

SENATE BILL NO. 205—SENATOR CARLTON

MARCH 11, 2009

JOINT SPONSOR: ASSEMBLYMAN DENIS

Referred to Committee on Health and Education

SUMMARY—Revises provisions governing the disproportionate share payments for hospitals under certain circumstances. (BDR 38-706)

FISCAL NOTE: Effect on Local Government: No.
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 public welfare; revising provisions governing the calculation of uncompensated care percentages of certain hospitals if certain conditions are met; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing federal law requires each state to adopt a state plan for Medicaid and requires that the plan include a description of the methodology used by the state to identify certain hospitals which serve a disproportionate number of low-income patients and to pay those hospitals for their uncompensated costs associated with providing services to those patients. These hospitals are known as disproportionate share hospitals. (42 U.S.C. § 1396r-4) The State Plan for Medicaid for Nevada provides for payments to disproportionate share hospitals and requires the Division of Health Care Financing and Policy of the Department of Health and Human Services to calculate the uncompensated care percentage of each hospital for purposes of making those payments. (NRS 422.380-422.390) **Section 1** of this bill revises the definition of the term “hospital” to include any group of hospitals which are owned or operated by the same person. (NRS 422.380) Revising the definition of a hospital to include groups of hospitals which are owned or operated by the same person changes the manner in which uncompensated care percentages will be calculated. **Section 2** of this bill requires the Division to adopt regulations which set forth the manner for determining whether hospitals are owned or operated by the same person for purposes of calculating the uncompensated care percentages. **Section 3** of this bill requires the Director of the Department to apply to the Secretary of the United States Department of Health and Human Services to amend the State Plan for Medicaid to calculate the uncompensated care percentage of



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21 hospitals based on the cumulative uncompensated care percentage for groups of
22 hospitals which are owned or operated by the same person. **Sections 1 and 2**
23 become effective only upon approval of the amendment to the State Plan by the
24 Secretary.

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

1 **Section 1.** NRS 422.380 is hereby amended to read as follows:
2 422.380 As used in NRS 422.380 to 422.390, inclusive, unless
3 the context otherwise requires:

4 1. "Disproportionate share payment" means a payment made
5 pursuant to 42 U.S.C. § 1396r-4.

6 2. "Hospital" ~~has the meaning ascribed to it in NRS 439B.110~~
7 ~~and includes public and private hospitals.~~ *means a public or*
8 *private hospital designated pursuant to NRS 449.021 as a medical*
9 *hospital, surgical hospital, obstetrical hospital or combined-*
10 *categories hospital, or a group of hospitals which are owned or*
11 *operated by the same person.*

12 3. "Public hospital" means:

13 (a) A hospital owned by a state or local government, including,
14 without limitation, a hospital district; or

15 (b) A hospital that is supported in whole or in part by tax
16 revenue, other than tax revenue received for medical care which is
17 provided to Medicaid patients, indigent patients or other low-income
18 patients.

19 **Sec. 2.** NRS 422.390 is hereby amended to read as follows:

20 422.390 1. The Division shall adopt regulations concerning:

21 (a) Procedures for the transfer to the Division of the amount
22 required pursuant to NRS 422.382.

23 (b) Provisions for the payment of a penalty and interest for a
24 delinquent transfer.

25 (c) Provisions for the payment of interest by the Division for
26 late reimbursements to hospitals or other providers of medical care.

27 (d) Provisions for the calculation of the uncompensated care
28 percentage for hospitals, including, without limitation ~~[, the]~~ :

29 (1) *The* procedures and methodology required to be used in
30 calculating the percentage ~~[, and any]~~ ;

31 (2) *Any* required documentation of and reporting by a
32 hospital relating to the calculation ~~[,]~~ ; *and*

33 (3) *The manner in which the Division will determine*
34 *whether a hospital is part of a group of hospitals which are owned*
35 *or operated by the same person, the manner for calculating the*
36 *cumulative uncompensated care percentage of hospitals which are*



owned or operated by the same person and procedures for distributing payments to hospitals which are a part of such groups.

2. The Division shall report to the Interim Finance Committee quarterly concerning the provisions of NRS 422.380 to 422.390, inclusive.

Sec. 3. The Director of the Department of Health and Human Services shall apply to the Secretary of the United States Department of Health and Human Services to amend the State Plan for Medicaid to revise the procedures and methodology for calculating the uncompensated care percentage pursuant to NRS 422.380 to 422.390, inclusive, based on the cumulative uncompensated care percentage of a group of hospitals which are owned or operated by the same person.

Sec. 4. 1. This section and section 3 of this act become effective on October 1, 2009.

2. Sections 1 and 2 of this act become effective on the date on which the Secretary of the United States Department of Health and Human Services approves the amendment to the State Plan for Medicaid to calculate the uncompensated care percentage pursuant to NRS 422.380 to 422.390, inclusive, based on the cumulative uncompensated care percentage of a group of hospitals which are owned or operated by the same person.

