

SENATE BILL NO. 259—COMMITTEE ON HUMAN
RESOURCES AND FACILITIES

(ON BEHALF OF INTERIM COMMITTEE ON HEALTH CARE)

FEBRUARY 27, 2001

Referred to Committee on Finance

SUMMARY—Requires department of human resources to pay rural hospitals for certain costs incurred by rural hospitals in providing certain services to Medicaid patients. (BDR 38-223)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included in Executive Budget.

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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; requiring the department of human resources to pay rural hospitals for all reasonable costs incurred by the rural hospitals in providing services for long-term care to Medicaid patients; making an appropriation; 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 a
2 new section to read as follows:

3 ***1. The director shall include in the state plan for Medicaid, to the***
4 ***extent authorized by federal law, a requirement that this state shall pay a***
5 ***rural hospital for all reasonable costs incurred by the rural hospital in***
6 ***providing services for long-term care to a person who is eligible for***
7 ***Medicaid.***

8 ***2. The director shall submit a written report annually to the***
9 ***legislative committee on health care concerning payments made to rural***
10 ***hospitals for costs incurred by the hospitals in providing services for***
11 ***long-term care to persons who are eligible for Medicaid.***

12 ***3. As used in this section, “rural hospital” has the meaning ascribed***
13 ***to it in NRS 449.0177.***

14 **Sec. 2.** NRS 422.240 is hereby amended to read as follows:

15 422.240 1. Money to carry out the provisions of NRS 422.001 to
16 422.410, inclusive, ***and section 1 of this act***, and 422.580, including,
17 without limitation, any federal money allotted to the State of Nevada



1 pursuant to the program to provide temporary assistance for needy families
2 and the program for child care and development, must be provided by
3 appropriation by the legislature from the state general fund.

4 2. Disbursements for the purposes of NRS 422.001 to 422.410,
5 inclusive, *and section 1 of this act*, and 422.580 must be made upon claims
6 duly filed, audited and allowed in the same manner as other money in the
7 state treasury is disbursed.

8 **Sec. 3.** NRS 232.320 is hereby amended to read as follows:

9 232.320 1. Except as otherwise provided in subsection 2, the
10 director:

11 (a) Shall appoint, with the consent of the governor, administrators of the
12 divisions of the department, who are respectively designated as follows:

- 13 (1) The administrator of the aging services division;
14 (2) The administrator of the health division;
15 (3) The state welfare administrator;
16 (4) The administrator of the division of child and family services; and
17 (5) The administrator of the division of health care financing and
18 policy.

19 (b) Shall administer, through the divisions of the department, the
20 provisions of chapters 210, 423, 424, 425, 427A, 432A to 442, inclusive,
21 446 to 450, inclusive, of NRS, NRS 127.220 to 127.310, inclusive, 422.001
22 to 422.410, inclusive, *and section 1 of this act*, 422.580, 432.010 to
23 432.139, inclusive, 444.003 to 444.430, inclusive, and 445A.010 to
24 445A.055, inclusive, and all other provisions of law relating to the
25 functions of the divisions of the department, but is not responsible for the
26 clinical activities of the health division or the professional line activities of
27 the other divisions.

28 (c) Shall, after considering advice from agencies of local governments
29 and nonprofit organizations which provide social services, adopt a master
30 plan for the provision of human services in this state. The director shall
31 revise the plan biennially and deliver a copy of the plan to the governor and
32 the legislature at the beginning of each regular session. The plan must:

- 33 (1) Identify and assess the plans and programs of the department for
34 the provision of human services, and any duplication of those services by
35 federal, state and local agencies;
36 (2) Set forth priorities for the provision of those services;
37 (3) Provide for communication and the coordination of those services
38 among nonprofit organizations, agencies of local government, the state and
39 the Federal Government;
40 (4) Identify the sources of funding for services provided by the
41 department and the allocation of that funding;
42 (5) Set forth sufficient information to assist the department in
43 providing those services and in the planning and budgeting for the future
44 provision of those services; and
45 (6) Contain any other information necessary for the department to
46 communicate effectively with the Federal Government concerning
47 demographic trends, formulas for the distribution of federal money and any
48 need for the modification of programs administered by the department.



- 1 (d) May, by regulation, require nonprofit organizations and state and
2 local governmental agencies to provide information to him regarding the
3 programs of those organizations and agencies, excluding detailed
4 information relating to their budgets and payrolls, which he deems
5 necessary for his performance of the duties imposed upon him pursuant to
6 this section.
- 7 (e) Has such other powers and duties as are provided by law.
- 8 2. The governor shall appoint the administrator of the division of
9 mental health and developmental services.
- 10 **Sec. 4.** 1. There is hereby appropriated from the state general fund
11 to the department of human resources for payment to rural hospitals for all
12 reasonable costs incurred by the rural hospitals in providing services for
13 long-term care to persons who are eligible for Medicaid:
- 14 For the fiscal year 2001-2002..... \$700,000
15 For the fiscal year 2002-2003..... \$700,000
- 16 2. Any balance of the sums appropriated by subsection 1 remaining at
17 the end of the respective fiscal years must not be committed for
18 expenditure after June 30 of the respective fiscal years and reverts to the
19 state general fund as soon as all payments of money committed have been
20 made.
- 21 3. The department of human resources shall retroactively reimburse a
22 rural hospital in the manner set forth in section 1 of this act for reasonable
23 costs incurred by the rural hospital in fiscal year 2001-2002 as soon as
24 reasonably possible after the state plan for Medicaid has been amended to
25 included the requirement set forth in section 1 of this act.
- 26 **Sec. 5.** This act becomes effective on July 1, 2001.

