

**(REPRINTED WITH ADOPTED AMENDMENTS)**  
**FIRST REPRINT** **S.B. 302**

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SENATE BILL NO. 302—COMMITTEE ON HUMAN  
RESOURCES AND FACILITIES

MARCH 8, 2001

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Referred to Committee on Human Resources and Facilities

SUMMARY—Revises provisions governing payment of hospitals for serving indigent patients. (BDR 40-962)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State: No.

CONTAINS UNFUNDED MANDATE (§§ 4, 11)  
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to the provision of health care; repealing the requirement for certain hospitals to provide a certain amount of uncompensated care to indigent patients; providing a minimum amount certain counties must pay to certain hospitals for serving indigent 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 439B.300 is hereby amended to read as follows:  
2     439B.300 1. ~~{The legislature finds and declares that:~~  
3     ~~—(a) The practice of refusing to treat an indigent patient if another~~  
4     ~~hospital can provide the treatment endangers the health and well-being of~~  
5     ~~such patients.~~  
6     ~~—(b) Counties in which more than one hospital is located may lack~~  
7     ~~available resources to compensate for all indigent care provided at their~~  
8     ~~hospitals. Refusal by a hospital to treat indigent patients in such counties~~  
9     ~~results in a burden upon hospitals which treat large numbers of indigent~~  
10    ~~patients.~~  
11    ~~—(c) A requirement that hospitals in such counties provide a designated~~  
12    ~~amount of uncompensated care for indigent patients would:~~  
13    ~~—(1) Equalize the burden on such hospitals of treating indigent~~  
14    ~~patients; and~~  
15    ~~—(2) Aid the counties in meeting their obligation to compensate~~  
16    ~~hospitals for such care.~~



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1 ~~—(d) Hospitals with 100 or fewer beds have been meeting the needs of~~  
2 ~~their communities with regard to care of indigents, and have a minimal~~  
3 ~~effect on the provision of such care.~~

4 ~~—2.~~ Except as otherwise provided in this subsection, the provisions of  
5 NRS ~~{439B.300 to 439B.340, inclusive,}~~ **439B.310 and 439B.330** apply to  
6 each hospital in this state which is located in a county in which there are  
7 two or more licensed hospitals. The provisions of NRS ~~{439B.300 to~~  
8 ~~439B.340, inclusive,}~~ **439B.310 and 439B.330** do not apply to a hospital  
9 which has 100 or fewer beds.

10 ~~{3.}~~ **2.** The provisions of NRS ~~{439B.300 to 439B.340, inclusive,}~~  
11 **439B.310 and 439B.330** do not prohibit a county from:

12 (a) Entering into an agreement for medical care or otherwise contracting  
13 with any hospital located within that county; or

14 (b) Using a definition of “indigent” which would include more persons  
15 than the definition in NRS 439B.310.

16 **Sec. 2.** NRS 439B.310 is hereby amended to read as follows:

17 439B.310 For the purposes of NRS ~~{439B.300 to 439B.340, inclusive,}~~  
18 **439B.330**, “indigent” means those persons:

- 19 1. Who are not covered by any policy of health insurance;
- 20 2. Who are ineligible for Medicare, Medicaid, the children’s health  
21 insurance program, the benefits provided pursuant to NRS 428.115 to  
22 428.255, inclusive, or any other federal or state program of public  
23 assistance covering the provision of health care;
- 24 3. Who meet the limitations imposed by the county upon assets and  
25 other resources or potential resources; and
- 26 4. Whose income is less than:

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

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

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

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

35 **Sec. 3.** NRS 439B.330 is hereby amended to read as follows:

36 439B.330 1. Except as otherwise provided in NRS 439B.300 and  
37 subsection ~~{2.}~~ **5** of this section, each county shall use the definition of  
38 “indigent” in NRS 439B.310 to determine a person’s eligibility for medical  
39 assistance pursuant to chapter 428 of NRS, other than assistance provided  
40 pursuant to NRS 428.115 to 428.255, inclusive.

41 2. ~~{A board of county commissioners may, if it determines that a~~  
42 ~~hospital within the county is serving a disproportionately large share of~~  
43 ~~low income patients:~~

44 ~~—(a) Pay a higher rate to the hospital for treatment of indigent inpatients;~~

45 ~~—(b) Pay the hospital for treatment of indigent inpatients whom the~~  
46 ~~hospital would otherwise be required to treat without receiving~~  
47 ~~compensation from the county; or~~

48 ~~—(c) Both pay at a higher rate and pay for inpatients for whom the~~  
49 ~~hospital would otherwise be uncompensated.~~



1 ~~3.1~~ Each hospital which treats an indigent inpatient shall submit to the  
2 board of county commissioners of the county of residence of the patient a  
3 discharge form identifying the patient as a possible indigent and containing  
4 the information required by the department and the county to be included  
5 in all such forms.

