

ASSEMBLY BILL NO. 322—ASSEMBLYMAN PERKINS

MARCH 21, 2005

Referred to Committee on Health and Human Services

SUMMARY—Requires hospitals to adopt and carry out plans to benefit community. (BDR 40-1074)

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 health care; requiring each hospital to adopt and carry out a plan for providing benefits to the community it serves; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Title 40 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 16, inclusive, of this act.

Sec. 2. 1. *The Legislature finds that access to health care services is of vital concern to the people of this State.*

2. The Legislature further finds that hospitals play an important role in providing essential health care services in the communities they serve. In addition, hospitals have become a dominant force affecting the provision of health care. The Legislature therefore also finds that hospitals play an important role in providing essential health care services in the communities they serve.

3. Notwithstanding public and private efforts to increase access to health care, the people of this State continue to have tremendous unmet health care needs.

4. The Legislature further concludes that licensing privileges conveyed by this State to hospitals for the right to conduct intrastate business should be accompanied by concomitant



1 *obligations to address unmet health care needs. These obligations*
2 *should be clearly delineated.*

3 *5. The State has a substantial interest in assuring that the*
4 *unmet health needs of its residents are addressed. Hospitals can*
5 *help address these needs by providing community benefits to the*
6 *uninsured and underinsured members of their communities.*

7 *6. Community benefits should become a recognized and*
8 *accepted obligation of all hospitals in this State. Accordingly,*
9 *every hospital in this State must provide community benefits in the*
10 *manner set forth in this chapter.*

11 *Sec. 3. As used in this chapter, unless the context otherwise*
12 *requires, the words and terms defined in sections 4 to 9, inclusive,*
13 *of this act have the meanings ascribed to them in those sections.*

14 *Sec. 4. "Bad debt" means the unpaid accounts of any person*
15 *who has received medical care or is financially responsible for the*
16 *cost of care rendered to another, where the person has the ability*
17 *to pay but has refused to pay.*

18 *Sec. 5. "Community" means the geographic service area and*
19 *patient population that a hospital serves.*

20 *Sec. 6. "Community benefits" means the unreimbursed*
21 *goods, services and resources provided by hospitals that address*
22 *community-identified health needs and concerns, particularly of*
23 *those who are uninsured or underserved. The term includes, but is*
24 *not limited to:*

25 *1. Free care;*

26 *2. Public education and other programs relating to preventive*
27 *medicine or the public health of the community;*

28 *3. Health or disease screening programs;*

29 *4. Free or below-cost prescription drugs;*

30 *5. Transportation services;*

31 *6. Poison control centers;*

32 *7. Donated medical supplies and equipment;*

33 *8. Unreimbursed costs of providing services to persons*
34 *participating in any health care program subsidized by State*
35 *Government;*

36 *9. Free or below-cost blood banking services;*

37 *10. Free or below-cost assistance, material, equipment, and*
38 *training to emergency medical services and ambulance services;*

39 *11. The costs to implement a basic enrollment program that*
40 *provides a package of primary care services to uninsured members*
41 *of the community;*

42 *12. Health research, education and training programs that*
43 *are related to identified community health needs;*

44 *13. Training programs for disadvantaged workers to train for*
45 *higher-paying or more highly skilled positions;*



1 14. *Enhanced benefit policies for employees;*
2 15. *Providing health care services in areas in which there is a*
3 *critical shortage; and*

4 16. *Providing special clinics or services to uninsured*
5 *members of the community.*

6 ↪ *The term does not include the payment of state or local taxes, or*
7 *losses from providing care pursuant to a federal program.*

8 Sec. 7. *“Division” means the Health Division of the*
9 *Department of Human Resources.*

10 Sec. 8. *“Free care” means care provided by a hospital to*
11 *patients unable to pay and for which the hospital has no*
12 *expectation of payment from the patient or from any third-party*
13 *payer.*

14 Sec. 9. *“Hospital” has the meaning ascribed to it in*
15 *NRS 439B.110.*

16 Sec. 10. 1. *Each hospital that receives a license from this*
17 *State shall provide community benefits to the community it serves.*

18 2. *Each hospital shall develop in collaboration with the*
19 *community:*

20 (a) *An organizational mission statement that identifies the*
21 *hospital’s commitment to developing, adopting and implementing*
22 *a community benefits program;*

23 (b) *A description of the process for approval of the mission*
24 *statement by the hospital’s governing board;*

