

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON JUDICIARY**

**Seventy-Third Session  
February 23, 2005**

The Committee on Judiciary was called to order at 8:14 a.m., on Wednesday, February 23, 2005. Chairman Bernie Anderson presided in Room 3138 of the Legislative Building, Carson City, Nevada, and via simultaneous videoconference, in Room 4401 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Mr. Bernie Anderson, Chairman  
Ms. Francis Allen  
Mrs. Sharron Angle  
Ms. Barbara Buckley  
Mr. John C. Carpenter  
Mr. Marcus Conklin  
Ms. Susan Gerhardt  
Mr. Brooks Holcomb  
Mr. Garn Mabey  
Mr. Mark Manendo  
Mr. Harry Mortenson  
Mr. John Ocegüera  
Ms. Genie Ohrenschall

**COMMITTEE MEMBERS ABSENT:**

Mr. William Horne, Vice Chairman (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Allison Combs, Committee Policy Analyst  
René Yeckley, Committee Counsel

Katie Miles, Committee Policy Analyst  
Carole Snider, Committee Attaché

**OTHERS PRESENT:**

Dan Musgrove, Director, Intergovernmental Relations, Office of the  
County Manager, Clark County, Nevada  
Donald Haight, Executive Director, Contract Management, University  
Medical Center, Las Vegas, Nevada  
James Wadhams, Legislative Advocate, representing Nevada Hospital  
Association  
Gerald Gillock, Legislative Advocate, representing Nevada Trial Lawyers  
Association, Las Vegas, Nevada  
Matthew Sharp, Legislative Advocate, representing Nevada Trial Lawyers  
Association, Reno, Nevada  
Len Nevin, Vice-President and Chairman, Legislative Committee, Nevada  
Subcontractors Association, Las Vegas, Nevada  
Danny Coyle, President, State of Nevada Employees Association  
Bobbie Gang, Legislative Advocate, representing Nevada Women's Lobby  
and the National Association of Social Workers, Nevada Chapter  
Bobbette Bond, Legislative Advocate representing Culinary Workers  
Health Fund, Las Vegas, Nevada

**Chairman Anderson:**

[Meeting called to order and roll taken.] Before we turn to the agenda of the day, I have a couple bills that need an introduction. The first is BDR 15-644. It is from the Assembly Judiciary Committee at the request of Motion Picture Association of America prohibiting operation of audio/visual recording function devices in motion picture theatres. This would be a bill dealing with pirating of films.

**BDR 15-644: Enacts the Nevada prohibition of Movie Pirating Act. (Assembly Bill 124)**

ASSEMBLYWOMAN OHRENSCHALL MOVED TO  
INTRODUCE BDR 15-644.

ASSEMBLYMAN OCEGUERA SECONDED.

THE MOTION PASSED (Ms. Buckley was absent for the vote.)

The second is a bill draft from the Nevada Sheriffs' and Chiefs' Association, which is BDR 15-600.

**BDR 15-600: Prohibits the use of electronic stun devices by persons other than peace officers except for self-defense. (Assembly Bill 123)**

ASSEMBLYWOMAN OHRENSCHALL MOVED FOR COMMITTEE INTRODUCTION OF BDR 15-600.

ASSEMBLYMAN CARPENTER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was absent for the vote.)

Let us turn to the agenda of the day which is Assembly Bill 56.

**Assembly Bill 56: Revises various provisions governing enforcement of liens by hospitals. (BDR 9-412)**

**Dan Musgrove, Director, Intergovernmental Relations, Office of the County Manager, Clark County, Nevada:**

We want to introduce to you Assembly Bill 56 and I want to call your attention immediately to an amendment that we plan to propose (Exhibit B). It really turned this bill into something that we did not want it to be. If you look at Section 4 of the bill draft, you will see that there is a great deal of language that has been struck regarding foreclosure and exemptions to foreclosure. It was never our intent to remove those protections for individuals against the foreclosure of their home. Our interest was just in extending that time period that the lien exists on that property from two years to ten years. That is what our amendment simply does. It changes the whole face of the bill when we put that language back. Those are important exemptions to foreclosure that was never our intent to be removed from the bill. So we ask you to concentrate on Sections 1, 2, and 3 as the bill is written.

