

ASSEMBLY BILL NO. 98—COMMITTEE ON
HEALTH AND HUMAN SERVICES

FEBRUARY 13, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises various provisions relating to the Office for Consumer Health Assistance. (BDR 18-1037)

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 the Office for Consumer Health Assistance established in the Office of the Governor; expanding the regulation-making power of the Director of the Office for Consumer Health Assistance; providing that a designee of the Director may fulfill certain duties and responsibilities of the Director; authorizing the Director or his designee to impose a civil penalty upon a person who commits certain acts or omissions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law directs the Office for Consumer Health Assistance to assist
- 2 consumers and injured employees with respect to matters of health care and
- 3 workers' compensation and authorizes the Director of the Office to adopt such
- 4 regulations as he deems necessary to carry out certain of his powers and duties.
- 5 (NRS 223.560, 223.570) Existing law also creates the Bureau for Hospital
- 6 Patients within the Office for Consumer Health Assistance and authorizes the
- 7 Director to hear and resolve certain disputes between hospitals and their patients.
- 8 (NRS 223.575)
- 9 **Sections 1 and 3** of this bill expand the powers of the Director of the Office for
- 10 Consumer Health Assistance so that the Director may adopt regulations, employ
- 11 persons and obtain information with respect to all subject areas in which the Office
- 12 is involved. **Section 4** of this bill provides that a designee of the Director may
- 13 fulfill certain of the Director's duties and responsibilities and allows the Director or
- 14 his designee to impose civil penalties upon persons who commit certain acts or
- 15 omissions relating to the resolution of disputes between hospitals and their patients.



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16 **Section 4** also provides for judicial review of certain actions taken by the Director
17 or his designee.

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

1 **Section 1.** Chapter 223 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *The Director may adopt such regulations as the Director*
4 *determines to be necessary or advisable to carry out the provisions*
5 *of NRS 223.500 to 223.580, inclusive, and section 1 of this act.*

6 **Sec. 2.** NRS 223.500 is hereby amended to read as follows:

7 223.500 As used in NRS 223.500 to 223.580, inclusive, *and*
8 *section 1 of this act*, unless the context otherwise requires, the
9 words and terms defined in NRS 223.510 to 223.535, inclusive,
10 have the meanings ascribed to them in those sections.

11 **Sec. 3.** NRS 223.570 is hereby amended to read as follows:

12 223.570 1. The Director, within the limits of available
13 money:

14 (a) Shall, to carry out the provisions of ~~this section and NRS~~
15 ~~223.560 and 223.580,~~ *NRS 223.500 to 223.580, inclusive, and*
16 *section 1 of this act*, employ at least two persons who have
17 experience in the field of workers' compensation, including, without
18 limitation, persons who have experience in administering claims or
19 programs related to policies of industrial insurance, representing
20 employees in contested claims relating to policies of industrial
21 insurance or advocating for the rights of injured employees; and

22 (b) May, in addition to the persons required to be employed
23 pursuant to paragraph (a), employ:

24 (1) Such persons in the unclassified service of the State as he
25 determines to be necessary to carry out the provisions of ~~this~~
26 ~~section and NRS 223.560 and 223.580,~~ *NRS 223.500 to 223.580,*
27 *inclusive, and section 1 of this act*, including, without limitation, a
28 provider of health care, as that term is defined in NRS 449.581.

29 (2) Such additional personnel as may be required to carry out
30 the provisions of ~~this section and NRS 223.560 and 223.580,~~ *NRS*
31 *223.500 to 223.580, inclusive, and section 1 of this act*, who must
32 be in the classified service of the State.

33 ➤ A person employed pursuant to the authority set forth in this
34 subsection must be qualified by training and experience to perform
35 the duties for which the Director employs him.

36 2. The Director may:

37 (a) To the extent not otherwise prohibited by law, obtain such
38 information from consumers, injured employees, health care plans,
39 *health care facilities*, prescription drug programs and policies of



1 industrial insurance as he determines to be necessary to carry out the
2 provisions of ~~[this section and NRS 223.560 and 223.580.~~

3 ~~—(b) Adopt such regulations as he determines to be necessary to~~
4 ~~carry out the provisions of this section and NRS 223.560 and~~
5 ~~223.580.~~

6 ~~—(c)]~~ **NRS 223.500 to 223.580, inclusive, and section 1 of this**
7 **act.**

8 (b) Apply for any available grants, accept any gifts, grants or
9 donations and use any such gifts, grants or donations to aid the
10 Office for Consumer Health Assistance in carrying out its duties
11 pursuant to subsections 8 and 9 of NRS 223.560.

12 3. The Director and his employees ~~[shall]~~ **must** not have any
13 conflict of interest relating to the performance of their duties
14 pursuant to ~~[this section and NRS 223.560 and 223.580.]~~ **NRS**
15 **223.500 to 223.580, inclusive, and section 1 of this act.** For the
16 purposes of this subsection, a conflict of interest shall be deemed to
17 exist if the Director or employee, or any person affiliated with the
18 Director or employee:

19 (a) Has direct involvement in the licensing, certification or
20 accreditation of a health care facility, insurer or provider of health
21 care;

22 (b) Has a direct ownership interest or investment interest in a
23 health care facility, insurer or provider of health care;

24 (c) Is employed by, or participating in, the management of a
25 health care facility, insurer or provider of health care; or

26 (d) Receives or has the right to receive, directly or indirectly,
27 remuneration pursuant to any arrangement for compensation with a
28 health care facility, insurer or provider of health care.