25 (c) *A declaration that the management of the hospital will be*
26 *responsible for oversight and implementation of the community*
27 *benefits plan;*

28 (d) *A community health assessment that evaluates the health*
29 *needs and resources of the community it serves; and*

30 (e) *A community benefits plan designed to achieve the*
31 *following:*

32 (1) *Increase access to health care for members of the target*
33 *community or communities;*

34 (2) *Address critical health care needs of members of the*
35 *target community or communities; and*

36 (3) *Foster measurable improvements in health for members*
37 *of the target community or communities.*

38 Sec. 11. 1. *Before adopting a community benefits plan, a*
39 *hospital shall identify and prioritize the health needs of the*
40 *community it serves. A hospital shall also identify health resources*
41 *within the community. As part of the assessment, the hospital shall*
42 *solicit comment from and meet with community groups, local*
43 *government officers, health-related organizations and health care*
44 *providers, with particular attention given to those persons who are*



1 *themselves underserved and those who work with underserved*
2 *populations.*

3 2. *The Division shall compile available public health data,*
4 *including statistics on the State's unmet health care needs. In*
5 *preparing its community health assessment, a hospital shall use*
6 *available public health data.*

7 3. *Hospitals shall collaborate with other health care*
8 *institutions in conducting community health assessments and may*
9 *make use of existing studies and plans in completing their own*
10 *community health assessments.*

11 4. *Before finalizing the community health assessment, each*
12 *hospital shall make available to the public a copy of the*
13 *community health assessment for review and comment.*

14 5. *Once finalized, the community health assessment must be*
15 *updated at least every 3 years.*

16 **Sec. 12.** 1. *Every hospital shall adopt, annually, a plan for*
17 *providing community benefits.*

18 2. *The community benefits plan must be drafted with input*
19 *from the community as provided for in section 11 of this act.*

20 3. *The community benefits plan must include, at a minimum:*
21 *(a) A list of the services the hospital intends to provide in the*
22 *following year to address community health needs identified in the*
23 *community health assessment. The list of services must be*
24 *categorized under:*

25 *(1) Free care;*

26 *(2) Other services for vulnerable populations;*

27 *(3) Health research, education and training programs;*

28 *(4) Community benefits that address public health needs;*

29 *and*

30 *(5) Nonquantifiable services, such as local governance and*
31 *preferential hiring policies that benefit those who are uninsured*
32 *or underserved.*

33 *(b) A description of the target community or communities that*
34 *the plan is intended to benefit.*

35 *(c) An estimate of the economic value of the community*
36 *benefits that the hospital intends to provide under the plan.*

37 *(d) A report summarizing the process used to elicit community*
38 *participation in the community health assessment and community*
39 *benefits plan design, and ongoing implementation and oversight.*

40 *(e) A list of persons, organizations and government officers*
41 *consulted during development of the plan and a description of any*
42 *provisions made for the promotion of ongoing participation by*
43 *community members in the implementation of the plan.*

44 *(f) A description of the hospital's training program, including*
45 *the number of workers trained and placed in the past year and the*



1 *wage earned before and after training, and a description of the*
2 *benefits that the hospital provides to its employees, including a*
3 *comparison to benefits provided by other hospitals.*

4 (g) *A statement identifying the health care needs of the*
5 *communities that were considered in developing the plan.*

6 (h) *A statement describing the intended impact on health*
7 *outcomes attributable to the plan, including short- and long-term*
8 *measurable goals and objectives.*

9 (i) *Mechanisms to evaluate the plan's effectiveness, including*
10 *a method for soliciting comments by community members.*

11 (j) *The name and title of the person responsible for*
12 *implementing the community benefits plan.*

13 4. *Each hospital shall submit its community benefits plan to*
14 *the Division before implementation.*

15 5. *Each hospital shall make its community benefits plan*
16 *available to the public for review and comment before*
17 *implementation.*

18 **Sec. 13. 1.** *Within 120 days after the end of a hospital's*
19 *fiscal year, the hospital shall submit to the Division an annual*
20 *report detailing its community benefits efforts in the preceding*
21 *year. The annual report must include:*

22 (a) *The hospital's mission statement;*

23 (b) *The amounts and types of community benefits provided,*
24 *listed in categories specified in section 12 of this act, on a form*
25 *developed by the Division;*

