

ASSEMBLY BILL NO. 322—ASSEMBLYMAN PERKINS

MARCH 21, 2005

Referred to Committee on Health and Human Services

SUMMARY—Requires major hospitals to adopt and carry out plans to provide community benefits and charity care. (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 major hospital to adopt a plan for providing community benefits and charity care; requiring each major hospital to provide a certain amount of community benefits and charity care; providing a civil penalty; 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
2 thereto the provisions set forth as sections 2 to 7, inclusive, of this
3 act.

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

6 ***2. The Legislature further finds that major hospitals play an***
7 ***important role in providing essential health care services in the***
8 ***communities they serve. In addition, major hospitals have become***
9 ***a dominant force affecting the provision of health care. The***
10 ***Legislature therefore also finds that major hospitals play an***
11 ***important role in providing essential health care services in the***
12 ***communities they serve.***

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



1 4. The Legislature further concludes that licensing privileges
2 conveyed by this State to major hospitals for the right to conduct
3 intrastate business should be accompanied by concomitant
4 obligations to address unmet health care needs. These obligations
5 should be clearly delineated.

6 5. The State has a substantial interest in assuring that the
7 unmet health needs of its residents are addressed. Major hospitals
8 can help address these needs by providing community benefits and
9 charity care to the uninsured and underinsured members of their
10 communities.

11 6. Community benefits and charity care should become a
12 recognized and accepted obligation of all major hospitals in this
13 State. Accordingly, every major hospital in this State shall provide
14 community benefits and charity care in the manner set forth in
15 this chapter.

16 Sec. 3. As used in sections 2 to 7, inclusive, of this act, unless
17 the context otherwise requires, the words and terms defined in
18 sections 4, 5 and 6 of this act have the meanings ascribed to them
19 in those sections.

20 Sec. 4. "Community" means the geographic service area and
21 patient population that a hospital serves.

22 Sec. 5. "Community benefits and charity care" means the
23 unreimbursed goods, services and resources provided by major
24 hospitals that address community-identified health needs and
25 concerns, particularly of those who are uninsured or underserved.
26 The term includes, but is not limited to:

- 27 1. Free care;
- 28 2. Public education and other programs relating to preventive
29 medicine or the public health of the community;
- 30 3. Health or disease screening programs;
- 31 4. Free or below-cost prescription drugs;
- 32 5. Transportation services;
- 33 6. Poison control centers;
- 34 7. Donated medical supplies and equipment;
- 35 8. Unreimbursed costs of providing services to persons
36 participating in any health care program subsidized by State
37 Government;
- 38 9. Free or below-cost blood banking services;
- 39 10. Free or below-cost assistance, material, equipment, and
40 training to emergency medical services and ambulance services;
- 41 11. The costs to implement a basic enrollment program that
42 provides a package of primary care services to uninsured members
43 of the community;
- 44 12. Health research, education and training programs that
45 are related to identified community health needs;



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

3 14. *Enhanced benefit policies for employees;*

4 15. *Providing health care services in areas in which there is a*
5 *critical shortage; and*

6 16. *Providing special clinics or services to uninsured*
7 *members of the community.*

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

10 Sec. 6. *“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. 7. 1. *Each major hospital shall:*

15 (a) *Adopt a plan for the provision of community benefits and*
16 *charity care during the following fiscal year; and*

17 (b) *For the fiscal year beginning on July 1, 2006 and for each*
18 *succeeding fiscal year, provide community benefits and charity*
19 *care, in that fiscal year, in an amount which represents at least 4*
20 *percent of the total operating revenue of the major hospital for*
21 *that fiscal year.*

22 2. *On or before July 1 of each year, a major hospital shall*
23 *submit to the Department a copy of:*

24 (a) *The plan for the provision of community benefits and*
25 *charity care adopted by the major hospital pursuant to*
26 *subsection 1;*

27 (b) *If the major hospital is a member or part of a system or*
28 *company consisting of hospitals in more than one state, any plan*
29 *for the provision of community benefits and charity care adopted*
30 *by that system or company; and*

31 (c) *The policy and procedures established by the major*
32 *hospital to ensure that the major hospital complies with the*
33 *provisions of NRS 439B.260.*

34 3. *On or before November 1 of each year, a major hospital*
35 *shall submit to the Division of Health Care Financing and Policy*
36 *of the Department a report on the community benefits and charity*
37 *care provided by the major hospital pursuant to the provisions of*
38 *paragraph (b) of subsection 1 during the preceding fiscal year.*
39 *Any care for indigent patients provided without charge by a major*
40 *hospital in compliance with the provisions of NRS 439B.320 is to*
41 *be included in the calculation of the amount of community*
42 *benefits and charity care provided by the major hospital pursuant*
43 *to the provisions of paragraph (b) of subsection 1.*

44 4. *The Division of Health Care Financing and Policy of the*
45 *Department shall:*



1 (a) *If a major hospital fails to provide the community benefits*
2 *and charity care required pursuant to the provisions of paragraph*
3 *(b) of subsection 1, assess the major hospital with a civil penalty in*
4 *an amount equal to the difference between the amount of*
5 *community benefits and charity care the major hospital was*
6 *required to provide and the amount of community benefits and*
7 *charity care the major hospital actually provided.*

8 (b) *Inform the Attorney General of all cases of suspected*
9 *noncompliance with the requirements of this section. The Attorney*
10 *General may investigate any suspected noncompliance and*
11 *enforce the provisions of this section.*

12 5. *Any money recovered pursuant to subsection 4 as a civil*
13 *penalty must be deposited in the State General Fund.*

14 **Sec. 8.** 1. Each major hospital in this State shall adopt an
15 initial plan for the provision of community benefits and charity care
16 pursuant to section 7 of this act on or before July 1, 2006.

17 2. In addition to the reports required pursuant to subsection 3
18 of section 7 of this act, on or before February 1, 2007, each major
19 hospital shall submit to the Division of Health Care Financing and
20 Policy of the Department of Human Resources and to the Director
21 of the Legislative Counsel Bureau for transmittal to the next regular
22 session of the Legislature a report on the community benefits and
23 charity care provided by the major hospital pursuant to the
24 provisions of paragraph (b) of subsection 1 of section 7 of this act
25 from July 1, 2006 to December 31, 2006, and the community
26 benefits and charity care planned to be provided by the major
27 hospital from January 1, 2007, to June 30, 2007.

