

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON HEALTH AND HUMAN SERVICES**

**Seventy-Sixth Session
May 16, 2011**

The Committee on Health and Human Services was called to order by Chair April Mastroluca at 2:01 p.m. on Monday, May 16, 2011, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman April Mastroluca, Chair
Assemblywoman Peggy Pierce, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblyman Steven Brooks
Assemblyman Richard Carrillo
Assemblywoman Lucy Flores
Assemblyman Jason Frierson
Assemblyman Pete Goicoechea
Assemblyman John Hambrick
Assemblyman Scott Hammond
Assemblyman Pete Livermore
Assemblyman Mark Sherwood
Assemblywoman Debbie Smith

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator James A. Settelmeyer, Capital Senatorial District
Senator Sheila Leslie, Washoe County Senatorial District No. 1

Minutes ID: 1207

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STAFF MEMBERS PRESENT:

Kirsten Coulombe, Committee Policy Analyst
Risa Lang, Committee Counsel
Linda Whimble, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Linda Cuddy, Coordinator, Court Appointed Special Advocates of Douglas County
Amber Howell, Deputy Administrator, Bureau of Services for Child Care, Division of Child and Family Services, Department of Health and Human Services
Bill Bradley, representing Nevada Justice Association
James Wadhams, representing Nevada Hospital Association

Chair Mastroluca:

[Roll was called.] We are kind of struggling with people out to hear bills. I actually need to go for a bill, and the two people who are supposed to present bills are not in the room. So is there someone here to present for either Senator Settelmeyer or Senator Leslie?

Senate Bill 111 (1st Reprint): Revises provisions concerning the placement of certain children who are in protective custody. (BDR 38-697)

[Assemblywoman Pierce assumed the Chair.]

Linda Cuddy, Coordinator, Court Appointed Special Advocates of Douglas County:

I am the Court Appointed Special Advocate (CASA) Coordinator for Douglas County. I have been managing the program for Douglas County for about 10 years, and I have also done CASA work for 14 years. I would like to give you a little bit of background on Senate Bill 111 (1st Reprint) and why we are here today. [Read from written testimony ([Exhibit C](#)).]

In our work as CASAs, we are appointed by the court to advocate for abused children. I manage 38 volunteers right now, and a volunteer is appointed for each abused child in our jurisdiction. That volunteer is mandated to follow that child or children from the day they are removed from their home and taken into protective custody until the day they are placed in a permanent home. Our goal is for that home to be their own, for them to be able to be placed back safely

with their family—in other words, to be reunified. In order to do that, lots and lots of things have to happen.

During a previous legislative session, then-Assemblyman Settlemeyer and I worked on making some changes that were involved in Assembly Bill No. 147 of the 74th Session and the reason for those changes is that we were dealing with a law that was prohibiting children under the age of six to be placed in a large group facility. There are a lot of reasons for that, and certainly we all want children to be placed in foster care, but in my 14 years of experience in Douglas County, we have a very limited number of foster homes and that is just not possible. So what has been happening is children, particularly under the age of six—those are the children that were designated as children not to be placed in this group home that our community built, which houses 10 children—those children were taken to whatever county might have a foster home available.

In my own personal work, I had a case where I had two little girls under the age of four who were moved five times in nine months. They lived in Douglas County, and they were moved to Fallon. Now what that meant to me as their CASA was that I would go pick those children up in Fallon from Douglas County and bring them back to have a supervised visit with their mother, because again, we work on reunification. We do not want to take children away from their families. We want them to be returned safely. So I would take those children back to Fallon after their visit with their mother and their grandmother, and then I would drive back to Douglas County. I also picked them up for doctors' appointments and took them to Reno. I use this example because that is my personal experience. It happens across the board in my office for all of our CASAs. If children are not placed in our county and in their own community, they are forced to change schools if they are over six. Just leaving their own community is an additional blow to them because they have already been removed from their homes.

Douglas County built a facility; we took matters into our own hands. The community raised the money, realizing that the situation was not changing, and we built a 10-bed facility. A few years back, some very bad things happened in Las Vegas in a facility there that housed many more children than what our facility is capable of, maybe over 100. There was a knee-jerk reaction to the things that happened in that facility and it impacted our little 10-bed facility. Consequently, children under the age of six are no longer placed in our licensed foster community home.

We do not want children under the age of six or little kids to be placed; we do not want any children to have to be placed in any facility. It is best for children

to remain in their homes if they can do that safely. Unfortunately, that does not happen, and the realities are the things that we have to deal with.

