

ASSEMBLY BILL NO. 559—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF DEPARTMENT OF ADMINISTRATION—BUDGET DIVISION)

MARCH 26, 2001

Referred to Committee on Government Affairs

SUMMARY—Transfers office for hospital patients from department of business and industry to office of the governor. (BDR 18-1440)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 the office of the governor; transferring the office for hospital patients from the department of business and industry to the office of the governor; creating the bureau for hospital patients within the office for consumer health assistance in the office of the governor; 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 223 of NRS is hereby amended by adding thereto a
2 new section to read as follows:
3 1. *The bureau for hospital patients is hereby created within the office*
4 *for consumer health assistance in the office of the governor.*
5 2. *The director:*
6 (a) *Is responsible for the operation of the bureau, which must be*
7 *easily accessible to the clientele of the bureau.*
8 (b) *Shall appoint and supervise such additional employees as are*
9 *necessary to carry out the duties of the bureau. The employees of the*
10 *bureau are in the unclassified service of the state.*
11 (c) *Shall submit a written report quarterly to the governor and the*
12 *legislative committee on health care concerning the activities of the*
13 *bureau, including, without limitation, the number of complaints received*
14 *by the bureau, the number and type of disputes heard, mediated,*
15 *arbitrated or resolved through alternative means of dispute resolution by*
16 *the director and the outcome of the mediation, arbitration or alternative*
17 *means of dispute resolution.*
18 3. *The director may, upon request made by either party, hear,*
19 *mediate, arbitrate or resolve by alternative means of dispute resolution*



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1 *disputes between patients and hospitals. The director may decline to hear*
2 *a case that in his opinion is trivial, without merit or beyond the scope of*
3 *his jurisdiction. The director may hear, mediate, arbitrate or resolve*
4 *through alternative means of dispute resolution disputes regarding:*
5 *(a) The accuracy or amount of charges billed to a patient;*
6 *(b) The reasonableness of arrangements made pursuant to*
7 *paragraph (c) of subsection 1 of NRS 439B.260; and*
8 *(c) Such other matters related to the charges for care provided to a*
9 *patient as the director determines appropriate for arbitration, mediation*
10 *or other alternative means of dispute resolution.*
11 *4. The decision of the director is a final decision for the purpose of*
12 *judicial review.*
13 *5. Each hospital, other than federal and state hospitals, with 49 or*
14 *more licensed or approved hospital beds shall pay an annual assessment*
15 *for the support of the bureau. On or before July 15 of each year, the*
16 *director shall notify each hospital of its assessment for the fiscal year.*
17 *Payment of the assessment is due on or before September 15. Late*
18 *payments bear interest at the rate of 1 percent per month or fraction*
19 *thereof.*
20 *6. The total amount assessed pursuant to subsection 5 for a fiscal*
21 *year must be \$100,000 adjusted by the percentage change between*
22 *January 1, 1991, and January 1 of the year in which the fees are*
23 *assessed, in the Consumer Price Index (All Items) published by the*
24 *United States Department of Labor.*
25 *7. The total amount assessed must be divided by the total number of*
26 *patient days of care provided in the previous calendar year by the*
27 *hospitals subject to the assessment. For each hospital, the assessment*
28 *must be the result of this calculation multiplied by its number of patient*
29 *days of care for the preceding calendar year.*
30 **Sec. 2.** NRS 223.500 is hereby amended to read as follows:
31 223.500 As used in NRS 223.500 to 223.580, inclusive, *and section 1*
32 *of this act* unless the context otherwise requires, the words and terms
33 defined in NRS 223.510, 223.520 and 223.530 have the meanings ascribed
34 to them in those sections.
35 **Sec. 3.** NRS 223.540 is hereby amended to read as follows:
36 223.540 The provisions of NRS 223.085 do not apply to the provisions
37 of NRS 223.500 to 223.580, inclusive ~~H~~, *and section 1 of this act.*
38 **Sec. 4.** NRS 223.560 is hereby amended to read as follows:
39 223.560 ~~The~~ *In addition to the duties prescribed in section 1 of this*
40 *act, the* director shall:
41 1. Respond to written and telephonic inquiries received from
42 consumers and injured employees regarding concerns and problems related
43 to health care and workers' compensation;
44 2. Assist consumers and injured employees in understanding their
45 rights and responsibilities under health care plans and policies of industrial
46 insurance;
47 3. Identify and investigate complaints of consumers and injured
48 employees regarding their health care plans and policies of industrial



