

SENATE BILL NO. 484—COMMITTEE ON HUMAN  
RESOURCES AND FACILITIES

MARCH 26, 2001

Referred to Committee on Human Resources and Facilities

SUMMARY—Revises provisions requiring major hospitals to reduce their billed charges for certain services. (BDR 40-1233)

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 cost of health care; revising the provisions requiring major hospitals to reduce their billed charges for certain services; 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 439B of NRS is hereby amended by adding thereto  
2     a new section to read as follows:  
3     ***1. A major hospital shall reduce or discount the total billed charge***  
4     ***for hospital services provided each day to a diverted emergency inpatient***  
5     ***to not more than 150 percent of the average daily operating revenue per***  
6     ***inpatient of that hospital, as specified for the most recent period for***  
7     ***which the department has published the average daily operating revenue***  
8     ***per inpatient of that hospital, if:***  
9     ***(a) The inpatient:***  
10    ***(1) Has no insurance or other contractual provision for the***  
11    ***payment of the charge by a third party; or***  
12    ***(2) Has insurance or another contractual provision for the payment***  
13    ***of the charge by a third party, but the hospital does not have a current***  
14    ***agreement, contract or other arrangement with the insurer or third party***  
15    ***for the payment of covered services;***  
16    ***(b) The inpatient is not eligible for coverage by a state or federal***  
17    ***program of public assistance that would provide for the payment of the***  
18    ***charge;***  
19    ***(c) The inpatient makes reasonable arrangements within 30 days after***  
20    ***discharge to pay his hospital bill; and***



1 (d) *The provisions of NRS 439B.260 do not require a greater*  
2 *reduction or discount in the total billed charge for those services.*

3 2. *The department shall, not less than annually, publish the average*  
4 *daily operating revenue per inpatient of each major hospital for each*  
5 *calendar year or for a shorter period as the department deems*  
6 *appropriate.*

7 3. *A major hospital or patient who disputes the reasonableness of the*  
8 *arrangements made pursuant to paragraph (c) of subsection 1 may*  
9 *submit the dispute to the office for hospital patients for resolution as*  
10 *provided in NRS 232.543.*

11 4. *As used in this section:*

12 (a) *"Diverted emergency inpatient" means a patient who is admitted to*  
13 *a major hospital upon diversion from another hospital that lacked*  
14 *sufficient resources to provide the emergency services and care needed by*  
15 *that patient.*

16 (b) *"Emergency services and care" has the meaning ascribed to it in*  
17 *NRS 439B.410.*

18 **Sec. 2.** NRS 439B.260 is hereby amended to read as follows:

19 439B.260 1. ~~1A~~ *Except as otherwise provided in section 1 of this*  
20 *act, a major hospital shall reduce or discount the total billed charge by at*  
21 *least 30 percent for hospital services provided to an inpatient who:*

22 (a) *Has no insurance or other contractual provision for the payment of*  
23 *the charge by a third party;*

24 (b) *Is not eligible for coverage by a state or federal program of public*  
25 *assistance that would provide for the payment of the charge; and*

26 (c) *Makes reasonable arrangements within 30 days after discharge to*  
27 *pay his hospital bill.*

28 2. *A major hospital or patient who disputes the reasonableness of*  
29 *arrangements made pursuant to paragraph (c) of subsection 1 may submit*  
30 *the dispute to the office for hospital patients for resolution as provided in*  
31 *NRS 232.543.*

32 3. *A major hospital shall reduce or discount the total billed charge of*  
33 *its outpatient pharmacy by at least 30 percent to a patient who is eligible*  
34 *for Medicare.*

35 **Sec. 3.** NRS 232.543 is hereby amended to read as follows:

36 232.543 1. *There is hereby created within the consumer affairs*  
37 *division of the department an office for hospital patients.*

38 2. *The administrator of the office:*

39 (a) *Is responsible for the operation of the office, which must be easily*  
40 *accessible to the clientele of the office.*

41 (b) *Must be appointed by the director.*

42 (c) *Is in the unclassified service of the state.*

43 (d) *Shall appoint and supervise such additional employees as are*  
44 *necessary to carry out the duties of the office. The employees of the office*  
45 *are in the classified service of the state.*

46 (e) *Shall submit a written report quarterly to the department of human*  
47 *resources and the legislative committee on health care concerning the*  
48 *activities of the office, including, but not limited to, the number of*  
49 *complaints received by the office, the number and type of disputes heard,*



1 mediated, arbitrated or resolved through alternative means of dispute  
2 resolution by the administrator and the outcome of the mediation,  
3 arbitration or alternative means of dispute resolution.

4 3. The administrator of the office may, upon request made by either  
5 party, hear, mediate, arbitrate or resolve by alternative means of dispute  
6 resolution disputes between patients and hospitals. The administrator may  
7 decline to hear a case which in his opinion is trivial, without merit or  
8 beyond the scope of his jurisdiction. The administrator may hear, mediate,  
9 arbitrate or resolve through alternative means of dispute resolution disputes  
10 regarding:

11 (a) The accuracy or amount of charges billed to the patient;

12 (b) The reasonableness of arrangements made pursuant to paragraph (c)  
13 of subsection 1 of NRS 439B.260 ~~or~~ *or paragraph (c) of subsection 1 of*  
14 *section 1 of this act;* and

15 (c) Such other matters related to the charges for care provided to a  
16 patient as the administrator determines appropriate for arbitration,  
17 mediation or other alternative means of dispute resolution.

18 4. The decision of the administrator is a final decision for the purpose  
19 of judicial review.

20 5. Each hospital, other than federal and state hospitals, with 49 or more  
21 licensed or approved hospital beds shall pay an annual assessment for the  
22 support of the office. On or before July 15 of each year, the director of the  
23 department of human resources shall notify each hospital of its assessment  
24 for the fiscal year. Payment of the assessment is due on or before  
25 September 15. Late payments bear interest at the rate of 1 percent per  
26 month or fraction thereof.

27 6. The total amount assessed pursuant to subsection 5 for a fiscal year  
28 must be \$100,000 adjusted by the percentage change between January 1,  
29 1991, and January 1 of the year in which the fees are assessed, in the  
30 Consumer Price Index (All Items) published by the United States  
31 Department of Labor.

32 7. The total amount assessed must be divided by the total number of  
33 patient days of care provided in the previous calendar year by the hospitals  
34 subject to the assessment. For each hospital, the assessment must be the  
35 result of this calculation multiplied by its number of patient days of care  
36 for the preceding calendar year.

37 **Sec. 4.** This act becomes effective on July 1, 2001.