Don Haight is in Las Vegas waiting to testify. Don is our Executive Director of Purchasing and Contracts. He will talk about the merits of the bill. This simply gives the University Medical Center (UMC) and other hospitals some better notification requirements to those folks who are receiving payments from settlements due to an injury as they are the responsible party in meeting those obligations when a suit has been filed. This is so UMC and other hospitals receive monies for those hospital bills.

**Chairman Anderson:**

Mr. Musgrove, I am always terribly concerned when I see a major amendment to the bill because I do not know the distribution of this information to people who are reading A.B. 56 as it has been published on the Internet. They are making the assumption that is the bill when, in reality, we have a strongly, grammatically different piece of legislation. In looking through my email materials from you to the members of this Committee, I am concerned, as I don't want to move ahead with a piece of legislation that has been changed dramatically. How broadly dispersed is the amendment other than among Committee members?

**Dan Musgrove:**

We provided copies here this morning. I apologize we were not able to get it to you until this morning. If anyone here is looking at the bill, perhaps if I can just explain what we are doing. If you look at the bill in Section 4, the stricken language is returned. It is not our attempt to strike the language in any of the bold-faced italicize type other than on line 5 of page 5 just above Section 5. It says "if the hospital does not file suit to foreclose the lien within two years"; we are simply asking that "two" to be changed to "ten." That is the only thing that we are attempting to do. So if you are looking at the bill, it is pretty simple to see we are returning to the existing language other than that change from "two" to "ten." That is simply what we hope to do. We think that is very important language and it is something that was not our intent to strike or change in statute.

**Chairman Anderson:**

I presume this is not an area that you practice in your role with the City of Henderson. There were some choices that were made by a bill drafter, apparently, and I want to make sure who the notice of liens go to, which is further clarified in the new piece of legislation. The extension in Section 2 from 180 days to 2 years on page 3 of the bill on line 17—I presume you want to keep that in Section 2?

**Dan Musgrove:**

Absolutely. The remainder of the bill is what Mr. Haight is prepared to testify on. That is exactly what we hope to get changes to in regard to those noticed liens as well as the time period that the lien is actually in effect from 180 days to two years.

**Donald Haight, Executive Director, Contract Management, University Medical Center, Las Vegas, Nevada:**

I am here this morning to testify in favor of A.B. 56. I think a little background would be helpful just to explain to the Committee members what the intent of the bill is. Chapter 108 of the *Nevada Revised Statutes* that deals with statutory liens gives two separate liens to hospitals.

The first is a lien on settlements or judgments in personal injury actions. Sections 1, 2 and 3 of A.B. 56 address that lien. The second lien granted by Chapter 108 is a lien that only applies to county hospitals. It allows county hospitals to place a lien on real property of patients who receive treatment at a county hospital. Section 4 of A.B. 56 is related to that lien. I think some of the confusion that has arisen out of review of A.B. 56 is the fact that it deals with two statutory liens. Sections 1, 2, and 3 deal with one lien, and Section 4 deals with an entirely separate and different lien.

Let me address the first lien in Sections 1, 2 and 3. This has to do with the right of all hospitals in the state of Nevada to place a lien on settlements and judgments in personal injury actions. University Medical Center, because it is a trauma center, receives many, many accident victims and treats many accident victims. We are, at this point, filing approximately 900 to 1,000 of these liens a year on personal injury actions. The bill that we propose we view as a housekeeping measure to close up what some attorneys perceive as a loophole in the existing legislation. This is not a major problem for UMC of the 1,000 liens that we file in a year. We believe we have problems with only 3 to 4 a month. We are talking 30 to 40 problems a year.

What our intent is in this statute is to make it more difficult for a plaintiff's attorney and a plaintiff to avoid payment of a lien. What has been happening under the statute is, we serve a lien upon the insurance company. The insurance company is then supposed to issue a check that names the hospital as a payee on the check. This protects the hospitals because you can't cash the check without the hospital's endorsement.

