

ASSEMBLY BILL NO. 69—ASSEMBLYMAN GOLDWATER

PREFILED JANUARY 28, 1999

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing payment of hospitals for treating disproportionate share of Medicaid patients, indigent patients or other low-income patients. (BDR 38-912)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to welfare; revising the provisions governing the payment of hospitals for treating a disproportionate share of Medicaid patients, indigent patients or other low-income patients; 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.** NRS 422.382 is hereby amended to read as follows:
2 422.382 1. ***Except as otherwise provided in this subsection, the***
3 ***department shall determine the amount that each state or local***
4 ***government or other entity responsible for the public hospital in a county***
5 ***within which a public hospital is located is required to transfer to the***
6 ***department for deposit in the intergovernmental transfer account in the***
7 ***state general fund to be administered by the department to maximize the***
8 ***amount of money that may be received from the Federal Government for***
9 ***distribution to hospitals that treat a disproportionate share of Medicaid,***
10 ***indigent or other low-income patients. The amount which the department***
11 ***determines that a state or local government or other entity is required to***
12 ***transfer pursuant to this section must not exceed the amount of the***
13 ***payment made pursuant to NRS 422.387 to the public hospital for which***
14 ***the state or local government or other entity is responsible.***
15 2. In a county within which:
16 (a) A public hospital is located, the state or local government or other
17 entity responsible for the public hospital shall transfer ~~an amount equal to~~
18 ~~75 percent of the amount of the payment made to the public hospital~~

1 ~~pursuant to NRS 422.387 less \$50,000~~ *the amount determined by the*
2 *department pursuant to subsection 1* to the department.

3 (b) A private hospital which receives a payment pursuant to NRS
4 422.387 is located, the county shall transfer an amount established by the
5 legislature to the department.

6 ~~[2.]~~ 3. A county that transfers the amount required pursuant to
7 paragraph (b) of subsection ~~[1.]~~ 2 to the department is discharged of the
8 duty and is released from liability for providing medical treatment for
9 indigent inpatients who are treated in the hospital in the county that
10 receives a payment pursuant to paragraph (b) of subsection ~~[2.]~~ 1 of NRS
11 422.387.

12 ~~[3.]~~ 4. Any money collected pursuant to subsection ~~[1.]~~ 2, including
13 any interest or penalties imposed for a delinquent payment, must be
14 deposited in the state treasury for credit to the intergovernmental transfer
15 account in the state general fund to be administered by the department.

16 ~~[4.]~~ 5. The interest and income earned on money in the
17 intergovernmental transfer account, after deducting any applicable charges,
18 must be credited to the account.

19 *6. The amount of money that the department may retain from the*
20 *amount transferred to the department pursuant to subsection 2 must not*
21 *exceed 10 percent of the amount of the disproportionate share payment*
22 *received from the Federal Government.*

23 **Sec. 2.** NRS 422.387 is hereby amended to read as follows:

24 “422.387 1. ~~[Before making the payments required or authorized by~~
25 ~~this section, the department shall allocate money for the administrative~~
26 ~~costs necessary to carry out the provisions of NRS 422.380 to 422.390,~~
27 ~~inclusive. The amount allocated for administrative costs must not exceed~~
28 ~~the amount authorized for expenditure by the legislature for this purpose in~~
29 ~~a fiscal year. The interim finance committee may adjust the amount allowed~~
30 ~~for administrative costs.~~

31 ~~2.]~~ The state plan for Medicaid must provide:

32 (a) For the payment of the maximum amount allowable under federal
33 law and regulations after making a payment, if any, pursuant to paragraph
34 (b), to public hospitals for treating a disproportionate share of Medicaid
35 patients, indigent patients or other low-income patients, unless such
36 payments are subsequently limited by federal law or regulation.

37 (b) For a payment in an amount approved by the legislature to the
38 private hospital that provides the largest volume of medical care to
39 Medicaid patients, indigent patients or other low-income patients in a
40 county that does not have a public hospital.

41 The plan must be consistent with the provisions of NRS 422.380 to
42 422.390, inclusive, and Title XIX of the Social Security Act , ~~[42]~~ 42 U.S.C.

1 §§ 1396 et seq. , ~~D.~~ and the regulations adopted pursuant to those
2 provisions.

3 ~~B.~~ 2. The department may amend the state plan for Medicaid to
4 modify the methodology for establishing the rates of payment to public
5 hospitals for inpatient services, except that such amendments must not
6 reduce the total reimbursements to public hospitals for such services.

7 **Sec. 3.** This act becomes effective on July 1, 2001.

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