

## ASSEMBLY BILL NO. 247—ASSEMBLYWOMAN BUCKLEY

MARCH 5, 2007

Referred to Committee on Health and Human Services

SUMMARY—Makes various changes concerning billing for, collecting and bringing actions and enforcing judgments for delinquent payments for services rendered at a hospital. (BDR 40-819)

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 hospitals; limiting the amount of interest and other charges that hospitals may impose for delinquent payments; revising the limitation on the period for commencing an action against a person who has a delinquent account with a hospital; prohibiting a hospital from assigning a lien on real property obtained in connection with a delinquent payment for services rendered at the hospital; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 2** of this bill provides that a hospital may not charge interest on an account until at least 30 days after the person responsible for paying the account has been sent notice of the amount that he is responsible to pay. Such a bill must not be sent until the hospital has established the amount that will be paid by any health insurance company or other public program. **Section 2** further limits the amount of interest that a hospital may charge on a delinquent account to prime rate plus 2 percent and prohibits a hospital from imposing any other fees, including, without limitation, collection fees, attorney's fees or any other fees or costs other than attorney's fees awarded by a court.

**Section 3** of this bill requires a hospital or other person acting on its behalf to collect any debt for any amount owed for health care services rendered at the hospital in a professional, fair and lawful manner and in accordance with the federal Fair Debt Collection Practices Act.

Existing law establishes certain periods during which an action may be commenced in court which apply when no other statutes specify a different period. (NRS 11.190) Existing law further provides that the time set forth in that statute is deemed to date from the last transaction. (NRS 11.200) **Section 4** of this bill



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provides that the period for commencing an action against a person to recover payment for any health care services provided to a person at a hospital is not later than 2 years after the date on which any payment that is due for the services is not paid. The period is tolled, however, during any period in which the hospital is awaiting a determination concerning eligibility for or the amount of benefits from an insurer or public program.

Existing law creates a lien on the real property of a person for unpaid charges incurred at a county or district hospital and establishes certain procedures that must be followed with respect to such liens. (NRS 108.662) **Section 5** of this bill prohibits a county or district hospital from assigning, selling or transferring the interest of the hospital in such a lien.

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

**Section 1.** Chapter 449 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

**Sec. 2. 1. *Interest on any amount owed for health care services rendered at a hospital may not accrue until at least 30 days after the responsible party is sent a bill by mail stating the amount that he is responsible to pay. If the responsible party or the person who received the health care services has health insurance or may be eligible for Medicaid, the Children's Health Insurance Program or any other public program which may pay all or part of the bill, the hospital must not send such a bill to the responsible party until the hospital has submitted a bill to the insurance company or public program and the insurance company or public program has made a determination concerning payment of the claim.***

**2. *After the 30-day period set forth in subsection 1, interest may begin to accrue on any amount which remains unpaid by the responsible party at a rate which does not exceed the prime rate at the largest bank in Nevada as ascertained by the Commissioner of Financial Institutions on January 1 or July 1, as the case may be, immediately preceding the date on which the payment becomes due, plus 2 percent. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the payment is satisfied.***

**3. *Except for the interest authorized pursuant to subsection 2 and any attorney's fees awarded by a court, no other fees may be charged concerning the amount that remains unpaid after the 30-day period, including, without limitation, collection fees, attorney's fees or any other fees or costs.***

**4. *As used in this section, "responsible party" means the person who received the health care services, the parent or guardian of the person who received the health care services or other natural person who has agreed to be responsible for the***



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1 *payment to the hospital of any charges incurred in connection*  
2 *with such services.*

3 **Sec. 3.** 1. *A hospital, or any person acting on its behalf who*  
4 *seeks to collect a debt from a responsible party for any amount*  
5 *owed for health care services rendered at the hospital, must collect*  
6 *the debt in a professional, fair and lawful manner. When*  
7 *collecting such a debt, the hospital or other person acting on its*  
8 *behalf must act in accordance with sections 803 to 812, inclusive,*  
9 *of the federal Fair Debt Collection Practices Act, as amended, 15*  
10 *U.S.C. §§ 1692a to 1692j, inclusive, even if the hospital or person*  
11 *acting on its behalf is not otherwise subject to the provisions of*  
12 *that Act.*

13 2. *As used in this section, "responsible party" has the*  
14 *meaning ascribed to it in section 2 of this act.*

15 **Sec. 4.** Chapter 11 of NRS is hereby amended by adding  
16 thereto a new section to read as follows:

17 1. *Except as otherwise provided in this section, an action*  
18 *against a person to recover payment for any health care services*  
19 *provided to the person at a hospital must be commenced not later*  
20 *than 2 years after the date on which any payment that is due for*  
21 *the services is not paid.*

22 2. *The period provided in subsection 1 is tolled during any*  
23 *period in which the hospital is awaiting a determination*  
24 *concerning eligibility for or the amount of benefits from an*  
25 *insurer or public program.*

26 **Sec. 5.** NRS 108.662 is hereby amended to read as follows:

27 108.662 1. Except as otherwise provided in subsection 4, a  
28 county or district hospital has a lien upon the real property of a  
29 person for charges incurred and unpaid for the care of the owner of  
30 the property or a person for whose support the owner is legally  
31 responsible.

32 2. The notice of the lien must be served upon the owner by  
33 certified or registered mail and filed in the office of the county  
34 recorder of the county where the real property is located not sooner  
35 than 90 days nor later than:

36 (a) Three years after the patient's discharge; or

37 (b) One year after the patient defaults on payments made  
38 pursuant to a written contract,

39 ➤ whichever is later, except that the notice may be served and filed  
40 within 6 months after any default pursuant to a written contract.

41 3. The notice of the lien must contain:

42 (a) The amount due;

43 (b) The name of the owner of record of the property; and

44 (c) A description of the property sufficient for identification.



1       4. If the amount due as stated in the notice of lien is reduced by  
2 payments and any person listed in subsection 2 of NRS 108.665  
3 gives written notice of that reduction to the county or district  
4 hospital which recorded the lien, the county or district hospital shall  
5 amend the notice of lien stating the amount then due, within 10 days  
6 after it receives the written notice.

7       ***5. A county or district hospital shall not assign, sell or***  
8 ***transfer the interest of the hospital in a lien created pursuant to***  
9 ***this section.***

10       **Sec. 6.** The amendatory provisions of this act apply to any  
11 debt accrued on or after October 1, 2007.