What has been happening is that a number of attorneys have provided insurance companies with "hold harmless" agreements that say if you issue the check directly to myself and my client, I will hold you harmless, insurance company,

on any subsequent claims from the hospitals. The check is issued and the check is then distributed to the plaintiff and the plaintiff's attorney. The hospital is not notified of this distribution until after the 180 days has elapsed for the life of the lien. At this point, the hospital has no right against the insurance company because the 180 days has expired and the statute is silent as to a direct action against the plaintiff's attorney.

[Donald Haight, continued.] What we are attempting to do is to close this loophole by making the lien good for two years. This acknowledges the fact that personal injury actions frequently do last a long time, and it also allows a hospital to have a direct action against the plaintiff's attorney who has not taken steps to protect the hospital's lien. That is solely our intent in Sections 1, 2 and 3. Again, we believe that this is a minor matter and just a housekeeping matter that does not affect large numbers of attorneys.

I have to say, and I know Mr. [Gerald] Gillock [Nevada Trial Lawyers Association] will say the same thing, that the vast majority of plaintiff's attorneys that deal with hospital liens do everything possible to make sure that hospital liens are paid. There is a very small minority of attorneys that have decided that they don't have to honor hospital liens. That is why we propose that bill.

Let me briefly address Section 4 as we proposed the bill. Our intention was simply to lengthen the time the lien was valid in the state of Nevada. University Medical Center is not in the business of foreclosing on the property of patients. Our whole intent is to have a lien on the property so that when that property is sold, we can have a share in the equity. We never have in the six years that I have been working with University Medical Center foreclosed on a person's real property, and we don't intend to. We never asked that the Legislative Counsel Bureau do away with the exemptions. We were more than happy to wait our turn, and we simply want to allow our lien to remain in place for a long enough time to allow us to share in the equity when the house is sold. The reason we chose ten years is because statistics have shown that the average homeowner is now selling their house every five to eight years. Therefore, we believe that if our lien is in place that long, we will be able to make a claim when the homeowner comes into that equity. That was simply what we were attempting to do with Section 4.

**Chairman Anderson:**

In part of my preparation, I have the opportunity to speak with staff, and I know that some of the language choices are bill drafter choices. Language is clarified because of questions that come to people in the Legal Division and in Research. I presume you have no objections to the changes in Section 1.

**Donald Haight:**

That is correct.

**Chairman Anderson:**

We are expanding in Section 2 of the bill 180 days to 2 years. That is a pretty extensive extension. That really gives you 2 years rather than 6 months. Is that what we are really looking at here in Section 2?

**Donald Haight:**

No, we are not actually looking to extend the time within which to file a lien. We are wishing to extend the life of the lien itself. The problem is that once the lien has been filed with the parties that receive the lien, it only has a life of 180 days. Many personal injury actions last far longer than that. I would say to have one resolved in a year is pretty quick. What we are trying to do is to make our lien valid during the entire life of the personal injury action which would be, I believe on average, about 2 years.

**Chairman Anderson:**

You don't think the final judgment question is in line 15 of the existing law?

**Donald Haight:**

Yes, it is after the judgment or settlement. That has been the problem where we have actually had instances where the settlement was made, a check was paid to the plaintiff's counsel, and plaintiff's counsel placed the check in their trust account for 6 months. Then after the 180 days expired, the lien was no longer valid and they then distributed the funds. The hospital had never been notified that the check had been paid, so the hospital was not aware that their lien had even started to run.

**Chairman Anderson:**

You contend that the attorney's legal fees, costs, and expenses incurred have already been paid. Don't any prior liens have to be satisfied first?

**Donald Haight:**

The statutes and the Supreme Court decisions do require that the attorney liens be paid first. We are one of the people that come in with the injured party themselves and we try to divide up what is left over in an equitable manner. We are simply asking for the chance to do that.

**Chairman Anderson:**

Then the addition in lines 24 through 44 of page 3 in Section 2 of the bill—is that the new language you requested?

