ASSEMBLY BILL NO. 342–ASSEMBLYWOMEN LESLIE, PIERCE AND BUCKLEY

MARCH 21, 2005

Referred to Committee on Health and Human Services

SUMMARY—Makes various changes concerning analysis, reporting and provision of health care services. (BDR 40-1163)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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; making various changes concerning the analysis and reporting of trends regarding sentinel events reported by certain medical facilities; expanding the classification of hospitals that are required to take certain actions to restrain the costs of health care; expanding the classification of hospitals that the Director of the Department of Human Resources is required to audit to ensure compliance with various provisions to restrain the costs of health care; expanding the classification of hospitals that are required to provide information to the Department in a specific form; making various changes concerning the reporting of financial information by certain medical facilities to the Department of Human Resources; making various changes concerning the reporting of information by the Department of Human Resources; requiring the Legislative Committee on Health Care to develop a plan concerning the provision of health care in this State; 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. NRS 439.845 is hereby amended to read as follows:

439.845 1. The Health Division shall, to the extent ~~[of]~~ ***that money is available from any source, including, without limitation,*** legislative appropriation and ~~[authorization,]~~ ***any gift, grant or donation from a nonprofit organization,*** contract with a quality improvement organization, as defined in 42 C.F.R. § 400.200, to analyze and report trends regarding sentinel events.

2. When the Health Division receives notice from a medical facility that the medical facility has taken corrective action to remedy the causes or contributing factors, or both, of a sentinel event, the Health Division shall:

(a) Make a record of the information;

(b) Ensure that the information is aggregated so as not to reveal the identity of a specific person or medical facility; and

(c) Transmit the information to a quality improvement organization.

3. A quality improvement organization to whom information is transmitted pursuant to subsection 2 shall, at least quarterly, report its findings regarding the analysis of aggregated trends of sentinel events to the Repository for Health Care Quality Assurance. ***The reports received by the Repository pursuant to this section are open to public inspection and must be available for examination at the office of the Department during regular business hours.***

Sec. 2. NRS 439B.115 is hereby amended to read as follows:

439B.115 "Major hospital" means a hospital in this State which has ~~[200]~~ ***100*** or more licensed or approved beds, or any hospital in a group of affiliated hospitals in a county which have a combined total of ~~[200]~~ ***100*** or more licensed or approved beds, that is not operated by a federal, state or local governmental agency.

Sec. 3. NRS 439B.440 is hereby amended to read as follows:

439B.440 1. The Director may by regulation require hospitals, other health facilities and providers of health services to submit such information as is reasonably necessary for the Director to carry out the provisions of this chapter.

2. Except as otherwise provided in subsection 3, the Director shall by regulation require an examination of a hospital by an independent auditor appointed by the Director to ensure compliance with this chapter. The audits must be scheduled on a regular basis but not more often than once each year. The hospital shall pay the costs of the audit. A hospital may contract with the auditor to conduct other work for the hospital in connection with the audit.

3. The Director shall not require an audit of a hospital which has less than ~~[200]~~ ***100*** beds or is subject to the provisions of chapter 450 of NRS. The Director shall by regulation require such a hospital to submit audits of the hospital on a regular basis but not more often than once each year.

4. If a hospital fails to comply with any regulation adopted pursuant to this section or the Director has reason to believe the hospital has violated any provision of this chapter, the Director may conduct an examination or contract for an independent examination of the hospital to determine whether it is in compliance with those provisions. The hospital which is the subject of such an examination is responsible for payment of the costs of the examination if the Director determines that the hospital did violate a provision of this chapter.

5. Any person who fails to submit information as required by any regulation adopted pursuant to this chapter to the Department or fails to submit to an audit or examination pursuant to this section is subject to an administrative fine of not more than $1,000 per violation per day until the required information is submitted or the person submits to the audit or examination.

Sec. 4. NRS 449.485 is hereby amended to read as follows:

449.485 1. Each hospital in this State shall use for all patients discharged the form commonly referred to as the "UB-82," or a different form prescribed by the Director with the approval of a majority of the hospitals licensed in this State, and shall include in the form all information required by the Department.

2. The Department shall by regulation:

(a) Specify the information required to be included in the form for each patient; and

(b) Require each hospital to provide specified information from the form to the Department.

3. Each insurance company or other payer shall accept the form as the bill for services provided by hospitals in this State.

4. Each hospital with ***100 or*** more ~~[than 200]~~ beds shall provide the information required pursuant to paragraph (b) of subsection 2 on magnetic tape or by other means specified by the Department, or shall provide copies of the forms and pay the costs of entering the information manually from the copies.

