

SENATE BILL NO. 333—SENATOR SHAFFER

MARCH 13, 2001

Referred to Committee on Human Resources and Facilities

SUMMARY—Revises provisions governing payment of hospitals for treating disproportionate share of Medicaid patients, indigent patients or other low-income patients. (BDR 38-1237)

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 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. In a county within which:
3 (a) A public hospital is located, the state or local government or other
4 entity responsible for the public hospital shall transfer an amount equal to
5 75 percent of the amount of the payment made to the public hospital
6 pursuant to NRS 422.387 less \$50,000 to the division of health care
7 financing and policy.
8 (b) A private hospital which receives a payment pursuant to NRS
9 422.387 is located, the county shall transfer an amount established by the
10 legislature to the division of health care financing and policy.
11 2. A county ***whose population is less than 400,000*** that transfers the
12 amount required pursuant to paragraph (b) of subsection 1 to the division
13 of health care financing and policy is discharged of the duty and is released
14 from liability for providing medical treatment for indigent inpatients who
15 are treated in the hospital in the county that receives a payment pursuant to
16 paragraph (b) of subsection 2 of NRS 422.387.
17 3. Any money collected pursuant to subsection 1, including any
18 interest or penalties imposed for a delinquent payment, must be deposited
19 in the state treasury for credit to the intergovernmental transfer account in
20 the state general fund to be administered by the division of health care
21 financing and policy.



1 4. The interest and income earned on money in the intergovernmental
2 transfer account, after deducting any applicable charges, must be credited
3 to the account.

4 **Sec. 2.** NRS 422.387 is hereby amended to read as follows:
5 422.387 1. Before making the payments required or authorized by
6 this section, the division of health care financing and policy shall allocate
7 money for the administrative costs necessary to carry out the provisions of
8 NRS 422.380 to 422.390, inclusive. The amount allocated for
9 administrative costs must not exceed ~~that~~ :
10 *(a) The actual expenses the division expects to incur for this purpose*
11 *in a fiscal year; or*
12 *(b) The amount authorized for expenditure by the legislature for this*
13 *purpose in a fiscal year ~~that~~,*
14 *whichever is less.* The interim finance committee may adjust the amount
15 allowed for administrative costs ~~that~~ *pursuant to paragraph (b).*
16 2. The state plan for Medicaid must provide:
17 (a) For the payment of the maximum amount allowable under federal
18 law and regulations after making ~~to a payment, if any,~~ *any payments*
19 *pursuant to ~~paragraph (b),~~ paragraphs (b) and (c),* to public hospitals for
20 treating a disproportionate share of Medicaid patients, indigent patients or
21 other low-income patients, unless such payments are subsequently limited
22 by federal law or regulation.
23 (b) For a payment in an amount approved by the legislature to the
24 private hospital that provides the largest volume of medical care to
25 Medicaid patients, indigent patients or other low-income patients in a
26 county *whose population is less than 400,000* that does not have a public
27 hospital.
28 *(c) For a payment in an amount approved by the legislature to each*
29 *private hospital in a county whose population is 400,000 or more that*
30 *qualifies to be deemed a disproportionate share hospital pursuant to 42*
31 *U.S.C. § 1396r-4(b)(1)(A) or 42 U.S.C. § 1396r-4(b)(1)(B).*
32 The plan must be consistent with the provisions of NRS 422.380 to
33 422.390, inclusive, and Title XIX of the Social Security Act, ~~that~~ 42 U.S.C.
34 §§ 1396 et seq. , ~~that~~ and the regulations adopted pursuant to those
35 provisions.
36 3. The division of health care financing and policy may, with the
37 approval of the director, amend the state plan for Medicaid to modify the
38 methodology for establishing the rates of payment to public hospitals for
39 inpatient services, except that such amendments must not reduce the total
40 reimbursements to public hospitals for such services.
41 **Sec. 3.** This act becomes effective on July 1, 2001.

