
ASSEMBLY BILL NO. 379—ASSEMBLYMEN SEGERBLOM, LESLIE;
DONDERO LOOP, HORNE, MANENDO, MORTENSON AND
OHRENSCHALL

MARCH 16, 2009

JOINT SPONSOR: SENATOR CARLTON

Referred to Concurrent Committees on
Health and Human Services and Taxation

SUMMARY—Revises provisions relating to the care of indigent
patients by certain hospitals. (BDR 40-1066)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

CONTAINS UNFUNDED MANDATE (§ 1)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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; revising provisions governing the
amount and type of care which certain hospitals must
provide to indigent patients; and providing other matters
properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, certain hospitals are required to provide, without charge,
2 inpatient medical care for certain indigent inpatients who do not have insurance, are
3 not eligible for certain health care benefits under a federal or state program of
4 public assistance and meet certain other income requirements. Existing law also
5 requires a hospital that does not fulfill its minimum obligation for such care to pay
6 an assessment equal to the difference between the minimum obligation and the
7 actual amount of treatment provided. (NRS 439B.300-439B.340) This bill increases
8 the amount of care which must be provided to indigent patients from .6 percent to 2
9 percent of the hospital's net revenue in its preceding fiscal year and includes
10 medical care for indigent outpatients in the calculation of care to indigent patients.



* A B 3 7 9 *

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

Section 1. NRS 439B.320 is hereby amended to read as follows:

439B.320 1. A hospital shall provide, without charge, in each fiscal year, care for indigent inpatients *and indigent outpatients* in ~~{an}~~ *a total* amount which represents ~~{0.6}~~ 2 percent of its net revenue for the hospital's preceding fiscal year.

2. The Department shall compute the obligation of each hospital for care of indigent inpatients *and indigent outpatients* for each fiscal year based upon the net revenue of the hospital in its preceding fiscal year and shall provide this information to the board of county commissioners of the county in which the hospital is located.

3. The board of county commissioners shall maintain a record of discharge forms submitted by each hospital located within the county, together with the amount accruing to the hospital. The amount accruing to the hospital for the care, until the hospital has met its obligation pursuant to this section, is the highest amount the county is paying to any hospital in the county for that care. Except as otherwise provided in subsection 2 of NRS 439B.330, no payment for indigent care may be made to the hospital until the total amount so accruing to the hospital exceeds the minimum obligation of the hospital for the fiscal year, and a hospital may only receive payment from the county for indigent care provided in excess of its obligation pursuant to this section. After a hospital has met its obligation pursuant to this section, the county may reimburse the hospital for care of indigent inpatients *and indigent outpatients* at any rate otherwise authorized by law.

Sec. 2. NRS 439B.330 is hereby amended to read as follows:

439B.330 1. Except as otherwise provided in this subsection, subsection 2 and NRS 439B.300, each county shall use the definition of "indigent" in NRS 439B.310 to determine a person's eligibility for medical assistance pursuant to chapter 428 of NRS, other than assistance provided pursuant to NRS 428.115 to 428.255, inclusive.

2. A board of county commissioners may, if it determines that a hospital within the county is serving a disproportionately large share of low-income patients:

(a) Pay a higher rate to the hospital for treatment of indigent inpatients ~~{H}~~ *and indigent outpatients*;

(b) Pay the hospital for treatment of indigent inpatients *and indigent outpatients* whom the hospital would otherwise be required to treat without receiving compensation from the county; or



(c) Both pay at a higher rate and pay for inpatients *and outpatients* for whom the hospital would otherwise be uncompensated.

3. Each hospital which treats an indigent inpatient *or indigent outpatient* shall submit to the board of county commissioners of the county of residence of the patient a discharge form identifying the patient as a possible indigent and containing the information required by the Department and the county to be included in all such forms.

4. The county which receives a discharge form from a hospital for an indigent inpatient *or indigent outpatient* shall verify the status of the patient and the amount which the hospital is entitled to receive. A hospital aggrieved by a determination of a county regarding the indigent status of ~~{an inpatient}~~ *a patient* may appeal the determination to the Director or a person designated by the Director to hear such an appeal. The decision of the Director or the person he designates must be mailed by registered or certified mail to the county and the hospital. The decision of the Director or the person he designates may be appealed to a court having general jurisdiction in the county within 15 days after the date of the postmark on the envelope in which the decision was mailed.