6 ~~4.1~~ 3. The county which receives a discharge form from a hospital for  
7 an indigent inpatient shall verify the status of the patient and the amount  
8 which the hospital is entitled to receive. A hospital aggrieved by a  
9 determination of a county regarding the indigent status of an inpatient may  
10 appeal the determination to the director or a person designated by the  
11 director to hear such an appeal. The decision of the director or the person  
12 he designates must be mailed by registered or certified mail to the county  
13 and the hospital. The decision of the director or the person he designates  
14 may be appealed to a court having general jurisdiction in the county within  
15 15 days after the date of the postmark on the envelope in which the  
16 decision was mailed.

17 ~~5.1~~ 4. Except as otherwise provided in subsection ~~12 of this section~~  
18 ~~and subsection 3 of NRS 439B.320,~~ 5, if the county is the county of  
19 residence of the patient and the patient is indigent, the county shall, ~~pay to~~  
20 ~~the hospital the amount required,~~ within the limits of money which may  
21 lawfully be appropriated for this purpose pursuant to NRS 428.050,  
22 428.285 and 450.425 ~~11~~, *pay to the hospital the amount required.*

23 *5. A board of county commissioners may, if it determines that a*  
24 *hospital within the county is serving a disproportionately large share of*  
25 *low-income patients:*

26 *(a) Pay a higher rate to the hospital for the treatment of indigent*  
27 *inpatients;*

28 *(b) Pay the hospital for the treatment of indigent inpatients whom the*  
29 *hospital would otherwise be required to treat without receiving*  
30 *compensation from the county; or*

31 *(c) Both pay at a higher rate and pay for inpatients for whom the*  
32 *hospital would otherwise be uncompensated.*

33 6. For the purposes of this section, the county of residence of the  
34 patient is the county of residence of that person before he was admitted to  
35 the hospital.

36 **Sec. 4.** NRS 439B.330 is hereby amended to read as follows:

37 439B.330 1. Except as otherwise provided in NRS 439B.300 and  
38 subsection 5 of this section, each county shall use the definition of  
39 "indigent" in NRS 439B.310 to determine a person's eligibility for medical  
40 assistance pursuant to chapter 428 of NRS, other than assistance provided  
41 pursuant to NRS 428.115 to 428.255, inclusive.

42 2. Each hospital which treats an indigent inpatient shall submit to the  
43 board of county commissioners of the county of residence of the patient a  
44 discharge form identifying the patient as a possible indigent and containing  
45 the information required by the department and the county to be included  
46 in all such forms.

47 3. The county which receives a discharge form from a hospital for an  
48 indigent inpatient shall verify the status of the patient and the amount  
49 which the hospital is entitled to receive. A hospital aggrieved by a



1 determination of a county regarding the indigent status of an inpatient may  
2 appeal the determination to the director or a person designated by the  
3 director to hear such an appeal. The decision of the director or the person  
4 he designates must be mailed by registered or certified mail to the county  
5 and the hospital. The decision of the director or the person he designates  
6 may be appealed to a court having general jurisdiction in the county within  
7 15 days after the date of the postmark on the envelope in which the  
8 decision was mailed.

9 4. Except as otherwise provided in subsection 5, if the county is the  
10 county of residence of the patient and the patient is indigent, the county  
11 shall, within the limits of money which may lawfully be appropriated for  
12 this purpose pursuant to NRS 428.050, 428.285 and 450.425, pay to the  
13 hospital ~~the amount required.~~ *an amount that is not less than the*  
14 *payment required for providing the same treatment to patients pursuant*  
15 *to the state plan for Medicaid.*

16 5. A board of county commissioners may, if it determines that a  
17 hospital within the county is serving a disproportionately large share of  
18 low-income patients:

19 (a) Pay a higher rate to the hospital for the treatment of indigent  
20 inpatients;

21 (b) Pay the hospital for the treatment of indigent inpatients whom the  
22 hospital would otherwise be required to treat without receiving  
23 compensation from the county; or

24 (c) Both pay at a higher rate and pay for inpatients for whom the  
25 hospital would otherwise be uncompensated.