Senator Settlemeyer helped me write two amendments during a previous session. The amendments that we wrote said children under the age of six would not be placed in a group facility unless there were no foster homes available in the community in which they live, then they could be, or if it meant separating siblings, then they could be as well.

We are not talking about long-term here. We are not talking about orphanages. We are talking about in the middle of the night, when something bad happens in a home that causes children to have to be removed, we need them to be taken someplace close by until all people involved can sit down as a team and devise a plan for those children. This is a short-term fix that we are looking for. We want an opportunity. Do not take our children in the middle of the night out of their community. Please give us an opportunity to come up with a plan that we can all agree to. There is truly no argument that children are better off staying in their homes. But unfortunately that is not reality for us.

We are not talking about a huge number of children, and that is a good thing. That is the reason Douglas County is very different from our larger urban areas. I am speaking about Douglas County only because that is where my experience lies, and I am very familiar with what is happening in that county. We are talking about maybe five children a year; that is very different from a couple hundred perhaps, or a couple thousand in Las Vegas. We are talking about five children a year. We just want our children to stay in our community so that we can better serve them. Our volunteers work actively and spend hours on the road driving children from place to place. There is no more fiscally responsible program than a volunteer program in today's economy. When I have a CASA who is driving 1,000 miles a month to transport children, this is no longer fiscally responsible. I have to find a way to pay them. They are devoting countless hours. I cannot ask them to make these expenditures with today's gas prices in particular.

We were contacted by the Division of Child and Family Services when this process, Senate Bill 111 (R1), and effort first became public. They expressed a willingness to work with us. They said that they would like to meet with us, that this was probably a training issue, and that perhaps this could be handled on our own. I made two attempts after that to contact them to try to sit down and ask how we can fix this. It is not happening. I did not have any return contacts. I suppose there is no guarantee, even if this bill passes. It could be just like the other two that are already in place. But I do not want to come back here next legislative session with yet a fourth amendment begging our

legislators to give us something that will allow us to work with our children, to protect the children that we are mandated to work with, and to keep our volunteer program going. In addition to all of the testimony that I submitted ([Exhibit D](#)), that is all that I have to present, but I would be more than happy to answer any questions.

Assemblywoman Benitez-Thompson:

As I read the language, what you are asking for is just an implementation plan within the report that goes to the Legislative Counsel Bureau from each agency which provides child welfare services. That is it. So you are not looking for us to remove or adjust the statute for children under the age of six being placed into institutional care versus family home foster care. You just want a plan.

Linda Cuddy:

Yes, we just want a plan that will be implemented. We have had these amendments where none of this should have really happened. I should not be sitting here and talking to you about this right now because everything is in place for our plan to work—the plan that we came up with after A.B. No. 147 of the 74th Session was enacted. This is yet another, a third reason why the Division of Child and Family Services can be enabled to keep children in our community.

Assemblywoman Benitez-Thompson:

I guess I am confused, because you are referencing a plan, but that is different than the plan you are talking about in this legislation, correct?

Linda Cuddy:

Thank you. I can see why this is confusing. It is the third request. We already had two reasons in place why these children could be placed in our community facility. This is the third. We changed the verbiage a bit in the third because actually what we started off with was that populations under 100,000 would not be impacted by that prohibition on children under the age of six, and we ended up tweaking that a little bit. If I could, I would like to have Senator Settelmeyer address your question in particular, because that was his verbiage.

Assemblywoman Benitez-Thompson:

Perfect. When you say the third plan, I think you mean the version of this bill. Is that what you mean?

Linda Cuddy:

Yes. Thank you.

Assemblywoman Benitez-Thompson:

I thought there might have been a plan floating around out there that you had with the department, but you are talking about the third version of this particular language on this bill.

Linda Cuddy:

That is exactly what I am talking about.

Vice Chair Pierce:

Senator Settelmeyer, we are having some confusion about what you are trying to do here, so can you run it by us, please?

Senator James A. Settelmeyer, Capital Senatorial District:

This bill started out many sessions ago. We had a bill in the Assembly, which went through the floor. There were some concerns with the bill that had to do with group home situations. We specifically spoke on the floor about creating some exemptions for the smaller rural counties. We felt the bill in its form would cause children to be separated from one another. In many situations, sometimes sadly, the 10-year-old is the one raising the 6-year-old, and that is the only family they know. We were concerned with that.

