

ASSEMBLY BILL NO. 146—COMMITTEE ON  
HEALTH AND HUMAN SERVICES

FEBRUARY 22, 2007

Referred to Committee on Health and Human Services

**SUMMARY**—Requires the Department of Health and Human Services to establish a program to increase public awareness of health care information concerning the hospitals in this State. (BDR 40-687)

**FISCAL NOTE:** Effect on Local Government: No.  
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to health care; requiring the Department of Health and Human Services to establish a program to increase public awareness of health care information concerning the hospitals in this State; requiring the Department to establish and maintain an Internet website which provides certain information concerning the charges imposed and the quality of health care provided by the hospitals in this State; requiring hospitals to submit certain information to the Department for the program; requiring similar information to be submitted by surgical centers for ambulatory patients; requiring that the information submitted by surgical centers for ambulatory patients be posted on the Internet website established and maintained by the Department under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law provides for the planning for health care in this State, including
- 2 the promotion of equal access to quality health care at a reasonable cost. (Chapter
- 3 439A of NRS) **Section 3** of this bill requires the Department of Health and Human
- 4 Services to establish a program to increase public awareness of health care
- 5 information concerning the hospitals in this State. The program must include the
- 6 provision of information concerning the charges imposed and the quality of
- 7 services provided by the hospitals in this State. **Sections 4 and 5** of this bill require
- 8 the hospitals in this State to submit the information for the program and require the



\* A B 1 4 6 R 1 \*

9 Department to collect and maintain that information. **Section 6** of this bill requires  
10 the Department to establish and maintain an Internet website which provides  
11 information to the general public concerning the charges imposed and the quality of  
12 services provided by the hospitals in this State.

13 Under existing law, the Director of the Office for Consumer Health Assistance  
14 maintains an Internet website which includes certain information concerning  
15 prescription drug programs and pharmacies. (NRS 223.560) **Section 14** of this bill  
16 requires the Director to include on the website a link to the website maintained by  
17 the Department of Health and Human Services to provide information to the  
18 general public concerning the charges imposed and the quality of services provided  
19 by the hospitals in this State.

20 **Section 16** of this bill requires the Department to collect and maintain similar  
21 information relating to surgical centers for ambulatory patients. **Section 16** also  
22 requires the Department to reconcile the data submitted from surgical centers for  
23 ambulatory patients with the information submitted by hospitals to ensure that a  
24 consumer is able to reasonably compare the two types of medical facility. **Section**  
25 **16** further requires the Department to post this information if the Department is able  
26 to adequately reconcile the data submitted.

---

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

1 **Section 1.** Chapter 439A of NRS is hereby amended by  
2 adding thereto the provisions set forth as sections 2 to 7, inclusive,  
3 of this act.

4 **Sec. 2.** *As used in sections 2 to 7, inclusive, of this act, unless*  
5 *the context otherwise requires, the words and terms defined in*  
6 *sections 2.3 and 2.7 of this act have the meanings ascribed to them*  
7 *in those sections.*

8 **Sec. 2.3.** *“Hospital” has the meaning ascribed to it in*  
9 *NRS 449.012.*

10 **Sec. 2.7.** *“Program” means the program that is established*  
11 *by the Department pursuant to section 3 of this act to increase*  
12 *public awareness of health care information concerning the*  
13 *hospitals in this State.*

14 **Sec. 3. 1.** *The Department shall establish and maintain a*  
15 *program to increase public awareness of health care information*  
16 *concerning the hospitals in this State. The program must be*  
17 *designed to assist consumers with comparing the quality of care*  
18 *provided by the hospitals in this State and the charges for that*  
19 *care.*

20 **2.** *The program must include, without limitation, the*  
21 *collection, maintenance and provision of information concerning:*

22 *(a) The charges imposed on inpatients by each hospital in this*  
23 *State as reported in the forms submitted pursuant to NRS 449.485;*



1     (b) *The charges imposed on outpatients by each hospital in*  
2 *this State as reported in the forms submitted pursuant to*  
3 *NRS 449.485;*