26 6. For the purposes of this section, the county of residence of the  
27 patient is the county of residence of that person before he was admitted to  
28 the hospital.

29 **Sec. 5.** NRS 450.420 is hereby amended to read as follows:

30 450.420 1. The board of county commissioners of the county in  
31 which a public hospital is located may determine whether patients  
32 presented to the public hospital for treatment are subjects of charity. Except  
33 as otherwise provided in NRS 439B.330, the board of county  
34 commissioners shall establish, by ordinance, criteria and procedures to be  
35 used in the determination of eligibility for medical care as medical  
36 indigents or subjects of charity.

37 2. The board of hospital trustees shall fix the charges for treatment of  
38 those persons able to pay for the charges, as the board deems just and  
39 proper. The board of hospital trustees may impose an interest charge of not  
40 more than 12 percent per annum on unpaid accounts. The receipts must be  
41 paid to the county treasurer and credited by him to the hospital fund. In  
42 fixing charges pursuant to this subsection, the board of hospital trustees  
43 shall not include, or seek to recover from paying patients, any portion of  
44 the expense of the hospital which is properly attributable to the care of  
45 indigent patients.

46 3. Except as *otherwise* provided in subsection 4, ~~of this section and~~  
47 ~~subsection 3 of NRS 439B.320,~~ the county is chargeable with the entire  
48 cost of services rendered by the hospital and any salaried staff physician or  
49 employee to any person admitted for emergency treatment, including ,



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1 *without limitation*, all reasonably necessary recovery, convalescent and  
2 follow-up inpatient care required for any such person as determined by the  
3 board of trustees of the hospital, but the hospital shall use reasonable  
4 diligence to collect the charges from the emergency patient or any other  
5 person responsible for his support. Any amount collected must be  
6 reimbursed or credited to the county.

7 4. The county is not chargeable with the cost of services rendered by  
8 the hospital or any attending staff physician or surgeon to the extent the  
9 hospital is reimbursed for those services pursuant to NRS 428.115 to  
10 428.255, inclusive.

11 **Sec. 6.** NRS 450.490 is hereby amended to read as follows:

12 450.490 1. The board of county commissioners of any county for  
13 which a public hospital has been established or is administered pursuant to  
14 NRS 450.010 to 450.510, inclusive, and whose public hospital is the only  
15 hospital in the county, may convey the hospital for an amount not less than  
16 its appraised value or lease it for a term of not more than 50 years to any  
17 corporation if all of the following conditions are met:

18 (a) The corporation must provide in its articles of incorporation for an  
19 advisory board for the hospital. The advisory board must consist of persons  
20 who represent a broad section of the people to be served by the hospital.

21 (b) The corporation must contract to:

22 (1) Care for indigent patients at a charge to the county which does not  
23 exceed the actual cost of providing that care, or in accordance with NRS  
24 439B.300 ~~to 439B.340, inclusive,~~ , *439B.310 and 439B.330*, if  
25 applicable; and

26 (2) Receive any person falling sick or maimed within the county.

27 (c) The corporation must agree to accept all the current assets, including  
28 accounts receivable, to assume all the current liabilities, and to take over  
29 and maintain the records of the existing public hospital.

30 (d) The agreement must provide for the transfer of patients, staff and  
31 employees, and for the continuing administration of any trusts or bequests  
32 pertaining to the existing public hospital.

33 (e) The agreement must provide for the assumption by the corporation  
34 of all indebtedness of the county which is attributable to the hospital, and:

35 (1) If the hospital is conveyed, for payment to the county of an  
36 amount which is not less than the appraised value of the hospital, after  
37 deducting any indebtedness so assumed, immediately or by deferred  
38 installments over a period of not more than 30 years.

39 (2) If the hospital is leased, for a rental which will, over the term of  
40 the lease, reimburse the county for its actual capital investment in the  
41 hospital, after deducting depreciation and any indebtedness so assumed.  
42 The lease may provide a credit against the rental so required for the value  
43 of any capital improvements made by the corporation.

44 2. If any hospital which has been conveyed pursuant to this section  
45 ceases to be used as a hospital, unless the premises so conveyed are sold  
46 and the proceeds used to erect or enlarge another hospital for the county,  
47 the hospital so conveyed reverts to the ownership of the county. If any  
48 hospital which has been leased pursuant to this section ceases to be used as  
49 a hospital, the lease is terminated.