At the time Assemblywoman Leslie agreed to work on an amendment, and we came forward with those amendments to try to ensure that families would not become separated, and it was all agreed upon. Unfortunately, during the interim, the way that the department was enacting the agreement exemptions were not occurring, and families were still being separated. I was contacted by the CASA sitting to my right, Linda Cuddy, and she said, "I thought you said this would not happen." She was one of the people who had contacted me during the session and said, "I am very worried and concerned about this bill," and that is how we worked on the exemption. So with that we wrote a letter to them, and they said, "No, we are doing it our way," and we said, "No, that is not the legislative intent." We sent them a letter from the Legislative Counsel Bureau stating the clear legislative intent, and they said, "Oh, okay, fine, yeah, we will obey that." Well, then it happened again. So we had a meeting with Mr. Willden to ensure that these children were no longer separated from their siblings if possible to not do so. Unfortunately, it happened again. At one time, Barbara Buckley told me, "Sometimes we tell people stuff with laws, and if they do not listen, we tell them again. And if they do not listen, we tell them again." So we came forward with a piece of legislation, that we thought was fairly simple to exempt out the rural counties. Unfortunately that was not a wise idea. Many people felt very strongly about the rules that were there and with the exemptions we created. At that point we

modified the bill and kept working with all interested parties to try to come to some form of compromise and something we could all agree upon.

Basically what S.B. 111 (R1) is seeking to do in its present form is to merely prove and indicate and make sure it occurs, that the people who are in charge of these exemptions in the field actually understand them and bring them forward and ensure that families are no longer separated. I think last year in Douglas County, we had about five families that were affected, and I feel that is five families too many. I think that some parents, if bad things happen in their family situation, sometimes may not be willing to conquer or overcome those bad things, which is rather sad. I think we should do everything in our power to ensure that families stay together.

Vice Chair Pierce:

So what you have in subsection 5, you feel if you put in a report what you are doing in Douglas County, you will be able to establish that you are complying with the rest of the statute. Do I have that correct?

Senator Settlemeyer:

Within subsection 5, we are ensuring that they have a written plan that is available and will be implemented. That way, when there are any issues at 2 o'clock in the morning about separating families, we can simply pull out that plan and say, "It is or is not within said plan."

Assemblyman Brooks:

So this is basically going to keep children who are under six years old with their siblings if there is a plan for that agency, and the way they would be able to determine it is based off of this plan that they would have. So kids get dropped off at 4 o'clock in the morning and you have a kid that is five years old, what do we do? They would have to follow this plan that is set up that basically stipulates whatever conditions would be amicable for the child to stay in that institution. Is that correct?

Senator Settlemeyer:

Correct. The concept is that within the current *Nevada Revised Statutes* (NRS), there are exemptions to try to ensure that family members are not separated if possible. If it is determined by law enforcement and the people in charge, whether it be the CASA or a judge, if they feel it is necessary, then they will separate them in order to provide for the child's safety. However, if it is possible to leave them together, we feel that that is more beneficial for the family.

Assemblyman Brooks:

Which is terribly important, and I commend you for that and for this bill, if there is a loophole that is causing them to be separated. My question to you today is on page 3, line 1, that says, "Each agency which provides child welfare services shall develop and implement a written plan" Will we be able to see that written plan? What would that plan entail?

Senator Settlemeyer:

The concept of agency was stipulated because each county may have a different agency in charge of placement of those children, whether it be the CASA, a judge, or a lawyer that the judge has designated, depending on which community you are in. The plan would basically be a way, instructions, or a check-off sheet that will be given to those individuals in charge saying something like, "Okay, I understand that I can keep the children together if it is in the best interest of the family environment; however, I will not do so if it means putting them into a large group congregate care situation that society, based on previous discussions and legislation, feels is not beneficial."

If it is a small—I do not know what to call it—halfway house, that would be acceptable. In our community, we have what we call Austin's House, a place where people can go at 2 o'clock in the morning or the courts or the law enforcement officers can send individuals. Again, this is just about trying to make sure that the individuals in the field actually know the current statute and apply it. As we all know, many times you will have discussions with individuals and they will understand the statute, and then unfortunately that person leaves, and then a new person comes along. We need a way to make sure they know the rules.

Assemblyman Anderson:

I want to make sure that if we do this, it makes the goal work, and I think we all agree it is an important goal. Do you think this is strong enough to make sure these agencies do it? I feel like that statute is pretty clear, and I want to make sure if we are doing something, it is strong enough to make them do it.