**Donald Haight:**

That is not exactly the language that we requested, but we believe that the Legislative Counsel Bureau has taken what our intent was and have, in fact, distilled it into statutory language that is acceptable to them. As I indicated previously, our intent was simply to extend the time to two years and to make the lien directly enforceable against the plaintiff's attorney.

**Chairman Anderson:**

I am trying to make sure that we know that this is what you asked for and it has been put into our language.

**Donald Haight:**

That is correct, Mr. Chairman.

**Chairman Anderson:**

So this is all right in Section 2 of the bill, page 3, lines 24 through 44. The new addition is really what you are requesting. Then in Section 3, I presume, the removal of the stricken lines on page 4, lines 28 through 30, becomes unnecessary. There are some drafter choices for clarification purposes. So what you want is the return in Section 4 of the bill of the existing language in the law.

**René Yeckley, Committee Counsel:**

Yes, that was just the drafter's choice to reword the language to clarify what the provision meant to back the language you were referring to in Section 3. That change was made because we had deleted the language in subsection 2 of Section 4; however, if the Committee were to retain the language in subsection 2 of Section 4, then we would also not renew the language in subsection 4 of Section 3. What was removed as an unnecessary internal reference would be put back in if you were to retain the language in subsection 2 of Section 4.

**Chairman Anderson:**

What you are hoping for is the deletion of the part in the current law that says if you are living in the home, you get to stay in the house if you are the spouse, a relative, a dependent adult child who is mentally or physically disabled, or a joint tenant at the time.

**Donald Haight:**

As I indicated before, we are not interested in foreclosing and removing people from their homes. We are simply trying to get a share of the equity when they voluntarily sell the property. We believe that the ten-year lien will give us adequate assurances considering that the average homeowner is now selling between five and eight years.



**Chairman Anderson:**

So in other words, you are going to deprive the family of the equity that may be built into that home if they need to downsize to a smaller place, for example.

**Donald Haight:**

We don't look at it as depriving them of the equity. We look at it as a loan that the hospital has loaned this patient money to pay their medical bills. It's a loan secured by real estate with a balloon payment when the real estate is sold. We are not actually depriving them of anything. We are asking that they pay their medical bills when they come into some money. Again, we always look at the amount of equity that has been realized, we look at our bill, and we are certainly willing to work with the owner to try and make an equitable adjustment that is fair to both the owner and the hospital.

**Assemblywoman Buckley:**

The more I read Section 2, the more confused I get about what you are trying to get at here. Let's say there is a car accident and someone is damaged. Their spouse has a loss of consortium claim. They have insurance, but the insurance pays 50 percent of the bill and that's all they pay, which is pretty common. So then how does this work? Would you seek the spouse's loss of consortium claim even though that is their own independent claim and not relating to the injured person's claim?

Here you are making all these people liable, a personal representative, or an attorney. This money is money that would go to the injured person. The attorney has a fee agreement with their client and they are already paid, so we are talking about money that would have gone to the injured person. I just think this whole section is very confusing. How would you judge the reasonable value? Is someone's insurance reasonable value? Or could someone have their insurance pay, so if they were getting \$20,000 from a car accident, they would get zero. How would that work?

**Donald Haight:**

The law, as we propose, doesn't change the lien language as it presently exists. At this point in time, the present law provides that a hospital has a lien on a settlement or judgment for medical bills that have been incurred by the injured party. The statute is entirely silent as to a separate claim of a spouse for loss of consortium. I do not believe that this bill is intended in any way, shape, or form to change the existing lien law. It would be my opinion that this lien would not attach to the spouse's claim for loss of consortium, but this amendment is not intended to address that.