4     (c) *The quality of care provided by each hospital in this State*  
5 *as determined by applying uniform measures of quality prescribed*  
6 *by the Department pursuant to section 4 of this act;*

7     (d) *How consistently each hospital follows recognized*  
8 *practices to prevent the infection of patients, to speed the recovery*  
9 *of patients and to avoid medical complications of patients;*

10    (e) *For each hospital, the total number of patients discharged,*  
11 *the average length of stay and the average billed charges, reported*  
12 *for the 50 most common medical diagnoses and treatments of*  
13 *inpatients and the 50 most common medical diagnoses and*  
14 *treatments of outpatients; and*

15    (f) *Any other information relating to the charges imposed and*  
16 *the quality of the services provided by the hospitals in this State*  
17 *that the Department determines is useful to consumers.*

18    **Sec. 4. 1. The Department shall, by regulation:**

19    (a) *Prescribe the information that each hospital in this State*  
20 *must submit to the Department for the program as set forth in*  
21 *section 3 of this act.*

22    (b) *Prescribe the measures of quality for hospitals that are*  
23 *required pursuant to paragraph (c) of subsection 2 of section 3 of*  
24 *this act. In adopting the regulations, the Department shall:*

25    (1) *Use the measures of quality endorsed by the Agency for*  
26 *Healthcare Research and Quality, the National Quality Forum*  
27 *and the Joint Commission;*

28    (2) *Prescribe a reasonable number of measures of quality*  
29 *which must not be unduly burdensome on the hospitals; and*

30    (3) *Take into consideration the financial burden placed on*  
31 *the hospitals to comply with the regulations.*

32    (c) *Require each hospital to:*

33    (1) *Provide the information prescribed in paragraphs (a)*  
34 *and (b) in the format required by the Department; and*

35    (2) *Report the information separately for inpatients and*  
36 *outpatients.*

37    2. *If a hospital fails to submit the information required*  
38 *pursuant to this section or section 3 of this act or submits*  
39 *information that is incomplete or inaccurate, the Department shall*  
40 *send a notice of such failure to the hospital and to the Health*  
41 *Division of the Department.*

42    **Sec. 5. 1. The Department shall collect and maintain all**  
43 *information that it receives from the hospitals in this State*  
44 *pursuant to sections 3 and 4 of this act. Upon request, the*



1 *Department shall make the information available in printed form*  
2 *or an electronic format, as indicated by the requester, to:*

- 3 (a) *Consumers of health care;*
- 4 (b) *Providers of health care;*
- 5 (c) *Representatives of the health insurance industry; and*
- 6 (d) *The general public.*

7 2. *The Department shall ensure that the information it*  
8 *provides pursuant to this section is aggregated so as not to reveal*  
9 *the identity of a specific inpatient or outpatient of a hospital.*

10 **Sec. 6.** 1. *The Department shall establish and maintain an*  
11 *Internet website that includes the information concerning the*  
12 *charges imposed and the quality of the services provided by the*  
13 *hospitals in this State as required by the program. The*  
14 *information must be presented in a manner that:*

15 (a) *Allows a person to view and compare the information for*  
16 *the hospitals by:*

- 17 (1) *Geographic location of each hospital;*
- 18 (2) *Type of medical diagnosis; and*
- 19 (3) *Type of medical treatment;*

20 (b) *Allows a person to view and compare the information*  
21 *separately for the inpatients and outpatients of each hospital; and*

22 (c) *Is readily accessible and understandable by a member of*  
23 *the general public.*

24 2. *The Department shall:*

25 (a) *Publicize the availability of the Internet website;*

26 (b) *Update the information contained on the Internet website*  
27 *at least quarterly;*

28 (c) *Ensure that the information contained on the Internet*  
29 *website is accurate and reliable;*

30 (d) *Ensure that the information contained on the Internet*  
31 *website is aggregated so as not to reveal the identity of a specific*  
32 *inpatient or outpatient of a hospital;*