Senator Settlemeyer:

I hope it is. As I said, I wish I could tell you absolutely, but again, this started out because I thought our legislative intent was pretty clear four years ago when we did it. This is unfortunately another step that we hope will finally resolve the issue. I am hoping that Ms. Cuddy will not call me anymore on this particular issue and this will finally be dealt with, not that I do not enjoy getting calls from her.

Assemblywoman Benitez-Thompson:

So this is specific to five cases in Douglas County where you felt that children went into institutional care who should not have. Is that right, or do I have it vice versa? They went into foster homes who should have gone into institutional care?

Senator Settelmeyer:

If it is acceptable to the Vice Chair, I will let Ms. Cuddy elaborate further. It is not an issue that is totally specific to Douglas County. I do feel the situation is more specific to more rural communities where we do not have the options of some of the larger communities for places to have siblings go at 2 a.m. or 3 a.m. when bad things happen. With that, I would like, with the Vice Chair's allowance, Ms. Cuddy to elaborate.

Linda Cuddy:

Those five families are on average. We probably have a few more this year because our numbers are up. Five families that this applies to—these are children who were removed from their county, community, and families and taken to foster homes in other counties. That is the underlying issue. That is the reason for all of our concern. We supervise all of their visits with their families and most of their families cannot afford to drive to other counties to visit with the children. This is about reunification, working with families, and keeping children where they belong, which is in their own community.

Assemblywoman Benitez-Thompson:

It was my experience that there are about 100 different factors that a caseworker has to quickly consider when they take the child into custody. When I was with Washoe County, there was one point when I was part of a group that took in seven children, and you are very quickly trying to decide where these children can go and how you can keep them together. I know that there are many, many different things that can come into play. Depending on how many children the department took into custody and depending on what the circumstances were around these five individual cases, it might have made a lot of sense.

I would like to hear from the department a little bit more about their rationale in what was happening. It could have been they went with relatives who were located in Washoe County as opposed to Douglas County, which is perfectly fine and allowable and really good child welfare practice.

Amber Howell, Deputy Administrator, Bureau of Services for Child Care, Division of Child and Family Services, Department of Health and Human Services:

That is correct. There are several factors that go into determining where a child is most appropriately placed. When this bill came about, we did an analysis on how many children were removed from Douglas County and where they were placed. We went back to 2007, and out of 39 children who were removed within the last four years, only 8 of them were placed outside of Douglas County. Of those children who were placed outside of Douglas County, three of those children were placed with relatives and the other children were placed in a traditional foster home as opposed to a child care institution.

Assemblyman Livermore:

Mr. Settlemeyer, I appreciate this legislation. There is nothing better than to clarify and think out the details about the process. You reference almost three times—three different cycles of disappointments—and hopefully with this legislation we will eventually come to a conclusion and agreement. My question centers around that. Who is going to approve this plan? If the field worker approves it, and it could be modified or changed, is it the department director who approves it? Who approves the plan eventually?

Senator Settlemeyer:

The child welfare service in each particular community would develop that plan, and this allows the officers and agents who will be taking care of the situations—at nighttime or daytime or whenever they come up—to actually have a better clarification of what these rules are. Those are some of the problems we are running into. Some people felt it was ambiguous. I did not think it was. I thought the exemptions we put into the law were fairly clear-cut, and this seeks to clear it up. It would be the agencies that are in charge. They would be the ones with the ability to clearly indicate what the rules shall be. We would—just as the community would—like to be able to see those rules in a way so that we can understand them. I know some people may say, “Well, there were only five families.” That is five too many to me.

Assemblyman Livermore:

Does a judge eventually approve the plan? When the caseworker makes a decision about taking the children and placing them here and there, how is it going to show you that the plan—the reality of what you are trying to propose here, I believe—is acceptable to the community? I do not know who the links are in this chain of command. I am questioning about CASA. I know that works from a court that appoints an individual to be responsible for those. I am

a little mystified about how—you can develop a plan, and if you do not like the plan, what is your appeal process? What do you do?

Linda Cuddy:

There is a 72-hour hearing after a child is removed from his home, and the court does have to put their blessing on whatever plan has been implemented. We are hoping that the court will also be a part of this process.