Sec. 5. NRS 449.490 is hereby amended to read as follows:

449.490 1. Every institution which is subject to the provisions of NRS 449.450 to 449.530, inclusive, shall file with the Department the following financial statements or reports in a form and at intervals specified by the Director but at least annually:

(a) A balance sheet detailing the assets, liabilities and net worth of the institution for its fiscal year; and

(b) A statement of income and expenses for the fiscal year.

~~[➥ Each such]~~

2. Every institution ***which is subject to the provisions of NRS 449.450 to 449.530, inclusive,*** shall file with the Department a proposed ~~[operating]~~ ***capital improvement*** budget for the ~~[following]~~ ***upcoming*** fiscal year ***which includes, without limitation, any major service line that the institution plans to add, any major expansion of the existing facilities of the institution that is planned and any acquisition of a major piece of equipment that is planned,*** at least 30 days before the start of that fiscal year.

~~[2.]~~ ***3. In addition to the information required to be filed pursuant to subsections 1 and 2, each hospital in this State shall file with the Department in a form and at intervals specified by the Director but at least annually:***

(a) A description of the allocation of the net profits of the hospital that is compiled from the information submitted to the Department quarterly pursuant to the regulations of the Department during the immediately preceding fiscal year;

(b) The corporate home office allocation policy of the hospital, if any, and a report of the manner in which the hospital adheres to the policy; and

(c) The hospital's plan for providing benefits to the community in which it is located, including, without limitation, the aspects of the plan that are specific to this State if the hospital is in a group of affiliated hospitals that operates a hospital in another state. The Director shall adopt regulations defining "benefits" for the purposes of this paragraph to include, without limitation, goods, services and resources provided by a hospital to a community to address the specific needs and concerns of that community and the needs and concerns of uninsured and underserved persons in that community, training programs for employees in a community and health care services provided in areas of a community that have a critical shortage of such services, for which the hospital does not receive reimbursement.

4. The Director shall require the certification of specified financial reports by an independent certified public accountant and may require attestations from responsible officers of the institution that the reports are, to the best of their knowledge and belief, accurate and complete.

~~[3.]~~ ***5.*** The Director shall require the filing of all reports by specified dates, and may adopt regulations which assess penalties for failure to file as required, but he shall not require the submission of a final annual report sooner than 6 months after the close of the fiscal year, and may grant extensions to institutions which can show

that the required information is not available on the required reporting date.

~~[4.]~~ ***6.*** All reports, except privileged medical information, filed under any provisions of NRS 449.450 to 449.530, inclusive, are open to public inspection and must be available for examination at the office of the Department during regular business hours.

7. The Director shall at least annually provide the information that the Department receives pursuant to subsections 1 and 2 to the Legislative Committee on Health Care.

Sec. 6. NRS 449.520 is hereby amended to read as follows:

449.520 ***1.*** On or before October 1 of each year, the Director shall prepare and transmit to the Governor ***, the Legislative Committee on Health Care*** and the Interim Finance Committee a report of the Department's operations and activities for the preceding fiscal year. ~~[This report must include copies]~~

2. The report prepared pursuant to subsection 1 must include:

(a) Copies of all summaries, compilations and supplementary reports required by NRS 449.450 to 449.530, inclusive, together with such facts, suggestions and policy recommendations as the Director deems necessary ~~[.]~~ ***;***

(b) A summary of the results of each audit of a hospital in this State that the Department required or performed during the previous year;

(c) An analysis of the trends in the costs, expenses and profits of hospitals in this State;

(d) An analysis of the corporate home office allocation policies of hospitals in this State; and

(e) An examination and analysis of the manner in which hospitals are reporting the information that is required to be filed pursuant to NRS 449.490, including, without limitation, an examination and analysis of whether that information is being reported in a standard and consistent manner.

3. The Legislative Committee on Health Care shall develop a comprehensive plan concerning the provision of health care in this State which includes, without limitation:

(a) A review of the plans for providing benefits to communities submitted by hospitals pursuant to paragraph (c) of subsection 3 of NRS 449.490;

(b) A review of the proposed capital improvement budgets submitted by hospitals pursuant to subsection 2 of NRS 449.490; and

(c) An assessment of the needs of communities in this State, including, without limitation, an assessment of the critical health care needs of each community, an assessment of the access to and

affordability of services in each community and an examination of any disparities based upon factors such as race, gender or economic status in the provision of health care services in each community.

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