

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 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:

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

15 **Section 3** of this bill prohibits a hospital from collecting any amount owed to
16 the hospital for hospital care from the proceeds or potential proceeds of a civil
17 action or from an insurer other than a health insurer if the patient was covered by
18 health insurance and the hospital has a contractual agreement with the insurer of the
19 patient.



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

Section 1. (Deleted by amendment.)

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 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.*

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.

~~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.*



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

3 1. *Except as otherwise provided in subsection 2, if a hospital*
4 *provides hospital care to a person who has a policy of health*
5 *insurance issued by a third party that provides health coverage for*
6 *care provided at that hospital and the hospital has a contractual*
7 *agreement with the third party, the hospital shall proceed with any*
8 *efforts to collect on any amount owed to the hospital for the*
9 *hospital care in accordance with the provisions of NRS 449.757*
10 *and shall not collect or attempt to collect that amount from:*

11 (a) *Any proceeds or potential proceeds of a civil action brought*
12 *by or on behalf of the patient, including, without limitation, any*
13 *amount awarded for medical expenses; or*

14 (b) *An insurer other than a health insurer, including, without*
15 *limitation, an insurer that provides coverage under a policy of*
16 *casualty or property insurance.*

17 2. *This section does not apply to:*

18 (a) *Amounts owed to the hospital under the policy of health*
19 *insurance that are not collectible; or*

20 (b) *Medicaid, the Children's Health Insurance Program or*
21 *any other public program which may pay all or part of the bill.*

22 3. *This section does not limit any rights of a patient to contest*
23 *an attempt to collect an amount owed to a hospital, including,*
24 *without limitation, contesting a lien obtained by a hospital.*

25 4. *As used in this section, "third party" has the meaning*
26 *ascribed to it in NRS 439B.260.*

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

28 449.751 As used in NRS 449.751 to 449.759, inclusive, *and*
29 *section 3 of this act*, unless the context otherwise requires, the
30 words and terms defined in NRS 449.753 and 449.755 have the
31 meanings ascribed to them in those sections.

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

33 449.757 1. When a person receives hospital care, the hospital
34 must not proceed with any efforts to collect on any amount owed to
35 the hospital for the hospital care from the responsible party, other
36 than for any copayment or deductible, if the responsible party has
37 health insurance or may be eligible for Medicaid, the Children's
38 Health Insurance Program or any other public program which may
39 pay all or part of the bill, until the hospital has submitted a bill to the
40 *health* insurance company or public program and the *health*
41 insurance company or public program has made a determination
42 concerning payment of the claim.

43 2. Collection efforts may begin and interest may begin to
44 accrue on any amount owed to the hospital for hospital care which
45 remains unpaid by the responsible party not sooner than 30 days



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

11 3. Except for the interest authorized pursuant to subsection 2
12 and any court costs and attorney's fees awarded by a court, no other
13 fees may be charged concerning the amount that remains unpaid,
14 including, without limitation, collection fees, other attorney's fees or
15 any other fees or costs.