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1     **Sec. 7.** NRS 450.500 is hereby amended to read as follows:

2     450.500   1. Except as otherwise provided in NRS 450.490, the board  
3 of county commissioners of any county for which a public hospital has  
4 been established pursuant to NRS 450.010 to 450.510, inclusive, or  
5 established otherwise but administered pursuant to NRS 450.010 to  
6 450.510, inclusive, may convey the hospital, or lease it for a term of not  
7 more than 50 years, to a nonprofit corporation if all of the following  
8 conditions are met:

9     (a) The governing body of the nonprofit corporation must be composed  
10 initially of the incumbent members of the board of hospital trustees, as  
11 individuals. The articles of incorporation must provide for:

12     (1) A membership of the corporation which is broadly representative  
13 of the public and includes residents of each incorporated city in the county  
14 and of the unincorporated area of the county or a single member which is a  
15 nonprofit corporation whose articles of incorporation provide for a  
16 membership which is broadly representative of the public and includes  
17 residents of each incorporated city in the county and of the unincorporated  
18 area of the county;

19     (2) The selection of the governing body by the membership of the  
20 corporation or, if the corporation has a single member, by the single  
21 member;

22     (3) The governing body to select its members only to fill a vacancy  
23 for an unexpired term; and

24     (4) The terms of office of members of the governing body, not to  
25 exceed 6 years.

26     (b) The nonprofit corporation must contract to:

27     (1) Care for indigent patients at a charge to the county which does not  
28 exceed the actual cost of providing such care, or in accordance with NRS  
29 439B.300 ~~to 439B.340, inclusive,~~ , 439B.310 and 439B.330, if  
30 applicable; and

31     (2) Receive any person falling sick or maimed within the county.

32     (c) The nonprofit corporation must agree to accept all the current assets,  
33 including accounts receivable, to assume all the current liabilities, and to  
34 take over and maintain the records of the existing public hospital.

35     (d) The agreement must provide for the transfer of patients, staff and  
36 employees, and for the continuing administration of any trusts or bequests  
37 pertaining to the existing public hospital.

38     (e) The agreement must provide for the assumption by the corporation  
39 of all indebtedness of the county which is attributable to the hospital, and:

40     (1) If the hospital is conveyed, for payment to the county of its actual  
41 capital investment in the hospital, after deducting depreciation and any  
42 indebtedness so assumed, immediately or by deferred installments over a  
43 period of not more than 30 years.

44     (2) If the hospital is leased, for a rental which will , over the term of  
45 the lease , reimburse the county for its actual capital investment in the  
46 hospital, after deducting depreciation and any indebtedness so assumed.  
47 The lease may provide a credit against the rental so required for the value  
48 of any capital improvements made by the corporation.



1     2. Boards of county commissioners which have joint responsibility for  
2 a public hospital may jointly exercise the power conferred by subsection 1,  
3 and are subject jointly to the related duties.

4     3. If any hospital which has been conveyed pursuant to this section  
5 ceases to be used as a nonprofit hospital, unless the premises so conveyed  
6 are sold and the proceeds used to erect or enlarge another nonprofit  
7 hospital for the county, the hospital so conveyed reverts to the ownership  
8 of the county. If any hospital which has been leased pursuant to this section  
9 ceases to be used as a nonprofit hospital, the lease is terminated.

10    **Sec. 8.** NRS 450.510 is hereby amended to read as follows:

11    450.510 1. The board of county commissioners of any county whose  
12 population is less than 100,000 may contract with any nonprofit  
13 corporation to which a public hospital has been conveyed or leased, for the  
14 care of indigent patients from the contracting county and the receiving of  
15 other persons falling sick or being maimed or injured within the  
16 contracting county. The contract must be consistent with the provisions of  
17 NRS 439B.300 ~~to 439B.340, inclusive,~~ , 439B.310 and 439B.330, if  
18 applicable.

19    2. The contracting county may participate in the enlargement or  
20 alteration of the hospital.

21    **Sec. 9.** 1. Before September 30, 2002, each county in which  
22 hospitals subject to the provisions of NRS 439B.300, 439B.310 and  
23 439B.330 are located shall provide to the department a report showing:

24    (a) The total number of inpatients treated during the fiscal year ending  
25 on June 30, 2002, by each such hospital who are claimed by the hospital to  
26 be indigent;

27    (b) The number of such patients for whom no reimbursement was  
28 provided by the county because of the limitation imposed by subsection 3  
29 of NRS 439B.320;

30    (c) The total amount paid to each such hospital for treatment of such  
31 patients; and

32    (d) The amount the hospital would have received for patients for whom  
33 no reimbursement was provided.