[Donald Haight, continued.] All this amendment is intended to do is to address the fact that the lien would have a greater life, 2 years versus 180 days. The lien would be directly enforceable against the plaintiff's attorney and the plaintiff. If the injured person had health insurance and the health insurance paid the medical bills, then in that situation our contact would be with that health insurance company. Then whatever amount the health insurance company paid to the hospital would be payment in full under the terms of that agreement. Usually, though, most health insurance policies have a clause for distribution of benefits that if there is another source, particularly third-party tort payments, they believe that is the primary coverage. We work with all the insurance companies to try and figure out what should be paid and who should pay it. I can guarantee there has never been a situation of a personal injury case where the plaintiff has walked away with nothing unless they voluntarily did that. I know of one case where a plaintiff came to us and he didn't want the money for himself and to just apply it all to the medical bills. But in most cases, we reach some sort of equitable distribution between the plaintiff and the hospital where each gets a percentage of the recovery so that there is some equitable adjustment.

**James L. Wadhams, Legislative Advocate, representing Nevada Hospital Association:**

I am here in support of this bill. I think Mr. Haight has explained it as well as it can be explained. I would certainly defer any question regarding the technical aspects of lien enforcement to him. The Nevada Hospital Association does support the bill.

**Chairman Anderson:**

Mr. Wadhams, have you had an opportunity to look at the proposed amendments?

**James L. Wadhams:**

Yes, sir, we have. Having seen them this morning, we certainly support those amendments.

**Gerald Gillock, Legislative Advocate, representing Nevada Trial Lawyers Association, Las Vegas, Nevada:**

[Introduced himself.] I will be speaking in opposition to A.B. 56. The bill itself imposes a very onerous burden on those people who are the heirs, representatives, attorneys, or anyone representing someone who has received hospital services. This bill goes substantially further than what was represented by the initial speaker when he said all we are doing is changing the notice requirements. That is simply not the case the way I read this bill.

[Gerald Gillock, continued.] I am also concerned about the amendment because it adds a ten-year life on the lien that is filed. That would tie up the property and that would put every heir, every representative, or every person involved with the injured in a position of having their hands tied for a ten-year period.

Also, I want to point out in sections 1, 2, and 3 that they are trying to represent to this Committee that their time frame is not sufficient. This is a time frame that does not even kick into play until after payment has been made. At that point in time, the hospital would have already had a 2-year statute of limitations before an action had to be filed. After the action was originally filed, they would also have an additional year to 2 or 3 years depending on the court calendar and the court docket. So we are already up to a minimum of 3 years' time frame for them to perfect their lien. The 180 days after payment is clearly sufficient under the present law.

Finally, I want to point that it appears to me that this is not a problem of significant magnitude to warrant changing the law. He said 30 cases out of 1,000 liens per year. That, to me, does not warrant uprooting a law that has been in place and does work. I think this Committee has been advised that the county hospital especially has a statutory lien, not just a lien that they have to give notice. In cases where there is a Medicaid recipient, a Medicare recipient, or an indigent recipient of services, there would not have to be a lien because the attorneys handling the case are on statutory notice of those liens.

I think it is very important for the Committee to know that there are sanctions available. If they have a handful of attorneys who could subvert the provisions of the present lien statute, they should take those people before the licensing board for the state of Nevada. They should take them before the state bar and have them sanctioned, because I personally am totally unaware of any attorney who has ever attempted to go around the lien statute. The risks are simply too high and there would not be any benefit to the attorney or anyone else for doing it, including his client. Under the present law, if they have notice an attorney has done that, all you have to do is get the court to sanction the lawyer and get him out of our midst. That is not why anyone is practicing law on behalf of injured people. So I think this law is not necessary.

The final point is, there is nothing here to determine what the reasonable values of services are. I have seen many, many cases where the hospital has these agreements with insurance carriers. Yet, when they don't get paid, they change the amounts to five times the amount they bill the insurance carrier and they attempt to put that in the lien. There is nothing in this proposed amendment that in any way would limit them to the reasonable value, which would be Medicaid or Medicare. I see it in every single instance where there is

no insurance. The amount that they charge is anywhere from one to five times higher than the amount they would charge any other insurance carrier. The reason is, this is the way they get their rates up with their insurance carriers. They are saying their reasonable value is \$100 for an aspirin. That is what they charge a client without insurance, so it is reasonable for you to pay \$10. I think in order for them to get their increases from the insurance company, they continue to raise the bills to the uninsured, the indigent, and noninsured recipient. This clearly opens the door to a major problem.

