

SENATE BILL NO. 300—SENATOR LESLIE

MARCH 21, 2011

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing certain billing and related practices of certain larger hospitals. (BDR 40-797)

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 medical facilities; revising provisions governing billing and related practices of certain larger hospitals; revising requirements relating to notices of billing practices which must be provided to patients of certain hospitals; providing administrative penalties; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires major hospitals with 200 or more beds to reduce by at least 30 percent the total billed charges for hospital services provided to inpatients who: (1) do not have insurance; (2) are not eligible for a government program which provides medical assistance; and (3) make arrangements to pay the hospital bill. (NRS 439B.260) **Section 1** of this bill revises the definition of a major hospital to include hospitals with 150 or more beds. **Section 2** of this bill specifies that the reduction in total billed charges applies only to inpatients who do not have health insurance and specifically excludes policies of insurance such as casualty and property insurance for purposes of determining whether an inpatient has insurance. Existing law requires major hospitals to give patients, upon discharge, notice of the provisions concerning the reduction of billed charges. (NRS 449.730) **Section 2** additionally requires major hospitals to include such a notice on or with the first statement of the hospital bill provided to each patient. Existing law prescribes civil and administrative penalties which are applicable to a violation of the provisions of **section 2**. (NRS 439B.500)

**Section 3** of this bill prohibits a hospital from collecting any amount owed to the hospital for hospital care from the proceeds or potential proceeds of a civil action or from an insurer other than a health insurer if the patient was covered by health insurance or a public program which may pay all or part of the bill.



\* S B 3 0 0 \*

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

**Section 1.** NRS 439B.115 is hereby amended to read as follows:

439B.115 “Major hospital” means a hospital in this State which has ~~200~~ 150 or more licensed or approved beds, or any hospital in a group of affiliated hospitals in a county which have a combined total of ~~200~~ 150 or more licensed or approved beds, that is not operated by a federal, state or local governmental agency.

**Sec. 2.** NRS 439B.260 is hereby amended to read as follows:

439B.260 1. A major hospital shall reduce or discount the total billed charge by at least 30 percent for hospital services provided to an inpatient who:

(a) Has no *policy of health* insurance or other contractual ~~provision for the payment of the charge by~~ *agreement with* a third party ~~that provides health coverage for the charge;~~

(b) Is not eligible for coverage by a state or federal program of public assistance that would provide for the payment of the charge; and

(c) Makes reasonable arrangements within 30 days after ~~discharge~~ *the date that notice was sent pursuant to subsection 2* to pay the hospital bill.

2. *A major hospital shall include on or with the first statement of the hospital bill provided to the patient after his or her discharge a notice of:*

(a) *The reduction or discount available pursuant to this section, including, without limitation, notice of the criteria a patient must satisfy to qualify for a reduction or discount; and*

(b) *Any policies and procedures the hospital may have adopted to reduce charges for services provided to persons or to provide discounted services to persons, which policies and procedures are in addition to any reduction or discount required to be provided pursuant to this section. The notice required by this paragraph must describe the criteria a patient must satisfy to qualify for the additional reduction or discount, including, without limitation, any relevant limitations on income and any relevant requirements as to the period within which the patient must arrange to make payment.*

3. A major hospital or patient who disputes the reasonableness of arrangements made pursuant to paragraph (c) of subsection 1 may submit the dispute to the Bureau for Hospital Patients for resolution as provided in NRS 223.575.



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~~3.1~~ 4. A major hospital shall reduce or discount the total billed charge of its outpatient pharmacy by at least 30 percent to a patient who is eligible for Medicare.

5. As used in this section, "third party" means:

(a) An insurer, as that term is defined in NRS 679B.540;

(b) A health benefit plan, as that term is defined in NRS 689A.540, for employees which provides coverage for services and care at a hospital;

(c) A participating public agency, as that term is defined in NRS 287.04052, and any other local governmental agency of the State of Nevada which provides a system of health insurance for the benefit of its officers and employees, and the dependents of officers and employees, pursuant to chapter 287 of NRS; or

(d) Any other insurer or organization providing health coverage or benefits in accordance with state or federal law.

↪ The term does not include an insurer that provides coverage under a policy of casualty or property insurance.

Sec. 3. Chapter 449 of NRS is hereby amended by adding thereto a new section to read as follows:

*If a hospital provides hospital care to a person who has health insurance or who 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 shall proceed with any efforts to collect on any amount owed to the hospital for the hospital care in accordance with the provisions of NRS 449.757 and shall not collect or attempt to collect that amount from:*

1. Any proceeds or potential proceeds of a civil action brought by or on behalf of the patient, including, without limitation, any amount awarded for medical expenses; or

2. An insurer other than a health insurer, including, without limitation, an insurer that provides coverage under a policy of casualty or property insurance.

Sec. 4. NRS 449.751 is hereby amended to read as follows:

449.751 As used in NRS 449.751 to 449.759, inclusive, *and section 3 of this act*, unless the context otherwise requires, the words and terms defined in NRS 449.753 and 449.755 have the meanings ascribed to them in those sections.

Sec. 5. NRS 449.757 is hereby amended to read as follows:

449.757 1. When a person receives hospital care, the hospital must not proceed with any efforts to collect on any amount owed to the hospital for the hospital care from the responsible party, other than for any copayment or deductible, if the responsible party 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, until the hospital has submitted a bill to the



1 **health** insurance company or public program and the **health**  
2 insurance company or public program has made a determination  
3 concerning payment of the claim.

4 2. Collection efforts may begin and interest may begin to  
5 accrue on any amount owed to the hospital for hospital care which  
6 remains unpaid by the responsible party not sooner than 30 days  
7 after the responsible party is sent a bill by mail stating the amount  
8 that he or she is responsible to pay which has been established after  
9 receiving a determination concerning payment of the claim by any  
10 insurer or public program and after applying any discounts. Interest  
11 must accrue at a rate which does not exceed the prime rate at the  
12 largest bank in Nevada as ascertained by the Commissioner of  
13 Financial Institutions on January 1 or July 1, as the case may be,  
14 immediately preceding the date on which the payment becomes due,  
15 plus 2 percent. The rate must be adjusted accordingly on each  
16 January 1 and July 1 thereafter until the payment is satisfied.

17 3. Except for the interest authorized pursuant to subsection 2  
18 and any court costs and attorney's fees awarded by a court, no other  
19 fees may be charged concerning the amount that remains unpaid,  
20 including, without limitation, collection fees, other attorney's fees or  
21 any other fees or costs.