34    2. The director shall verify the amount of treatment provided to  
35 indigent inpatients during the fiscal year ending on June 30, 2002, by each  
36 hospital to which no reimbursement was provided by:

37    (a) Determining the number of indigent inpatients who received  
38 treatment. For a hospital that has contracted with the department pursuant  
39 to subsection 4 of NRS 428.030, the director shall determine the number  
40 based upon the evaluations of eligibility made by the employee assigned to  
41 the hospital pursuant to the contract. For all other hospitals, the director  
42 shall determine the number based upon the report submitted pursuant to  
43 subsection 1 of this section.

44    (b) Multiplying the number of indigent inpatients who received each  
45 type of treatment by the highest amount paid by the county for that  
46 treatment.

47    (c) Adding the products of the calculations made pursuant to paragraphs  
48 (a) and (b) for all treatment provided.



1 If the total amount of treatment provided by the hospital to indigent  
2 inpatients during the fiscal year ending on June 30, 2002, was less than its  
3 minimum obligation for the year, the director shall assess the hospital for  
4 the amount of the difference between the minimum obligation and the  
5 actual amount of treatment provided by the hospital to indigent inpatients.  
6 If a decision of a county regarding the indigent status of one or more  
7 inpatients is pending appeal before the director or upon receiving  
8 satisfactory proof from a hospital that the decision is pending appeal before  
9 a court having general jurisdiction in the county pursuant to NRS  
10 439B.330, the director shall defer assessing the hospital the amount that  
11 may be offset by the determination on appeal until a final determination of  
12 the matter is made.

13 3. If the director determines that a hospital has met its obligation to  
14 provide treatment to indigent inpatients during the fiscal year ending on  
15 June 30, 2002, he shall certify to the county in which the hospital is located  
16 that the hospital has met its obligation. The county is not required to pay  
17 the hospital for the costs of treating indigent inpatients for that fiscal year  
18 until the certification is received from the director. The county shall pay  
19 the hospital for such treatment within 30 days after receipt of the  
20 certification to the extent that money was available for payment pursuant to  
21 NRS 428.050, 428.285 and 450.425 at the time the treatment was provided.

22 4. The director shall determine the amount of the assessment which a  
23 hospital must pay pursuant to this section and shall notify the hospital in  
24 writing of that amount on or before November 1, 2002. The notice must  
25 include, but is not limited to, a written statement for each claim that is  
26 denied indicating why the claim was denied. Payment is due 30 days after  
27 receipt of the notice, except for assessments deferred pursuant to  
28 subsection 2 that, if required, must be paid within 30 days after the court  
29 hearing the appeal renders its decision. If a hospital fails to pay the  
30 assessment when it is due, the hospital shall pay, in addition to the  
31 assessment:

32 (a) Interest at a rate of 1 percent per month for each month after the  
33 assessment is due in which it remains unpaid; and

34 (b) Any court costs and fees required by the director to obtain payment  
35 of the assessment and interest from the hospital.

36 5. Any money collected pursuant to this section must be paid to the  
37 county in which the hospital paying the assessment is located for use in  
38 paying other hospitals in the county for the treatment of indigent inpatients  
39 by those hospitals. The money received by a county from assessments  
40 made pursuant to this section does not constitute revenue from taxes ad  
41 valorem for the purposes of NRS 354.59811, 428.050, 428.285 and  
42 450.425, and must be excluded in determining the maximum rate of tax  
43 authorized by those sections.

44 6. For the purposes of this section:

45 (a) "Department" means the department of human resources;

46 (b) "Director" means the director of the department; and

47 (c) "Indigent" has the meaning ascribed to it in NRS 439B.310.



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1     **Sec. 10.** The provisions of subsection 1 of NRS 354.599 do not apply  
2 to any additional expenses of a local government that are related to the  
3 provisions of this act.

4     **Sec. 11.** NRS 439B.320 and 439B.340 are hereby repealed.

5     **Sec. 12.** 1. This section and sections 1, 2, 3 and 5 to 11, inclusive, of  
6 this act become effective on July 1, 2002.

7     2. Section 4 of this act becomes effective on July 1, 2003.

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### TEXT OF REPEALED SECTIONS

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**439B.320 Hospital required to provide care for proportionate share of indigent patients; duties of department and board of county commissioners; reimbursement for care.**

1. A hospital shall provide, without charge, in each fiscal year, care for indigent inpatients in an amount which represents 0.6 percent of its net revenue for the hospital's preceding fiscal year.