Assemblywoman Benitez-Thompson:

I think if there were more foster homes available, or people willing to step up and be foster parents, then you would take care of the issue of not having a bed or a safe place to put a child when you get those late-night calls or when you take kids in, especially foster homes that can take siblings of diverse age groups. We can write into policy for days about how we ought to treat children in the child welfare system, but having worked in the field, I am going to tell you that nothing is going to change unless we can put resources into getting more foster homes and resources into the child welfare system. That is the only thing that is going to create the real type of change that we are looking for in this bill. Recruiting foster homes, retaining foster homes, getting foster families, all of that. It costs money to reimburse foster families for the care of that child. Bringing a foster child into the home is such an admirable thing, but it is not cheap and it is not inexpensive, and the ability to reimburse those families and then provide that child with services that are needed is required. A good example might be putting a child in Washoe County who is from Douglas County. You are right; you are removing the child from the community. But if the only resource is mental health services and such to support that child, or outside of the county, you have to balance that. I really think it begs a bigger question about the resources that we are willing to put into the child welfare system.

Vice Chair Pierce:

Are there any questions for Ms. Cuddy or Senator Settlemeyer? [There were none.] Is there anyone in support of S.B. 111 (R1)? [There was no response.] Is there anyone who would like to speak in opposition to S.B. 111 (R1)? [There was no response.] Is there anyone who would like to speak as to neutrality on S.B. 111 (R1)? [There was no response.] We will close the hearing on S.B. 111 (R1).

We will open the hearing on Senate Bill 300 (1st Reprint).

Senate Bill 300 (1st Reprint): Revises provisions governing certain billing and related practices of hospitals. (BDR 40-797)

Bill Bradley, representing Nevada Justice Association:

Senate Bill 300 (R1), which was a bill that the Nevada Justice Association sought through Senator Leslie, would clarify certain billing practices of hospitals as well as clarify what is known as the “lien right” of hospitals to attempt to protect their right to get paid on a bill.

I would like to talk about the first reprint. We have an amendment ([Exhibit E](#)) that helps clarify two issues, one that we felt was very important to clarify, and one that the Nevada Hospital Association also thought was important to clarify. We are in agreement on the first reprint, and we are in agreement on the proposed amendment.

The first part of the bill deals with billing of patients who have no insurance. To go back about 55 years, in the mid 1950s, the hospitals were given the right to file a lien to protect their right to get paid on a bill. I believe that back in the 1950s, it was done to protect the county hospitals. I believe it was done to protect University Medical Center of Southern Nevada (UMC) in the south and Renown Regional Medical Center in the north, which was Washoe Medical Center, and was the county hospital before it went private. It was going to help them make sure that they could compete with the private hospitals. What happened originally in that bill, there were a couple of things. The hospital could file a lien under certain circumstances, but if there was a patient who did not have insurance, he would not be given the opportunity to have the insurance negotiate a discounted rate. The legislature responded in the original bill by saying, “If you are uninsured, if you the patient jumped through a few hoops, you are going to get a 30 percent discount off that bill to more reflect the discounted nature of medical care in today’s environment.” We saw the hoops that that patient had to jump through as rather significant and unwieldy, and the timing for them to do it, under the old law, was by the time they were discharged from the hospital. We pointed out our concerns to the Hospital Association that when a patient is in the hospital and trying to get out, the furthest thing from their mind at that point is trying to create those triggers that would allow them to get the 30 percent discount.

So the first part of the bill in section 1 is clarifying the timing when that patient is given the right to assert the triggers to discount that bill by 30 percent. The hospital agreed with those changes. Now rather than upon the discharge, patients are given the information when they receive their first bill and they have the right to trigger the needed steps to get that 30 percent discount after they receive their bill.

The other part that was happening with uninsured people by some hospitals interpreting the hospital lien was this: even though that person had no insurance, some of the hospitals took the position that because that person had been in an automobile accident and the person that had run the red light had car insurance, and that car insurance someday might cover that injured person, the hospitals were saying, "Well then, that person is not uninsured, because they may have the right to come against the wrongdoer's insurance policy." After discussing that with Mr. Wadhams and members of the Nevada Hospital Association, I think we all realized that was not what we were talking about to trigger uninsured. An uninsured person is someone who does not have health insurance or any contract through an insurance company to pay bills, not the uncertain right to perhaps collect against an automobile insurance policy nine months to a year down the road. We have clarified that uninsured means exactly that, and the fact that a person may have a claim under another person's automobile policy somewhere down the road does not now turn that person from an uninsured person to an insured person, not allowing them to get the 30 percent reduction. Those are the first two parts of the bill dealing with uninsured patients of hospitals and how they will be billed and how they are given the right to trigger a discount if they jump through the hoops that need to be jumped through.

