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FIRST REPRINT

EXEMPT

S.B. 573

SENATE BILL NO. 573—COMMITTEE ON FINANCE

MAY 16, 2001

Referred to Committee on Finance

SUMMARY—Transfers office for hospital patients from department of business and industry to office of governor. (BDR 18-1545)

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*  
20    *disputes between patients and hospitals. The director may decline to hear*  
21    *a case that in his opinion is trivial, without merit or beyond the scope of*



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1 *his jurisdiction. The director may hear, mediate, arbitrate or resolve*  
2 *through alternative means of dispute resolution disputes regarding:*  
3 *(a) The accuracy or amount of charges billed to a patient;*  
4 *(b) The reasonableness of arrangements made pursuant to*  
5 *paragraph (c) of subsection 1 of NRS 439B.260; and*  
6 *(c) Such other matters related to the charges for care provided to a*  
7 *patient as the director determines appropriate for arbitration, mediation*  
8 *or other alternative means of dispute resolution.*  
9 *4. The decision of the director is a final decision for the purpose of*  
10 *judicial review.*  
11 *5. Each hospital, other than federal and state hospitals, with 49 or*  
12 *more licensed or approved hospital beds shall pay an annual assessment*  
13 *for the support of the bureau. On or before July 15 of each year, the*  
14 *director shall notify each hospital of its assessment for the fiscal year.*  
15 *Payment of the assessment is due on or before September 15. Late*  
16 *payments bear interest at the rate of 1 percent per month or fraction*  
17 *thereof.*  
18 *6. The total amount assessed pursuant to subsection 5 for a fiscal*  
19 *year must be \$100,000 adjusted by the percentage change between*  
20 *January 1, 1991, and January 1 of the year in which the fees are*  
21 *assessed, in the Consumer Price Index (All Items) published by the*  
22 *United States Department of Labor.*  
23 *7. The total amount assessed must be divided by the total number of*  
24 *patient days of care provided in the previous calendar year by the*  
25 *hospitals subject to the assessment. For each hospital, the assessment*  
26 *must be the result of this calculation multiplied by its number of patient*  
27 *days of care for the preceding calendar year.*  
28 **Sec. 2.** NRS 223.500 is hereby amended to read as follows:  
29 223.500 As used in NRS 223.500 to 223.580, inclusive, *and section 1*  
30 *of this act*, unless the context otherwise requires, the words and terms  
31 defined in NRS 223.510, 223.520 and 223.530 have the meanings ascribed  
32 to them in those sections.  
33 **Sec. 3.** NRS 223.540 is hereby amended to read as follows:  
34 223.540 The provisions of NRS 223.085 do not apply to the provisions  
35 of NRS 223.500 to 223.580, inclusive ~~H~~, *and section 1 of this act.*  
36 **Sec. 4.** NRS 223.550 is hereby amended to read as follows:  
37 223.550 1. The office for consumer health assistance is hereby  
38 established in the office of the governor. The governor shall appoint the  
39 director. The director must:  
40 (a) Be:  
41 (1) A physician, as that term is defined in NRS 0.040;  
42 (2) A registered nurse, as that term is defined in NRS 632.019;  
43 (3) An advanced practitioner of nursing, as that term is defined in  
44 NRS 453.023; or  
45 (4) A physician assistant, as that term is defined in NRS 630.015; and  
46 (b) Have expertise and experience in the field of advocacy.  
47 2. The cost of carrying out the provisions of NRS 223.500 to 223.580,  
48 inclusive, *and section 1 of this act* must be paid as follows:



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1 (a) That portion of the cost related to providing assistance to consumers  
2 and injured employees concerning workers' compensation must be paid  
3 from the assessments levied pursuant to NRS 232.680.

4 (b) *That portion of the cost related to the operation of the bureau for*  
5 *hospital patients created pursuant to section 1 of this act must be paid*  
6 *from the assessments levied pursuant to that section.*

7 (c) The remaining cost must be provided by direct legislative  
8 appropriation from the state general fund and be paid out on claims as  
9 other claims against the state are paid.

10 **Sec. 5.** NRS 223.570 is hereby amended to read as follows:

11 223.570 1. The director may:

12 (a) Within the limits of available money, employ:

13 (1) Such persons in the unclassified service of the state as he  
14 determines to be necessary to carry out the provisions of NRS ~~223.500 to~~  
15 ~~223.580, inclusive,~~ *223.560 and 223.580 and this section*, including,  
16 without limitation, a provider of health care, as that term is defined in NRS  
17 449.581.

18 (2) Such additional personnel as may be required to carry out the  
19 provisions of NRS ~~223.500 to 223.580, inclusive,~~ *223.560 and 223.580*  
20 *and this section*, who must be in the classified service of the  
21 state.

22 A person employed pursuant to the authority set forth in this subsection  
23 must be qualified by training and experience to perform the duties for  
24 which the director employs him.

25 (b) To the extent not otherwise prohibited by law, obtain such  
26 information from consumers, injured employees, health care plans and  
27 policies of industrial insurance as he determines to be necessary to carry  
28 out the provisions of NRS ~~223.500 to 223.580, inclusive,~~ *223.560 and*  
29 *223.580 and this section.*

30 (c) Adopt such regulations as he determines to be necessary to carry out  
31 the provisions of NRS ~~223.500 to 223.580, inclusive,~~ *223.560 and*  
32 *223.580 and this section.*

33 2. The director and his employees shall not have any conflict of  
34 interest relating to the performance of their duties pursuant to NRS  
35 ~~223.500 to 223.580, inclusive,~~ *223.560 and 223.580 and this section.* For  
36 the purposes of this subsection, a conflict of interest shall be deemed to  
37 exist if the director or employee, or any person affiliated with the director  
38 or employee:

39 (a) Has direct involvement in the licensing, certification or accreditation  
40 of a health care facility, insurer or provider of health care;

41 (b) Has a direct ownership interest or investment interest in a health  
42 care facility, insurer or provider of health care;

43 (c) Is employed by, or participating in, the management of a health care  
44 facility, insurer or provider of health care; or

45 (d) Receives or has the right to receive, directly or indirectly,  
46 remuneration pursuant to any arrangement for compensation with a health  
47 care facility, insurer or provider of health care.



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1     **Sec. 6.** NRS 439B.260 is hereby amended to read as follows:  
2     439B.260 1. A major hospital shall reduce or discount the total billed  
3 charge by at least 30 percent for hospital services provided to an inpatient  
4 who:  
5     (a) Has no insurance or other contractual provision for the payment of  
6 the charge by a third party;  
7     (b) Is not eligible for coverage by a state or federal program of public  
8 assistance that would provide for the payment of the charge; and  
9     (c) Makes reasonable arrangements within 30 days after discharge to  
10 pay his hospital bill.  
11 2. A major hospital or patient who disputes the reasonableness of  
12 arrangements made pursuant to paragraph (c) of subsection 1 may submit  
13 the dispute to the ~~office~~ **bureau** for hospital patients for resolution as  
14 provided in ~~NRS 232.543~~ **section 1 of this act**.  
15 3. A major hospital shall reduce or discount the total billed charge of  
16 its outpatient pharmacy by at least 30 percent to a patient who is eligible  
17 for Medicare.  
18     **Sec. 7.** NRS 232.543 is hereby repealed.  
19     **Sec. 8.** 1. This section and sections 1, 2, 3, 5, 6 and 7 of this act  
20 become effective on July 1, 2001.  
21 2. Section 4 of this act becomes effective at 12:01 a.m. on July 1,  
22 2001.

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**TEXT OF REPEALED SECTION**

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**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.