1 insurance and assist those consumers and injured employees to resolve
2 their complaints, including, without limitation:
3 (a) Referring consumers and injured employees to the appropriate
4 agency, department or other entity that is responsible for addressing the
5 specific complaint of the consumer or injured employee; and
6 (b) Providing counseling and assistance to consumers and injured
7 employees concerning health care plans and policies of industrial
8 insurance;
9 4. Provide information to consumers and injured employees
10 concerning health care plans and policies of industrial insurance in this
11 state;
12 5. Establish and maintain a system to collect and maintain information
13 pertaining to the written and telephonic inquiries received by the office;
14 6. Take such actions as are necessary to ensure public awareness of the
15 existence and purpose of the services provided by the director pursuant to
16 this section; and
17 7. In appropriate cases and pursuant to the direction of the governor,
18 refer a complaint or the results of an investigation to the attorney general
19 for further action.
20 **Sec. 5.** NRS 439B.260 is hereby amended to read as follows:
21 439B.260 1. A major hospital shall reduce or discount the total billed
22 charge by at least 30 percent for hospital services provided to an inpatient
23 who:
24 (a) Has no insurance or other contractual provision for the payment of
25 the charge by a third party;
26 (b) Is not eligible for coverage by a state or federal program of public
27 assistance that would provide for the payment of the charge; and
28 (c) Makes reasonable arrangements within 30 days after discharge to
29 pay his hospital bill.
30 2. A major hospital or patient who disputes the reasonableness of
31 arrangements made pursuant to paragraph (c) of subsection 1 may submit
32 the dispute to the ~~office~~ *bureau* for hospital patients for resolution as
33 provided in ~~NRS 232.543~~ *section 1 of this act*.
34 3. A major hospital shall reduce or discount the total billed charge of
35 its outpatient pharmacy by at least 30 percent to a patient who is eligible
36 for Medicare.
37 **Sec. 6.** NRS 232.543 is hereby repealed.
38 **Sec. 7.** This act becomes effective on July 1, 2001.

TEXT OF REPEALED SECTION

232.543 Office for hospital patients: Creation within consumer affairs division; appointment, classification, powers and duties of administrator; annual assessment of hospitals.

1. There is hereby created within the consumer affairs division of the department an office for hospital patients.



2. The administrator of the office:
 - (a) Is responsible for the operation of the office, which must be easily accessible to the clientele of the office.
 - (b) Must be appointed by the director.
 - (c) Is in the unclassified service of the state.
 - (d) Shall appoint and supervise such additional employees as are necessary to carry out the duties of the office. The employees of the office are in the classified service of the state.
 - (e) Shall submit a written report quarterly to the department of human resources and the legislative committee on health care concerning the activities of the office, including, but not limited to, the number of complaints received by the office, the number and type of disputes heard, mediated, arbitrated or resolved through alternative means of dispute resolution by the administrator and the outcome of the mediation, arbitration or alternative means of dispute resolution.
3. The administrator of the office may, upon request made by either party, hear, mediate, arbitrate or resolve by alternative means of dispute resolution disputes between patients and hospitals. The administrator may decline to hear a case which in his opinion is trivial, without merit or beyond the scope of his jurisdiction. The administrator may hear, mediate, arbitrate or resolve through alternative means of dispute resolution disputes regarding:
 - (a) The accuracy or amount of charges billed to the patient;
 - (b) The reasonableness of arrangements made pursuant to paragraph (c) of subsection 1 of NRS 439B.260; and
 - (c) Such other matters related to the charges for care provided to a patient as the administrator determines appropriate for arbitration, mediation or other alternative means of dispute resolution.
4. The decision of the administrator is a final decision for the purpose of judicial review.
5. Each hospital, other than federal and state hospitals, with 49 or more licensed or approved hospital beds shall pay an annual assessment for the support of the office. On or before July 15 of each year, the director of the department of human resources shall notify each hospital of its assessment for the fiscal year. Payment of the assessment is due on or before September 15. Late payments bear interest at the rate of 1 percent per month or fraction thereof.
6. The total amount assessed pursuant to subsection 5 for a fiscal year must be \$100,000 adjusted by the percentage change between January 1, 1991, and January 1 of the year in which the fees are assessed, in the Consumer Price Index (All Items) published by the United States Department of Labor.
7. The total amount assessed must be divided by the total number of patient days of care provided in the previous calendar year by the hospitals subject to the assessment. For each hospital, the assessment must be the result of this calculation multiplied by its number of patient days of care for the preceding calendar year.