The third part of the bill has to do with the actual hospital lien. To give you an example, I am going to say that Mr. Hammond is the bad driver and he runs a stop sign and hurts Mr. Sherwood. We will make Mr. Livermore the hospital. We know that Mr. Sherwood was injured and he had health insurance—let us say he got it through his employer through a traditional health insurance company—and that is supposed to pay the bills. First of all, when Mr. Sherwood came into the hospital, he signed a bunch of documents, assigning his rights to the insurance proceeds of his employer's insurance, talking about the conditions of admission and all that, and assigning all of his rights to the hospital to trigger that insurance. The problem was that some of the hospitals decided not to trigger that insurance. The thinking was this: if they trigger Mr. Sherwood's insurance, they are going to get paid, but they are going to get paid a discounted rate, maybe 50 or 60 percent of the billed amount, whatever the contract called for. Instead of doing that, if they simply liened the file using the hospital lien statute that existed in the 1950s, they would not forward Mr. Sherwood's bills on to his health insurance company. They just hold them and then at the conclusion of the lawsuit they would come to the lawyer because they filed that lien at the county recorder's office under your name. It is a permanent document. They would come to the lawyer at the end and say, "Here is our hospital lien." They would actually send a letter to Mr. Hammond's insurance company, saying, "If you ever settle this, you have to put the hospital's name on the check." Then they would come and say,

"You owe us out of the proceeds of Mr. Sherwood's claim, the entire amount of the hospital bill." We would say, "Wait a minute. You were supposed to bill his insurance."

We thought we addressed this in earlier legislation, but some hospitals did not quite get the message. We have clarified that right to lien will only exist under certain circumstances. Where there is valid health insurance of the traditional nature, that hospital will have to bill the insurance and leave Mr. Sherwood alone in terms of filing a lien at the county recorder's office to protect him.

Other kinds of insurance are not so clean. I can give you an example of a large employer in the southern part of state who has a lot of members, and they have a contract with every hospital in southern Nevada to cover their members and their dependents when they come to the hospital. If one of those members, or a dependent of one of those members, comes up north for the weekend and has to seek emergency services, neither of the hospitals in northern Nevada have a contract with that large employer. Under that circumstance, under that employer's bill on an out-of-network plan, the hospital only gets \$200. The hospital said, "That is not going to be fair to us. We have to have the right under those nontraditional plans to seek a lien to make sure we can get paid something." We agreed with that. It applies not only to those nontraditional plans, but it also applies to Medicare, Medicaid, and certain other plans that Jim Wadhams knows a lot more about than I do. But in the traditional plan, they have to bill the insurance company and get paid what they will under that plan, and that ends the discussion. They are not involved in the lawsuit, but in the nontraditional plans, they get to remain involved. We tried to fashion some language that would give hospital bill collectors and lawyers some guidance on how this should happen.

There are cases where a Medicare patient has a \$200,000 bill and if they would have sent the bill to Medicare, they would have maybe received \$80,000 out of the \$200,000 bill. But instead of doing that, they liened the patient's file even though there was only \$15,000 in insurance coverage, rather than get \$80,000 from Medicare. Two years later they would be stuck getting only \$5,000 or \$10,000 out of the lawsuit, and that was not a good business decision by the hospital. When we pointed that out to the members of the Nevada Hospital Association, they recognized that that was probably not the best business decision—giving up \$80,000 to get \$15,000, but we could not come up with some language to help guide those discussions. We agreed to informally start groups north and south, where we would be interacting with members of the Nevada Justice Association and interacting with members of the Nevada Hospital Association, and say, "Look, under this one, there is only \$15,000 worth of insurance coverage. You better go ahead and bill Medicare

because you are ultimately going to get more out of Medicare than you are going to get out of this lawsuit."

We have had good and productive discussions that have clarified the intent under this bill, and those are the three things it does. It helps deal with definition of uninsured, it makes auto insurance not part of the definition of uninsured, and it clarifies when a hospital can and cannot file a lien. We have agreement on both sides, which is fairly rare between trial lawyers and hospitals, and we are proud that we were able to come to some common ground on this issue. Thank you.

[Assemblywoman Mastroluca reassumed the Chair.]

James Wadhams, representing Nevada Hospital Association:

Essentially what this bill ends up doing with the amendment, which we have agreed to, is clarify those procedures that Mr. Bradley has discussed. What often happens is, as this body crafts legislation as it did last session, it ends up being in the hands of people who were not necessarily part of this process and things are read differently at that point in time. I think the reason for this bill was to clarify some of those areas where disagreements had occurred. With the language that we have offered in the amendment, which I think is on the Nevada Electronic Legislative Information System, we can support this bill.