5. Except as otherwise provided in subsection 2 of this section and subsection 3 of NRS 439B.320, if the county is the county of residence of the patient and the patient is indigent, the county shall pay to the hospital the amount required, within the limits of money which may lawfully be appropriated for this purpose pursuant to NRS 428.050, 428.285 and 450.425.

6. For the purposes of this section, the county of residence of the patient is the county of residence of that person before he was admitted to the hospital.

Sec. 3. NRS 439B.340 is hereby amended to read as follows:

439B.340 1. Before September 30 of each year, each county in which hospitals subject to the provisions of NRS 439B.300 to 439B.340, inclusive, are located shall provide to the Department a report showing:

(a) The total number of inpatients *and outpatients* treated by each such hospital who are claimed by the hospital to be indigent;

(b) The number of such patients for whom no reimbursement was provided by the county because of the limitation imposed by subsection 3 of NRS 439B.320;

(c) The total amount paid to each such hospital for treatment of such patients; and

(d) The amount the hospital would have received for patients for whom no reimbursement was provided.



2. The Director shall verify the amount of treatment provided to indigent inpatients **and indigent outpatients** by each hospital to which no reimbursement was provided by:

(a) Determining the number of indigent inpatients **and indigent outpatients** who received treatment. For a hospital that has contracted with the Department pursuant to subsection 4 of NRS 428.030, the Director shall determine the number based upon the evaluations of eligibility made by the employee assigned to the hospital pursuant to the contract. For all other hospitals, the Director shall determine the number based upon the report submitted pursuant to subsection 1.

(b) Multiplying the number of **patients who are** indigent ~~inpatients~~ who received each type of treatment by the highest amount paid by the county for that treatment.

(c) Adding the products of the calculations made pursuant to paragraphs (a) and (b) for all treatment provided.

➤ If the total amount of treatment provided to indigent inpatients **and indigent outpatients** in the previous fiscal year by the hospital was less than its minimum obligation for the year, the Director shall assess the hospital for the amount of the difference between the minimum obligation and the actual amount of treatment provided by the hospital to indigent inpatients ~~H~~ **and indigent outpatients**. If a decision of a county regarding the indigent status of one or more ~~inpatients~~ **patients** is pending appeal before the Director or upon receiving satisfactory proof from a hospital that the decision is pending appeal before a court having general jurisdiction in the county pursuant to subsection 4 of NRS 439B.330, the Director shall defer assessing the hospital the amount that may be offset by the determination on appeal until a final determination of the matter is made.

3. If the Director determines that a hospital has met its obligation to provide treatment to indigent inpatients ~~H~~ **and indigent outpatients**, he shall certify to the county in which the hospital is located that the hospital has met its obligation. The county is not required to pay the hospital for the costs of treating indigent inpatients **and indigent outpatients** until the certification is received from the Director. The county shall pay the hospital for such treatment within 30 days after receipt of the certification to the extent that money was available for payment pursuant to NRS 428.050, 428.285 and 450.425 at the time the treatment was provided.

4. The Director shall determine the amount of the assessment which a hospital must pay pursuant to this section and shall notify the hospital in writing of that amount on or before November 1 of each year. The notice must include, but is not limited to, a written



1 statement for each claim which is denied indicating why the claim
2 was denied. Payment is due 30 days after receipt of the notice,
3 except for assessments deferred pursuant to subsection 2 which, if
4 required, must be paid within 30 days after the court hearing the
5 appeal renders its decision. If a hospital fails to pay the assessment
6 when it is due the hospital shall pay, in addition to the assessment:

7 (a) Interest at a rate of 1 percent per month for each month after
8 the assessment is due in which it remains unpaid; and

9 (b) Any court costs and fees required by the Director to obtain
10 payment of the assessment and interest from the hospital.

11 5. Any money collected pursuant to this section must be paid to
12 the county in which the hospital paying the assessment is located for
13 use in paying other hospitals in the county for the treatment of
14 indigent inpatients *and indigent outpatients* by those hospitals. The
15 money received by a county from assessments made pursuant to this
16 section does not constitute revenue from taxes ad valorem for the
17 purposes of NRS 354.59811, 428.050, 428.285 and 450.425, and
18 must be excluded in determining the maximum rate of tax
19 authorized by those sections.

20 **Sec. 4.** The provisions of NRS 354.599 do not apply to any
21 additional expenses of a local government that are related to the
22 provisions of this act.

23 **Sec. 5.** This act becomes effective on July 1, 2009.