33 (e) *Post a disclaimer on the Internet website indicating that the*  
34 *information contained on the website is provided to assist with the*  
35 *comparison of hospitals and is not a guarantee by the Department*  
36 *or its employees as to the charges imposed by the hospitals in this*  
37 *State or the quality of the services provided by the hospitals in this*  
38 *State, including, without limitation, an explanation that the actual*  
39 *amount charged to a person by a particular hospital may not be*  
40 *the same charge as posted on the website for that hospital; and*

41 (f) *Upon request, make the information that is contained on*  
42 *the Internet website available in printed form.*

43 **Sec. 7.** *In carrying out the provisions of sections 2 to 7,*  
44 *inclusive, of this act, the Department may contract with the*  
45 *Nevada System of Higher Education or any appropriate,*



\* A B 1 4 6 R 1 \*

*independent and qualified person or entity to analyze the information collected and maintained by the Department pursuant to sections 2 to 7, inclusive, of this act. Such a contractor shall not release or publish or otherwise use any information made available to it pursuant to the contract except as required to carry out the provisions of sections 2 to 7, inclusive, of this act.*

**Sec. 8.** NRS 439A.020 is hereby amended to read as follows:

439A.020 The purposes of this chapter are to:

1. Promote equal access to quality health care at a reasonable cost;

2. Promote an adequate supply and distribution of health resources;

3. Promote uniform, effective methods of delivering health care;

4. Promote and encourage the adequate distribution of health and care facilities and man power;

5. Promote and encourage the effective use of methods for controlling increases in the cost of health care;

6. Encourage participation in health planning by members of the several health professions, representatives of institutions and agencies interested in the provision of health care and the reduction of the cost of such care, and the general public;

7. Utilize the viewpoint of the general public for making decisions;

8. *Provide information to the general public concerning the charges imposed and the quality of the services provided by the hospitals in this State;*

9. Encourage public education regarding proper personal health care and methods for the effective use of available health services; and

~~9-1~~ 10. Promote a program of technical assistance to purchasers to contain effectively the cost of health care, including:

(a) Providing information to purchasers regarding the charges made by practitioners.

(b) Training purchasers to negotiate successfully for a policy of health insurance.

(c) Conducting studies and providing other information about measures to assist purchasers in containing the cost of health care.

**Sec. 9.** (Deleted by amendment.)

**Sec. 10.** (Deleted by amendment.)

**Sec. 11.** 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] Each hospital shall, on a monthly basis, report to the Department~~ 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. Except as otherwise provided in subsection 5, each hospital with 100 or more 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.

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

*6. The Department shall use the information submitted pursuant to this section for the program established pursuant to section 3 of this act to increase public awareness of health care information concerning the hospitals in this State.*

**Sec. 12.** 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.

2. Each hospital with 100 or more beds shall file with the Department, in a form and at intervals specified by the Director but at least annually, a capital improvement report which includes, without limitation, any major service line that the hospital has added or is in the process of adding since the previous report was filed, any major expansion of the existing facilities of the hospital that has been completed or is in the process of being completed since the previous report was filed, and any major piece of equipment that the hospital has acquired or is in the process of acquiring since the previous report was filed.

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



\* A B 1 4 6 R 1 \*

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

(b) The expenses that the hospital has incurred for providing community benefits and the in-kind services that the hospital has provided to the community in which it is located. For the purposes of this paragraph, "community benefits" includes, without limitation, goods, services and resources provided by a hospital to a community to address the specific needs and concerns of that community, services provided by a hospital to the 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 full 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. *The complete and current charge master must be made available to the Department, at the request of the Director, in an electronic format specified by the Department. The Department may use the electronic copy of the charge master to review and analyze the data contained in the charge master and, except as otherwise provided in sections 2 to 7, inclusive, of this act, shall not release or publish the information contained in the charge master.*

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 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





1 of a final annual report sooner than 6 months after the close of the  
2 fiscal year, and may grant extensions to institutions which can show  
3 that the required information is not available on the required  
4 reporting date.

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

9 **Sec. 13.** NRS 449.520 is hereby amended to read as follows:

10 449.520 1. On or before October 1 of each year, the Director  
11 shall prepare and transmit to the Governor, the Legislative  
12 Committee on Health Care and the Interim Finance Committee a  
13 report of the Department's operations and activities for the  
14 preceding fiscal year.