29 **Sec. 4.** NRS 223.575 is hereby amended to read as follows:

30 223.575 1. The Bureau for Hospital Patients is hereby created
31 within the Office for Consumer Health Assistance in the Office of
32 the Governor.

33 2. The Director:

34 (a) Is responsible for the operation of the Bureau, which must be
35 easily accessible to the clientele of the Bureau.

36 (b) Shall appoint and supervise such additional employees as are
37 necessary to carry out the duties of the Bureau. The employees of
38 the Bureau are in the unclassified service of the State.

39 (c) On or before February 1 of each year, shall submit a written
40 report to the Governor, and to the Director of the Legislative
41 Counsel Bureau concerning the activities of the Bureau for Hospital
42 Patients for transmittal to the appropriate committee or committees
43 of the Legislature. The report must include, without limitation, the
44 number of complaints received by the Bureau, the number and type
45 of disputes heard, mediated, arbitrated or resolved through



1 alternative means of dispute resolution by the Director *or his*
2 *designee* and the outcome of the mediation, arbitration or alternative
3 means of dispute resolution.

4 3. The Director *or his designee* may, upon request made by
5 either party, hear, mediate, arbitrate or resolve by alternative means
6 of dispute resolution disputes between patients and hospitals. The
7 Director *or his designee* may decline to hear a case that in his
8 opinion is trivial, without merit or beyond the scope of his
9 jurisdiction. The Director *or his designee* may hear, mediate,
10 arbitrate or resolve through alternative means of dispute resolution
11 disputes regarding:

12 (a) The accuracy or amount of charges billed to a patient;

13 (b) The reasonableness of arrangements made pursuant to
14 paragraph (c) of subsection 1 of NRS 439B.260; and

15 (c) Such other matters ~~related~~ *relating* to the charges for care
16 provided to a patient as the Director *or his designee* determines
17 appropriate for arbitration, mediation or other alternative means of
18 dispute resolution.

19 4. *The Director or his designee may, after notice and an*
20 *opportunity for a hearing, impose upon a person who commits any*
21 *of the following acts or omissions a civil penalty of not more than*
22 *\$5,000 for each such act or omission:*

23 (a) *Failing to provide to the Director or his designee*
24 *information that is requested by the Director or his designee and*
25 *reasonably required by the Director or his designee to hear,*
26 *mediate, arbitrate or resolve through alternative means of dispute*
27 *resolution a dispute described in subsection 3;*

28 (b) *Failing to participate in good faith in a hearing, mediation,*
29 *arbitration or process of alternative dispute resolution conducted*
30 *pursuant to subsection 3;*

31 (c) *Failing to comply with a payment plan which is negotiated*
32 *and agreed to between a hospital and a patient, regardless of*
33 *whether such a plan is entered into before or after a hearing,*
34 *mediation, arbitration or process of alternative dispute resolution*
35 *conducted pursuant to subsection 3;*

36 (d) *Attempting to collect from a patient a payment that is more*
37 *than the amount set by the Director or his designee after a*
38 *hearing, mediation, arbitration or process of alternative dispute*
39 *resolution conducted pursuant to subsection 3; or*

40 (e) *In any other way failing to comply with a decision made by*
41 *the Director or his designee after a hearing, mediation, arbitration*
42 *or process of alternative dispute resolution conducted pursuant to*
43 *subsection 3.*

44 5. *The Director or his designee may bring an action to*
45 *recover a civil penalty imposed pursuant to subsection 4 and shall*



1 *deposit any money recovered with the State Treasurer for credit to*
2 *the State General Fund.*

3 6. The decision of the Director *or his designee to take action*
4 *or not to take action pursuant to subsection 3, or to impose a civil*
5 *penalty pursuant to subsection 4,* is a final decision for the purpose
6 of judicial review.

7 ~~15.1~~ *A person aggrieved by such a final decision of the Director*
8 *or his designee is entitled to judicial review of the decision in the*
9 *manner provided in NRS 233B.130 to 233B.150, inclusive, for the*
10 *review of decisions of administrative agencies in contested cases.*

11 7. *If a party petitions the district court for judicial review of a*
12 *final decision of the Director or his designee, and the petition is*
13 *found by the district court to be frivolous or brought without*
14 *reasonable grounds, the district court may order costs and a*
15 *reasonable attorney's fee to be paid by the petitioner.*

16 8. Each hospital, other than federal and state hospitals, with 49
17 or more licensed or approved hospital beds shall pay an annual
18 assessment for the support of the Bureau. On or before July 15 of
19 each year, the Director shall notify each hospital of its assessment
20 for the fiscal year. Payment of the assessment is due on or before
21 September 15. Late payments bear interest at the rate of 1 percent
22 per month or fraction thereof.

23 ~~16.1~~ 9. The total amount assessed pursuant to subsection ~~15.1~~ 8
24 for a fiscal year must not be more than \$100,000 adjusted by the
25 percentage change between January 1, 1991, and January 1 of the
26 year in which the fees are assessed, in the Consumer Price Index
27 (All Items) published by the United States Department of Labor.

28 ~~17.1~~ 10. The total amount assessed must be divided by the total
29 number of patient days of care provided in the previous calendar
30 year by the hospitals subject to the assessment. For each hospital,
31 the assessment must be the result of this calculation multiplied by its
32 number of patient days of care for the preceding calendar year.

33 **Sec. 5.** This act becomes effective on July 1, 2007.