I want to emphasize one point that Mr. Bradley made. It does make it clear that if a hospital has a contract with a health insurer to accept a certain amount of money for services, that it is sufficient payment. I think it is a principle that is fair and part of what is expressed in this amendment. The other side is that there are many insurance policies that are not contracted with that hospital, and we have protected that opportunity. The ultimate purpose of the lien is to make sure that services are paid for when they can be. I think this bill goes a long way to do that. The primary sponsor, Senator Leslie, is in the hearing room, and I would certainly defer to her. We are proud to have worked on this bill with her and to have brought this to a conclusion. I would be happy to answer any questions.

Assemblyman Hambrick:

Mr. Bradley, when you first lobbied on the original bill, I noticed in the language it says, "Existing law requires major hospitals with 200 or more beds . . ." I take it then we are strictly addressing the largest counties in this state. You said there was a law, an interim change at some point, but when they say "existing law," are they going back to the original legislation? Granted, my first remark was tongue-in-cheek, Madam Chair, but it is a serious question. What if that number had not been changed that many years ago specifically aimed at

the larger counties? I want to make sure, are we talking about every hospital in the state, or are we talking about the largest counties in the state?

Bill Bradley:

The bill originally had 200-bed hospitals, but we realized that there was a hospital in northern Nevada that had 140 beds, and we wanted to capture them as well. Quite frankly, Mr. Hambrick, the only hospitals that are doing this are the major hospitals in Washoe and Clark Counties. For the time being, we think addressing those hospitals will send the message throughout all of the hospitals that they cannot be doing it. But it is a fair question and it is a question that I do not think was specifically addressed in the bill. I am willing to say that for the time being we are addressing the major hospitals. I do not suspect, particularly with the hospital association being involved in that and being involved in the rural hospitals, that there will be a problem coming out of the rural areas.

Assemblyman Livermore:

If someone substantially has the finances to pay, does it still apply, or is it just for the people who are handicapped and unable to pay?

Bill Bradley:

If we are talking about the uninsured, then theoretically I guess you could have a very wealthy individual who decided not to buy health insurance. I have not run into that particular example, but I guess in the realm of what is possible, that could be out there. So uninsured is defined whether or not you have insurance regardless of your ability to pay.

Assemblyman Livermore:

In the accident that you described, it is a matter of who is responsible for the debt to the hospital. You described the two individuals, the one who is in the hospital injured, may be financially well off, but he is waiting because of a possible settlement. How do you put the hospital in a different position?

Bill Bradley:

This is something that people have a hard time realizing. If you or one of your colleagues is sitting at a stoplight and a drunk runs into you at 60 miles an hour, even though that drunk has a lot of insurance, you, the patient, are not entitled to a penny of that insurance until there is a determination made in the courtroom that that drunk caused the accident and is responsible for your bills. Until that point, there is no contractual obligation between that drunk's insurance company and the injured patient. So until that is resolved in a courtroom, that patient is on his or her own in terms of insurance. If they have their own health insurance, then that will pay. If the injured person is

successful in recovering compensation from the wrongdoer, then that injured person, under his health insurance policy, has to pay back his health insurance under the subrogation clause that is contained in virtually every health insurance policy. Until his health insurance starts paying, and after his health insurance starts paying, regardless of what put him there, he is responsible for that bill.

Assemblyman Livermore:

But a hospital could be several months out, or a period of time trying to get paid.

Bill Bradley:

Yes, and actually one of the things that we have talked about from time to time is a prompt pay. What is a reasonable time once that health insurer receives the bill from that hospital? How long should it take them to pay that bill to help the cash flow of the hospitals? We have not quite gotten there either, but I think from the hospital's perspective, from my client's perspective, seeing that bill paid early on and taking the pressure off that person who has lost his job, may be behind on his house payment, all because of the accident, any pressure we can get off to see that bill paid more quickly, we are good with.

Assemblyman Livermore:

Forget the accident scene and just go back to someone that needs in-and-out surgery at a hospital, and it is elective. From my experience and as I have spoken with people in the community about choosing the way you get your health care, you negotiate your bill before you go there, even to the point where you write the check. Negotiate and ask for every discount that you can get for prompt cash payment, and most facilities will accommodate that. Am I right?

