

ASSEMBLY BILL NO. 342—ASSEMBLYMEN LESLIE,
PERKINS, 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; 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 hospitals to the Department; making various changes concerning the reporting of information by the Department; 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:

- 1 **Section 1.** NRS 439B.440 is hereby amended to read as
- 2 follows:
- 3 439B.440 1. The Director may by regulation require
- 4 hospitals, other health facilities and providers of health services to
- 5 submit such information as is reasonably necessary for the Director
- 6 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. 2. 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~~ Except as otherwise provided in subsection 5, 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



1 shall provide copies of the forms and pay the costs of entering the
2 information manually from the copies.

3 ***5. The Director may exempt a hospital from the requirements***
4 ***of subsection 4 if requiring the hospital to comply with the***
5 ***requirements would cause the hospital financial hardship.***

6 **Sec. 3.** NRS 449.490 is hereby amended to read as follows:

7 449.490 1. Every institution which is subject to the
8 provisions of NRS 449.450 to 449.530, inclusive, shall file with the
9 Department the following financial statements or reports in a form
10 and at intervals specified by the Director but at least annually:

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

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

14 ~~{→ Each such institution}~~

15 ***2. Each hospital with 100 or more beds*** shall file with the
16 Department ***in a form and at intervals specified by the Director but***
17 ***at least annually,*** a ~~{proposed operating budget for the following~~
18 ~~fiscal year at least 30 days before the start of that fiscal year.~~

19 ~~—2.—~~ ***capital improvement report which includes, without***
20 ***limitation, any major service line that the hospital has added or is***
21 ***in the process of adding since the previous report was filed, any***
22 ***major expansion of the existing facilities of the hospital that has***
23 ***been completed or is in the process of being completed since the***
24 ***previous report was filed and any major piece of equipment that***
25 ***the hospital has acquired or is in the process of acquiring since***
26 ***the previous report was filed.***

27 ***3. In addition to the information required to be filed pursuant***
28 ***to subsections 1 and 2, each hospital with 100 or more beds shall***
29 ***file with the Department in a form and at intervals specified by the***
30 ***Director but at least annually:***

31 (a) ***The corporate home office allocation methodology of the***
32 ***hospital, if any.***

33 (b) ***The expenses that the hospital has incurred for providing***
34 ***community benefits and the in-kind services that the hospital has***
35 ***provided to the community in which it is located. For the purposes***
36 ***of this paragraph, "community benefits" includes, without***
37 ***limitation, goods, services and resources provided by a hospital to***
38 ***a community to address the specific needs and concerns of that***
39 ***community, services provided by a hospital to the uninsured and***
40 ***underserved persons in that community, training programs for***
41 ***employees in a community and health care services provided in***
42 ***areas of a community that have a critical shortage of such***
43 ***services, for which the hospital does not receive full***
44 ***reimbursement.***



(c) A statement of its policies and procedures for providing discounted services to, or reducing charges for services provided to, persons without health insurance that are in addition to any reduction or discount required to be provided pursuant to NRS 439B.260.

(d) A statement of its policies regarding patients' account receivables, including, without limitation, the manner in which a hospital collects or makes payment arrangements for patients' account receivables, the factors that initiate collections and the method by which unpaid account receivables are collected.

4. A complete current charge master must be available at each hospital during normal business hours for review by the Director, any payor that has a contract with the hospital to pay for services provided by the hospital, any payor that has received a bill from the hospital and any state agency that is authorized to review such information.

5. 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 ~~+~~

~~—3.1~~, to the extent that the certifications and attestations are not required by federal law.

6. 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.

~~[4.1]~~ 7. 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.

Sec. 4. 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



1 with such facts, suggestions and policy recommendations as the
2 Director deems necessary **H**;

3 *(b) A summary of the trends of the audits of hospitals in this*
4 *State that the Department required or performed during the*
5 *previous year;*

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

8 *(d) An analysis of the corporate home office allocation*
9 *methodologies of hospitals in this State;*

10 *(e) An examination and analysis of the manner in which*
11 *hospitals are reporting the information that is required to be filed*
12 *pursuant to NRS 449.490, including, without limitation, an*
13 *examination and analysis of whether that information is being*
14 *reported in a standard and consistent manner, which fairly reflect*
15 *the operations of each hospital;*

16 *(f) A review and comparison of the policies and procedures*
17 *used by hospitals in this State to provide discounted services to,*
18 *and to reduce charges for services provided to, persons without*
19 *health insurance; and*

20 *(g) A review and comparison of the policies and procedures*
21 *used by hospitals in this State to collect unpaid charges for*
22 *services provided by the hospitals.*

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

26 *(a) A review of the health care needs in this State as identified*
27 *by state agencies, local governments, providers of health care and*
28 *the general public; and*

29 *(b) A review of the capital improvement reports submitted by*
30 *hospitals pursuant to subsection 2 of NRS 449.490.*

31 **Sec. 5.** This act becomes effective upon passage and approval.