**Matthew Sharp, Legislative Advocate, representing Nevada Trial Lawyers Association, Reno, Nevada:**

Without repeating what Mr. Gillock said, it may be helpful to give the Committee some understanding of how the lien process works. Let me preface the fact regarding a catastrophically injured person. We don't live in a perfect world. Oftentimes the person who is injured has insufficient insurance to cover the future medical bills, et cetera, so you have a limited amount of money with which to compensate the victim, to pay the hospital, and to pay the doctors. As a proponent of the bill, we work with the medical community in trying to do the best we can to compensate people.

The way it now currently works is if an injured person who is uninsured, for example, were to be treated by University Medical Center or Washoe Medical Center, the hospital has a right to file a lien with the insurance company for the person who caused the accident. When that lien is perfected, the insurance company by statute is required to put the hospital on the check, so I am not sure how the situation exists that the proponents are talking about. Like Mr. Gillock, I would think that conduct is illegal by both the attorney and the insurance company. But in any event, typically the insurance company will not pay the attorney until there is a settlement of the lien. We have experience, for example, in past cases where hospitals have refused to bill Medicare because they believe the reimbursement rights are more without Medicare. So you have a situation when you cannot get your client compensation, doctors who have treated the patient cannot get compensated, and the hospital wants all the money. Under this statute, the problem is that the hospital would effectively be guaranteed 100 percent and the victim would not receive anything, the doctors would not receive anything, and that doesn't seem equitable to me. If the proponents of the bill are only trying to target a few bad apples, I would think we could find a better solution.

**Assemblyman Mabey:**

I appreciate hearing both sides of the story. It sounds like there are three or four problem cases every month in Clark County. So what should the hospital do to get these bad apples? What is the process?

**Matthew Sharp:**

I haven't legally analyzed it, but if you conspire with somebody to circumvent a law, that is called conspiracy. If the attorney is going to the insurance company and saying we are going to void your legal obligations, just send us the check, we will hold it for 180 days, and then we will disburse, that seems to be a pretty good case both against the insurance company and the attorney for conspiracy to violate a law. That would be my remedy. I think they should take those attorneys and the insurance companies and hold them responsible. I've never had an experience where I could even imagine an insurance company agreeing to that. The settlement is not reached until the hospital has negotiated the lien. That is standard practice in my experience and I am sure Mr. Gillock would verify that.

**Assemblyman Mortenson:**

Did I hear you say that in some instances a hospital would not bill Medicare for a particular patient and then file a lien against their home because they can get more money?

**Matthew Sharp:**

Let me go first and clarify what the lien is. The lien that is created under Section 1 of this bill is a lien against the personal injury recovery. If you are injured, for example, and I caused the accident and I have insurance, my insurance company and I would be the parties upon whom the lien would be served. So it wouldn't be served on your house under this context in Section 1.

What I have had experience with in the past is, say a senior citizen is catastrophically injured in an automobile accident. There is limited insurance available to cover both the injuries and the medical bills. The hospital has refused to bill Medicare and they have filed a lien pursuant to Section 1 of the statute. It creates a difficult situation on the client. The reason I have been told is that they feel the reimbursement rates under the reasonable value of hospitalization is higher than what Medicare would pay.

**Assemblyman Mortenson:**

I am amazed that a hospital could make a choice of not billing Medicare and hitting somebody with a lien instead.

**Assemblyman Mabey:**

I think it is law that they have to bill Medicare. As a physician, I can opt out of Medicare, but it is for a number of years, so I cannot say I will bill for one patient and not another. Just as a clarification, I think they have to bill Medicare.

**Matthew Sharp:**

I agree with your legal position. I can only tell you what the hospital has done, and if you look at it from the perspective of the automobile insurance company, who by statute is obligated to write the hospital on the check once the lien is perfected, there are in a catch-22. We have never had to force the issue in court as we have always been able to resolve it. But I would agree with your interpretation of the law.