26 (c) *A statement of the hospital's impact on health outcomes*
27 *attributable to the plan, including a description of the hospital's*
28 *progress toward meeting its short- and long-term goals and*
29 *objectives;*

30 (d) *An evaluation of the plan's effectiveness, including a*
31 *description of the method by which community members'*
32 *comments have been solicited; and*

33 (e) *The hospital's audited financial statement.*

34 2. *Each hospital shall prepare a statement announcing that*
35 *its annual community benefits report is available to the public.*
36 *The statement must be posted in prominent locations throughout*
37 *the hospital, including the emergency room waiting area, the*
38 *admissions waiting area and the business office. The statement*
39 *must also be included in any written material that discusses the*
40 *admissions or free care criteria of the hospital. A copy of the*
41 *report must be given free of charge to anyone who requests it.*

42 3. *Information provided pursuant to subsection 1 must be*
43 *calculated in accordance with generally accepted accounting*
44 *standards. The information must be calculated for each individual*
45 *hospital within a system and not on an aggregate basis, though*



1 *both calculations may be submitted. The information must reflect*
2 *the actual cost to the hospital of benefits provided. Each hospital*
3 *shall also file a calculation of its cost-to-charge ratio with its*
4 *annual report.*

5 *4. Any person who disagrees with a community benefits*
6 *report may file a dissenting report with the Division. Dissenting*
7 *reports must be filed within 60 days after the filing of the*
8 *community benefits report and are public records.*

9 **Sec. 14.** *1. Every hospital that provides free care in full or*
10 *partial fulfillment of its community benefits obligation shall*
11 *develop a written notice describing its free care program and*
12 *explaining how to apply for free care. The notice must be in*
13 *appropriate languages and conspicuously posted throughout the*
14 *hospital, including the admissions waiting area, the emergency*
15 *room waiting area and the business office.*

16 *2. Every hospital that provides free care in full or partial*
17 *fulfillment of its community benefits obligation shall report the*
18 *value of such care, which must not include any bad debt costs.*

19 **Sec. 15.** *1. In establishing a sliding scale of fees or other*
20 *payment schedules for uninsured persons, a hospital shall base*
21 *such fees on the income of the uninsured person.*

22 *2. If the sliding scale fee is below a hospital's actual costs, the*
23 *hospital may include the difference in its community benefits*
24 *computation.*

25 **Sec. 16.** *1. The Division shall assess a penalty of not less*
26 *than \$1,000 nor more than \$10,000 per day against any hospital*
27 *that fails to file a community benefits plan or a timely annual*
28 *community benefits report.*

29 *2. The Division shall revoke or decline to renew the license of*
30 *any hospital that fails to provide community benefits as required*
31 *by this chapter. The Division may issue a provisional license for a*
32 *period of up to 1 year to any hospital that has had its license*
33 *revoked or not renewed.*

34 *3. Before taking any punitive action, the Division must hold*
35 *an adjudicative hearing, giving the affected parties at least 14*
36 *days' notice. Any person who filed a dissenting report has*
37 *standing to testify at the hearing. Any punitive measures taken by*
38 *the Division following the hearing is considered final action for*
39 *purposes of appeal.*

40 *4. The Division shall submit a report to the Legislature and*
41 *the Legislative Committee on Health Care on September 1 of each*
42 *year that contains:*

43 *(a) The name of each hospital, if any, that did not file a*
44 *community benefits report in the preceding year;*



1 (b) *The name of each person who filed a dissenting report and*
2 *the substance of the complaint;*

3 (c) *A list of the most common activities performed by hospitals*
4 *in fulfillment of their community benefits obligation;*

5 (d) *The dollar value of the community benefits activities*
6 *performed by hospitals, expressed in both aggregate and*
7 *individual terms;*

8 (e) *The amount of net patient revenue for each hospital; and*

9 (f) *An evaluation of the benefits provided by hospitals*
10 *individually and in the aggregate, and a comparison of those*
11 *benefits to the Division's findings of unmet needs in the*
12 *community and disparities in the provision of health care.*

13 5. *The report submitted pursuant to subsection 4 must be*
14 *made available to the public by the Division.*

15 6. *The State Board of Health shall adopt such regulations as*
16 *are necessary to carry out the provisions of this chapter.*

17 **Sec. 17.** Each hospital in this State shall adopt an initial
18 community benefits plan pursuant to section 12 of this act on or
19 before January 1, 2007.