2. The department shall compute the obligation of each hospital for care of indigent inpatients for each fiscal year based upon the net revenue of the hospital in its preceding fiscal year and shall provide this information to the board of county commissioners of the county in which the hospital is located.

3. The board of county commissioners shall maintain a record of discharge forms submitted by each hospital located within the county, together with the amount accruing to the hospital. The amount accruing to the hospital for the care, until the hospital has met its obligation pursuant to this section, is the highest amount the county is paying to any hospital in the county for that care. Except as otherwise provided in subsection 2 of NRS 439B.330, no payment for indigent care may be made to the hospital until the total amount so accruing to the hospital exceeds the minimum obligation of the hospital for the fiscal year, and a hospital may only receive payment from the county for indigent care provided in excess of its obligation pursuant to this section. After a hospital has met its obligation pursuant to this section, the county may reimburse the hospital for care of indigent inpatients at any rate otherwise authorized by law.

**439B.340 Report on indigent patients treated; verification by director; compensation for treatment provided in excess of obligation; assessment for failure to fulfill minimum obligation.**

1. Before September 30 of each year, each county in which hospitals subject to the provisions of NRS 439B.300 to 439B.340, inclusive, are located shall provide to the department a report showing:

(a) The total number of inpatients treated by each such hospital who are claimed by the hospital to be indigent;



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(b) The number of such patients for whom no reimbursement was provided by the county because of the limitation imposed by subsection 3 of NRS 439B.320;

(c) The total amount paid to each such hospital for treatment of such patients; and

(d) The amount the hospital would have received for patients for whom no reimbursement was provided.

2. The director shall verify the amount of treatment provided to indigent inpatients by each hospital to which no reimbursement was provided by:

(a) Determining the number of indigent inpatients who received treatment. For a hospital that has contracted with the department of human resources pursuant to subsection 4 of NRS 428.030, the director shall determine the number based upon the evaluations of eligibility made by the employee assigned to the hospital pursuant to the contract. For all other hospitals, the director shall determine the number based upon the report submitted pursuant to subsection 1 of this section.

(b) Multiplying the number of indigent inpatients who received each type of treatment by the highest amount paid by the county for that treatment.

(c) Adding the products of the calculations made pursuant to paragraphs (a) and (b) for all treatment provided.

If the total amount of treatment provided to indigent inpatients in the previous fiscal year by the hospital was less than its minimum obligation for the year, the director shall assess the hospital for the amount of the difference between the minimum obligation and the actual amount of treatment provided by the hospital to indigent inpatients. If a decision of a county regarding the indigent status of one or more inpatients is pending appeal before the director or upon receiving satisfactory proof from a hospital that the decision is pending appeal before a court having general jurisdiction in the county pursuant to subsection 4 of NRS 439B.330, the director shall defer assessing the hospital the amount that may be offset by the determination on appeal until a final determination of the matter is made.

3. If the director determines that a hospital has met its obligation to provide treatment to indigent inpatients, he shall certify to the county in which the hospital is located that the hospital has met its obligation. The county is not required to pay the hospital for the costs of treating indigent inpatients until the certification is received from the director. The county shall pay the hospital for such treatment within 30 days after receipt of the certification to the extent that money was available for payment pursuant to NRS 428.050, 428.285 and 450.425 at the time the treatment was provided.

4. The director shall determine the amount of the assessment which a hospital must pay pursuant to this section and shall notify the hospital in writing of that amount on or before November 1 of each year. The notice must include, but is not limited to, a written statement for each claim which is denied indicating why the claim was denied. Payment is due 30 days after receipt of the notice, except for assessments deferred pursuant to subsection 2 which, if required, must be paid within 30 days after the court



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hearing the appeal renders its decision. If a hospital fails to pay the assessment when it is due the hospital shall pay, in addition to the assessment:

(a) Interest at a rate of 1 percent per month for each month after the assessment is due in which it remains unpaid; and

(b) Any court costs and fees required by the director to obtain payment of the assessment and interest from the hospital.

5. Any money collected pursuant to this section must be paid to the county in which the hospital paying the assessment is located for use in paying other hospitals in the county for the treatment of indigent inpatients by those hospitals. The money received by a county from assessments made pursuant to this section does not constitute revenue from taxes ad valorem for the purposes of NRS 354.59811, 428.050, 428.285 and 450.425, and must be excluded in determining the maximum rate of tax authorized by those sections.