Bill Bradley:

That is correct. You can actually quote to your constituents this part of the bill that says if you are uninsured, immediately ask for the 30 percent discount.

Senator Sheila Leslie, Washoe County Senatorial District No. 1:

I think any time you can get the Nevada Justice Association and the Nevada Hospital Association in agreement on a bill, pass it quickly before they change their minds. Seriously, I want to say that they worked hard on it. I think this bill as it stands now with the amendment does make progress in this area on behalf of the consumer. That was my intent, so I am very happy with where we are right now. Thank you.

Chair Mastroluca:

Are there any questions from the Committee for Senator Leslie? [There were none.] Is there anyone else who would like to speak on S.B. 300 (R1) either in support, in opposition, or neutral? [There were none.] With that I will close the hearing on S.B. 300 (R1). Thank you very much, Senator, for rushing here from your committee.

We will go into work session. You should have a work session document. We have two bills: Senate Bill 10 (1st Reprint) and Senate Bill 167 (1st Reprint).

Senate Bill 10 (1st Reprint): Revises the process for approving an amendment to the license of certain medical facilities to add certain services. (BDR 40-344)

Kirsten Coulombe, Committee Policy Analyst:

Senate Bill 10 (1st Reprint) was heard last Monday, May 9, and this is from the Senate Committee on Health and Human Services. [Reviewed the work session document ([Exhibit F](#)).] It requires the State Board of Health to adopt standards for determining whether there are an adequate number of certain types of health care cases in the community to be served to support approving an amendment to the license of certain medical or other related facilities to add a service. So basically are there a number of cases present before the license of a certain medical facility can be amended to add it. The Health Division must also apply these standards in making a determination of whether to approve amending a license to add such services.

We heard testimony that the Health Division would use regulations and model the regulations after national standards that are already existing. In addition, we heard testimony that when additional programs are added, hospitals such as University Medical Center of Southern Nevada (UMC) see a drop in their caseloads in that service area which can affect their certifications. This bill would allow hospitals to look prospectively to see the impact before a new program would be added to existing programs. There are no proposed amendments at this time.

Chair Mastroluca:

Are there any comments from the Committee on S.B. 10 (R1)? [There were none.] I will accept a motion.

ASSEMBLYWOMAN PIERCE MOVED TO DO PASS SENATE BILL 10 (1st REPRINT).

ASSEMBLYMAN HAMMOND SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Ms. Pierce, will you handle the floor statement, please?

Senate Bill 167 (1st Reprint): Revises provisions governing the release of certain reports of the abuse or neglect of children. (BDR 38-246)

Kirsten Coulombe, Committee Policy Analyst:

Senate Bill 167 (1st Reprint) was heard last Wednesday. [Reviewed work session document ([Exhibit G](#)).] This is Senator Leslie's bill, and it specifies that the data or information concerning reports of abuse or neglect of a child relating to a guardianship that is being sought may be released in certain circumstances to: (1) the court that has jurisdiction, (2) the person who files the petition, (3) the proposed guardian, (4) the parent or the guardian of the child, and (5) the child if they are at least 18 years of age. The purpose of this bill was to bring two *Nevada Revised Statutes* (NRS) chapters into alignment. There are no proposed amendments at this time.

Chair Mastroluca:

Are there any comments on S.B. 167 (R1)? I will entertain a motion.

ASSEMBLYMAN ANDERSON MOVED TO DO PASS SENATE BILL 167 (1st REPRINT).

ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Mrs. Benitez-Thompson, will you handle the floor statement, please?

Committee, you should be getting a work session document by the end of the day, although more likely tomorrow morning, for items that we will review on Wednesday, and then another one for Friday.

We will have a couple of bills to do after we finish our deadline on Friday, so please be aware that there will be meetings at the call of the Chair.

Is there anything else to come before the Committee? [There was no response.]
Is there any public comment? [There was no response.] With that, this
meeting is adjourned [at 3:04 p.m.].

RESPECTFULLY SUBMITTED:

Linda Whimble
Committee Secretary

APPROVED BY:

Assemblywoman April Mastroluca, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Health and Human Services

Date: May 16, 2011

Time of Meeting: 2:01 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 111 (R1)	C	Linda Cuddy	Testimony
S.B. 111 (R1)	D	Linda Cuddy	Testimony
S.B. 300 (R1)	E	Bill Bradley	Proposed Amendment
S.B. 10 (R1)	F	Kirsten Coulombe	Work Session Document
S.B. 167 (R1)	G	Kirsten Coulombe	Work Session Document