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

16 (a) Copies of all summaries, compilations and supplementary  
17 reports required by NRS 449.450 to 449.530, inclusive, together  
18 with such facts, suggestions and policy recommendations as the  
19 Director deems necessary;

20 (b) A summary of the trends of the audits of hospitals in this  
21 State that the Department required or performed during the previous  
22 year;

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

25 (d) An analysis of the corporate home office allocation  
26 methodologies of hospitals in this State;

27 (e) An examination and analysis of the manner in which  
28 hospitals are reporting the information that is required to be filed  
29 pursuant to NRS 449.490, including, without limitation, an  
30 examination and analysis of whether that information is being  
31 reported in a standard and consistent manner, which fairly reflect the  
32 operations of each hospital;

33 (f) A review and comparison of the policies and procedures used  
34 by hospitals in this State to provide discounted services to, and to  
35 reduce charges for services provided to, persons without health  
36 insurance; ~~and~~

37 (g) A review and comparison of the policies and procedures  
38 used by hospitals in this State to collect unpaid charges for services  
39 provided by the hospitals ~~and~~; and

40 *(h) A summary of the status of the program that is established*  
41 *pursuant to section 3 of this act to increase public awareness of*  
42 *health care information concerning the hospitals in this State,*  
43 *including, without limitation, the information that was posted in*  
44 *the preceding fiscal year on the Internet website maintained for*  
45 *that program pursuant to section 6 of this act.*



\* A B 1 4 6 R 1 \*



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

4       (a) A review of the health care needs in this State as identified  
5 by state agencies, local governments, providers of health care and  
6 the general public; and

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

9       **Sec. 14.** NRS 223.560 is hereby amended to read as follows:

10       223.560 The Director shall:

11       1. Respond to written and telephonic inquiries received from  
12 consumers and injured employees regarding concerns and problems  
13 related to health care and workers' compensation;

14       2. Assist consumers and injured employees in understanding  
15 their rights and responsibilities under health care plans and policies  
16 of industrial insurance;

17       3. Identify and investigate complaints of consumers and  
18 injured employees regarding their health care plans and policies of  
19 industrial insurance and assist those consumers and injured  
20 employees to resolve their complaints, including, without limitation:

21       (a) Referring consumers and injured employees to the  
22 appropriate agency, department or other entity that is responsible for  
23 addressing the specific complaint of the consumer or injured  
24 employee; and

25       (b) Providing counseling and assistance to consumers and  
26 injured employees concerning health care plans and policies of  
27 industrial insurance;

28       4. Provide information to consumers and injured employees  
29 concerning health care plans and policies of industrial insurance in  
30 this State;

31       5. Establish and maintain a system to collect and maintain  
32 information pertaining to the written and telephonic inquiries  
33 received by the Office for Consumer Health Assistance;

34       6. Take such actions as are necessary to ensure public  
35 awareness of the existence and purpose of the services provided by  
36 the Director pursuant to this section;

37       7. In appropriate cases and pursuant to the direction of the  
38 Governor, refer a complaint or the results of an investigation to the  
39 Attorney General for further action;

40       8. Provide information to and applications for prescription drug  
41 programs for consumers without insurance coverage for prescription  
42 drugs or pharmaceutical services; and

43       9. Establish and maintain an Internet website which includes:

44       (a) Information concerning purchasing prescription drugs from  
45 Canadian pharmacies that have been recommended by the State



\* A B 1 4 6 R 1 \*

1 Board of Pharmacy for inclusion on the Internet website pursuant to  
2 subsection 4 of NRS 639.2328; ~~and~~

3 (b) Links to websites of Canadian pharmacies which have been  
4 recommended by the State Board of Pharmacy for inclusion on the  
5 Internet website pursuant to subsection 4 of NRS 639.2328 ~~and~~; and

6 *(c) A link to the website established and maintained pursuant*  
7 *to section 6 of this act which provides information to the general*  
8 *public concerning the charges imposed and the quality of the*  
9 *services provided by the hospitals in this State.*

10 **Sec. 15.** 1. Each hospital in this State shall, on July 1, 2007,  
11 begin submitting to the Department of Health and Human Services  
12 the information concerning inpatient data required pursuant to  
13 sections 2 to 7, inclusive, of this act.

