otherwise provided in section 1 of this act*, a board of
41 county commissioners shall not enact an ordinance pursuant to subsection 2
42 unless it determines that:

- 1 (a) The county has fully funded its indigent care account created
- 2 pursuant to NRS 428.010;
- 3 (b) The county has fulfilled its duty to reimburse the hospital for
- 4 indigent care provided to qualified indigent patients; and
- 5 (c) During the previous calendar year:
- 6 (1) At least one of the hospital's accounts payable was more than 90
- 7 days in arrears;
- 8 (2) The hospital failed to fulfill its statutory financial obligations,
- 9 including the payment of taxes, premiums for industrial insurance or
- 10 contributions to the public employees' retirement system;
- 11 (3) One or more of the conditions relating to financial emergencies
- 12 set forth in subsection 1 of NRS 354.685 existed at the hospital; or
- 13 (4) The hospital received notice from the Federal Government or the
- 14 State of Nevada that the certification or license of the hospital was in
- 15 imminent jeopardy of being revoked because the hospital had not carried
- 16 out a previously established plan of action to correct previously noted
- 17 deficiencies found by the regulatory body.

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