**Assemblyman Carpenter:**

I was wondering if we could get our Research staff to request from the hospital and county representatives who the lawyers and the insurance companies are that have perpetrated this fraud.

**Chairman Anderson:**

The point is if Mr. Musgrove and Mr. Haight would contact the Research Division with the information that was requested by Mr. Carpenter relative to the nature of the attorneys who are apparently holding dollars for longer than 180 days and perpetuating other kinds of fraud. You are looking for specific attorneys who have done this in trying to make sure that we are getting the right information for the Committee.

**Assemblyman Carpenter:**

I think we definitely need that and we certainly need the insurance companies that are cooperating in this scheme.

**Chairman Anderson:**

So we need both the names of the attorneys and the insurance companies who may be perpetrating this.

**Len Nevin, Vice-President and Chairman, Legislative Committee, Nevada Subcontractors Association, Las Vegas, Nevada:**

I signed the guest list that I was not representing anybody but am representing legislative history. In 1983, I introduced this bill. When I saw A.B. 56, I was rather concerned, but I feel better now that Section 4 is back in. Section 4 is the whole crux of the bill—the protection of people who get sick and cannot pay their hospital bills. Instead of foreclosing and putting them on the street, welfare, and food stamps, they are able to maintain their homes and have some

style of life. When I saw Section 4 was going to be taken out, I was a little upset, but I am glad to see that it is back in. The rest of it I have no problem with. I'm just glad to see that 4 is back in.

**Danny Coyle, President, State of Nevada Employees Association:**

The only point I was going to make was the same point that Assemblywoman Buckley made concerning the judgments, liens of construction, and settlements of cost that were not incurred by the hospital. I was concerned about the new language in the section that says any claim that the hospital would attach like consortium, negligence and this type of thing has been explained.

**Bobbie Gang, Legislative Advocate representing Nevada Women's Lobby and the National Association of Social Workers, Nevada Chapter:**

The Nevada Women's Lobby and the National Association of Social Workers originally came to object to the amendment in Section 4, and since it has been removed, we have no objection. However, I would like to say that there are a large number of uninsured people in the state of Nevada. Even those with health insurance find the hospital charges they have to pay out of pocket are enormous. We have to take that into consideration. We would object to the ten-year period because a person's home should not be attached. A person should be allowed to have a place of residence. I can see instances where they might have to sell their home in order to move into assisted living or some other situation like that. They certainly shouldn't be without funds they have worked for and saved for all their life in the form of their home.

**Chairman Anderson:**

That was one of my concerns also.

**Bobbette Bond, Legislative Advocate representing Culinary Workers Health Fund, Las Vegas, Nevada:**

I primarily had a question and a concern about the bill because I'm not sure if it is going to impact health insurance companies. It just says "insurance" in the bill, so I'm a little confused about the impact. Now when we have a settlement that goes to either one of our participants, the attorney or the hospital, we have rules where the issue has to be resolved in 12 months and then appealed in 12 months. So having something moved from 180 days to 2 years provides the potential that would stretch out our entire process and this would be of concern to us. I'm confused about the impact of some of the changes that are being proposed.

**Chairman Anderson:**

Is there anyone else who wishes to speak on A.B. 56? The hearing is closed on Assembly Bill 56. The Committee has several choices here. We can amend and

re-refer so there would be public knowledge of what the proposed amendments are really supposed to do. At this particular point in time, I hesitate to do that because we are trying to get bills out of bill drafting still. We can wait to see what you all think of the amendments, so I need input from all of you to see what way you want to go. Mr. Manendo, you are of the opinion you would like to see me put it on the board for awhile? Then it is my intention to put it on the board and not hold it. [The meeting was adjourned at 9:14 a.m.]

RESPECTFULLY SUBMITTED:

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Carole Snider  
Committee Attaché

APPROVED BY:

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Assemblyman Bernie Anderson, Chairman

DATE: \_\_\_\_\_



## EXHIBITS

**Committee Name:** Judiciary

Date: February 23, 2005 Time of Meeting: 8:00 a.m.

[illegible]