14 2. The Department shall review the data concerning inpatients  
15 submitted by each hospital in this State and, on or before January 1,  
16 2008, begin posting such information on the Internet website  
17 established pursuant to section 6 of this act.

18 3. Each hospital in this State shall, on January 1, 2008, begin  
19 submitting to the Department the information concerning outpatient  
20 data that is required pursuant to sections 2 to 7, inclusive, of this act.

21 4. The Department shall review the data concerning outpatients  
22 submitted by each hospital in this State and, on or before January 1,  
23 2009, begin posting such information on the Internet website  
24 established pursuant to section 6 of this act.

25 **Sec. 16.** 1. Each surgical center for ambulatory patients  
26 shall, on January 1, 2008, and on a monthly basis thereafter, begin  
27 submitting to the Department of Health and Human Services all  
28 information required by the Department pursuant to this section.

29 2. The Department shall determine how best to reconcile the  
30 information submitted pursuant to this section with the information  
31 required from the hospitals in this State pursuant to sections 2 to 7,  
32 inclusive, of this act so that the information may be posted on the  
33 Internet website established pursuant to section 6 of this act in a  
34 manner which allows a consumer to reasonably compare the charges  
35 imposed and the quality of services provided by the surgical centers  
36 for ambulatory patients and the hospitals in this State.

37 3. The Department shall, on or before December 1, 2008,  
38 report to the Legislative Committee on Health Care concerning the  
39 activities of the Department pursuant to this section, including,  
40 without limitation, a report on whether the Department was able to  
41 adequately reconcile the information submitted pursuant to this  
42 section with the information submitted pursuant to sections 2 to 7,  
43 inclusive, of this act. If the Department submits to the Legislative  
44 Committee on Health Care a report that the information collected  
45 pursuant to this section is not ready for posting on the Internet



\* A B 1 4 6 R 1 \*

1 website or that the information cannot be adequately reconciled with  
2 the information submitted by the hospitals, the Legislative  
3 Committee on Health Care may extend the deadline by which the  
4 information must be posted pursuant to subsection 4.

5 4. Except as otherwise provided in subsection 3, the  
6 Department shall, on January 1, 2009, begin posting the information  
7 received pursuant to this section on the Internet website established  
8 pursuant to section 6 of this act.

9 5. The Department shall adopt regulations prescribing:

10 (a) The surgical centers for ambulatory patients in this State  
11 which must report information pursuant to this section.

12 (b) The information concerning the charges imposed and the  
13 quality of services provided by the surgical centers for ambulatory  
14 patients that must be submitted pursuant to this section, which must  
15 be similar to the information submitted by the hospitals pursuant to  
16 sections 2 to 7, inclusive, of this act.

17 **Sec. 17.** In addition to any other report required pursuant to  
18 this act or a state law, the Department of Health and Human  
19 Services shall submit to the Legislative Committee on Health Care,  
20 on or before the first day of each month, a report which includes:

21 1. The status of the collection of data pursuant to sections 2 to  
22 7, inclusive, and section 16 of this act;

23 2. The status of the establishment of an Internet website  
24 pursuant to section 6 of this act;

25 3. Any regulations adopted pursuant to sections 4 and 16 of  
26 this act; and

27 4. Any other information related to carrying out the provisions  
28 of this act.

29 **Sec. 18.** The Department of Health and Human Services shall  
30 not send to the Health Division of the Department a notice required  
31 pursuant to subsection 2 of section 4 of this act until:

32 1. July 1, 2008, if the notice concerns the submission of  
33 information relating to inpatients; and

34 2. January 1, 2009, if the notice concerns the submission of  
35 information relating to outpatients.

36 **Sec. 19.** This act becomes effective on July 1, 2007.

