

SENATE BILL NO. 10—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF CLARK COUNTY)

PREFILED DECEMBER 13, 2010

Referred to Committee on Health and Human Services

SUMMARY—Requires approval for the establishment of certain services by a health facility in larger counties. (BDR 40-344)

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 health care; requiring the approval of the Director of the Department of Health and Human Services before undertaking an expenditure to provide certain services relating to health care in certain larger counties; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires a person in a county whose population is less than
2 100,000 (currently counties other than Clark and Washoe Counties) to obtain the
3 approval of the Director of the Department of Health and Human Services before
4 undertaking an expenditure for certain new construction by or on behalf of a health
5 facility. (NRS 439A.100) **Section 1** of this bill requires a person in a county whose
6 population is 400,000 or more (currently Clark County) to obtain the approval of the
7 Director before undertaking an expenditure for the establishment of the
8 following new services: (1) a center for the treatment of trauma; (2) the transplant
9 of organs; (3) the treatment of burns; (4) the performance of open-heart surgery
10 in the provision of cardiac care; and (5) the intensive care of newborn babies.
11 **Section 1** also revises the expenditures, projects and services which qualify for an
12 exemption from the requirement of the approval of the Director.



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

Section 1. NRS 439A.100 is hereby amended to read as follows:

439A.100 1. Except as otherwise provided in this section, in a county whose population is less than 100,000, no person may undertake any proposed expenditure for new construction by or on behalf of a health facility in excess of the greater of \$2,000,000 or such an amount as the Department may specify by regulation, which under generally accepted accounting principles consistently applied is a capital expenditure, without first applying for and obtaining the written approval of the Director. The Health Division of the Department shall not issue a new license or alter an existing license for such a project unless the Director has issued such an approval.

2. *Except as otherwise provided in this section, in a county whose population is 400,000 or more, no person may undertake any proposed expenditure for the establishment of any of the following services:*

(a) *A center for the treatment of trauma;*

(b) *The transplant of organs;*

(c) *The treatment of burns;*

(d) *The performance of open-heart surgery in the provision of cardiac care; or*

(e) *The intensive care of newborn babies,*

↪ without first applying for and obtaining the written approval of the Director. The Health Division of the Department shall not issue a new license or alter an existing license for such a service unless the Director has issued such an approval.

3. The provisions of ~~{subsection}~~ *subsections 1 and 2* do not apply to:

(a) Any capital expenditure for:

(1) The acquisition of land;

(2) The construction of a facility for parking;

(3) The maintenance of a health facility ~~{H}~~ *or a service offered by a health facility;*

(4) The renovation of a health facility to comply with standards for safety, licensure, certification or accreditation;

(5) The installation of a system to conserve energy;

(6) The installation of a system for data processing or communication; or

(7) Any other project *or service* which, in the opinion of the Director, does not relate directly to the provision of any health service ~~{H}~~ *for which approval is required pursuant to this section;*



(b) Any project for the development of a health facility *or the establishment of a service* that has received legislative approval and authorization; or

(c) A project for the construction of a hospital in an unincorporated town if:

(1) The population of the unincorporated town is more than 24,000;

(2) No other hospital exists in the town;

(3) No other hospital has been approved for construction or qualified for an exemption from approval for construction in the town pursuant to this section; and

(4) The unincorporated town is at least a 45-minute drive from the nearest center for the treatment of trauma that is licensed by the Health Division of the Department.

➔ Upon determining that a project *or service described in subsection 2* satisfies the requirements for an exemption pursuant to this subsection, the Director shall issue a certificate which states that the project *or service* is exempt from the requirements of this section.

~~4.1~~ 4. In reviewing an application for approval, the Director shall:

(a) Comparatively assess applications for similar projects *and services described in subsection 2* affecting the same geographic area; and

(b) Base his or her decision on criteria established by the Director by regulation. The criteria must include:

(1) The need for and the appropriateness of the project *or service described in subsection 2* in the area to be served;

(2) The financial feasibility of the project ~~4.1~~ *or service*;

(3) The effect of the project *or service* on the cost of health care; and

(4) The extent to which the project *or service* is consistent with the purposes set forth in NRS 439A.020 and the priorities set forth in NRS 439A.081.

~~4.4~~ 5. The Department may by regulation require additional approval for a proposed change to a project *or service described in subsection 2* which has previously been approved if the proposal would result in a change in the location of the project *or service* or a substantial increase in the cost of the project ~~4.1~~

~~5.1~~ *or service*.

6. The decision of the Director is a final decision for the purposes of judicial review.

~~6.1~~ 7. As used in this section, "hospital" has the meaning ascribed to it in NRS 449.012.



1 **Sec. 2.** NRS 439A.310 is hereby amended to read as follows:
2 439A.310 1. Except as otherwise provided in subsection 2,
3 any person who violates any of the provisions of this chapter is
4 liable to the State for a civil penalty of:

5 (a) Where the provision violated governs the licensing of a
6 project **or service** which is required to be approved pursuant to NRS
7 439A.100, not more than 10 percent of the proposed expenditure for
8 the project **H or service, as applicable.**

9 (b) Where any other provision is violated, not more than
10 \$20,000 for each violation.

11 2. The Department shall not impose a penalty under this
12 section if it applies for injunctive relief to prevent the same
13 violation.

14 **Sec. 3.** NRS 449.060 is hereby amended to read as follows:

15 449.060 1. Each license issued pursuant to NRS 449.001 to
16 449.240, inclusive, expires on December 31 following its issuance
17 and is renewable for 1 year upon reapplication and payment of all
18 fees required pursuant to NRS 449.050 unless the Health Division
19 finds, after an investigation, that the facility has not:

20 (a) Satisfactorily complied with the provisions of NRS 449.001
21 to 449.240, inclusive, or the standards and regulations adopted by
22 the Board;

23 (b) Obtained the approval of the Director of the Department of
24 Health and Human Services before undertaking a project **H or**
25 **establishing a service**, if such approval is required by NRS
26 439A.100; or

27 (c) Conformed to all applicable local zoning regulations.

28 2. Each reapplication for an agency to provide personal care
29 services in the home, an agency to provide nursing in the home, a
30 facility for intermediate care, a facility for skilled nursing, a
31 residential facility for groups or a home for individual residential
32 care must include, without limitation, a statement that the facility,
33 agency or home is in compliance with the provisions of NRS
34 449.173 to 449.188, inclusive.

35 **Sec. 4.** NRS 449.080 is hereby amended to read as follows:

36 449.080 1. If, after investigation, the Health Division finds
37 that the:

38 (a) Applicant is in full compliance with the provisions of NRS
39 449.001 to 449.240, inclusive;

40 (b) Applicant is in substantial compliance with the standards and
41 regulations adopted by the Board;

42 (c) Applicant, if he or she has undertaken a project **or**
43 **established a service** for which approval is required pursuant to
44 NRS 439A.100, has obtained the approval of the Director of the
45 Department of Health and Human Services; and



- 1 (d) Facility conforms to the applicable zoning regulations,
2 → the Health Division shall issue the license to the applicant.
3 2. A license applies only to the person to whom it is issued, is
4 valid only for the premises described in the license and is not
5 transferable.
6 **Sec. 5.** This act becomes effective on July 1, 2011.

