

ASSEMBLY BILL NO. 41—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE DIVISION OF HEALTH
CARE FINANCING AND POLICY)

PREFILED DECEMBER 20, 2014

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to funding for indigent care. (BDR 38-327)

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 health care; requiring money remaining in the Fund for Hospital Care to Indigent Persons at the end of a fiscal year to be carried over to the next fiscal year; making various other changes relating to the Fund; abolishing the Hospital Assessment Account and the Supplemental Account for Medical Assistance to Indigent Persons; repealing provisions authorizing the Board of Trustees of the Fund to require certain hospitals to pay an assessment for certain purposes; abolishing the Fund for the Institutional Care of the Medically Indigent; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Fund for Hospital Care to Indigent Persons as a special revenue fund. (NRS 428.175) A hospital that treats an indigent person who is injured in a motor vehicle accident is authorized, in certain circumstances, to apply for reimbursement from the Fund for any unpaid charges for hospital care furnished to the indigent person. (NRS 428.215-428.235) The Fund receives money from an ad valorem tax levied by the board of county commissioners of each county and reimbursements from the counties in which the accidents occurred or the indigent persons resided. (NRS 428.185, 428.255) **Section 1** of this bill provides that any money remaining in the Fund at the end of a fiscal year does not revert to the State General Fund and instead must be carried over to the next fiscal year.

Existing law further creates the Supplemental Account for Medical Assistance to Indigent Persons within the Fund and requires the board of county



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commissioners of each county to remit a certain amount each year to the State Controller for credit to the Supplemental Account. (NRS 428.285, 428.305) At the end of each fiscal year, one-half of the money in the Supplemental Account reverts to the Fund and the other one-half reverts to the State General Fund. (NRS 428.305) **Sections 3-5** of this bill abolish the Supplemental Account and instead require the board of county commissioners of each county to remit the amount that previously reverted to the Supplemental Account directly to the Fund for Hospital Care to Indigent Persons.

Section 2 of this bill removes certain limitations on agreements entered into by the Board of Trustees of the Fund for Hospital Care to Indigent Persons.

Existing law authorizes the Board of Trustees to enter into an agreement with the Division of Health Care Financing and Policy of the Department of Health and Human Services in which the Board of Trustees transfers money from the Fund to the Division: (1) to increase Medicaid reimbursement rates or supplemental payments to hospitals; and (2) to satisfy the obligation of a county to pay certain expenditures. (NRS 428.206) Federal regulations provide that federal participation in a state Medicaid program will be reduced if hospitals are charged an assessment to fund such an agreement and are reimbursed through a non-Medicaid payment that is correlated to the tax amount. (42 C.F.R. § 433.68) **Section 5** of this bill repeals provisions authorizing the Board of Trustees to require certain hospitals to pay such an assessment, thereby preventing a reduction in federal participation in Nevada's Medicaid program pursuant to these federal regulations.

Section 5 also repeals provisions that created the Fund for the Institutional Care of the Medically Indigent within the State Treasury, which provides assistance to counties that are unable to make certain payments required by an interlocal agreement, because this program is no longer active.

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

Section 1. NRS 428.175 is hereby amended to read as follows:
428.175 1. The Fund for Hospital Care to Indigent Persons is hereby created as a special revenue fund for the purposes described in NRS 428.115 to 428.255, inclusive.

2. Except as otherwise provided in subsection 3, money collected or recovered pursuant to NRS 428.115 to 428.255, inclusive, and the interest earned on the money in the Fund must be deposited for credit to the Fund.

3. Any money paid by a county pursuant to NRS 428.255 must be accounted for separately in the Fund and must be used to reimburse or partially reimburse a hospital for unpaid charges for hospital care pursuant to NRS 428.115 to 428.255, inclusive, as other claims against the Fund are paid.

4. Claims against the Fund must be paid on claims approved by the Board.

5. Any money remaining in the Fund at the end of each fiscal year does not revert to the State General Fund and must be carried over into the next fiscal year.



Sec. 2. NRS 428.205 is hereby amended to read as follows:

428.205 The Board shall administer the Fund and for that purpose may:

1. Enter into all necessary contracts and agreements ~~[.]~~ , *including, without limitation, contracts and agreements to obtain the services of consultants, attorneys, auditors, accountants, actuaries and managers of risk.*

2. Purchase appropriate insurance to cover that portion of a claim for which the Fund is liable and which exceeds an amount agreed upon by the Board and the insurer.

3. Employ personnel as necessary and prescribe their compensation and working conditions.

~~4. [Enter into agreements with the Department of Administration to obtain the services of consultants, attorneys, auditors, accountants, actuaries and managers of risk.~~

~~—5.]~~ Rent, lease, purchase or otherwise procure or receive real or personal property.

~~[6.]~~ 5. Adopt regulations necessary for carrying out the provisions of NRS 428.115 to 428.255, inclusive.

Sec. 3. NRS 428.265 is hereby amended to read as follows:

428.265 As used in NRS 428.265 to ~~[428.305.]~~ **428.295**, inclusive ~~[:~~

~~—1. “Fund”]~~ , *“fund”* means the fund for medical assistance to indigent persons.

~~[2. “Supplemental Account” means the Supplemental Account for Medical Assistance to Indigent Persons.]~~

Sec. 4. NRS 428.285 is hereby amended to read as follows:

428.285 1. The board of county commissioners of each county shall establish a tax rate of at least 6 cents on each \$100 of assessed valuation for the purposes of the tax imposed pursuant to subsection 2. A board of county commissioners may increase the rate to not more than 10 cents on each \$100 of assessed valuation.

2. In addition to the levies provided in NRS 428.050 and 428.185 and any tax levied pursuant to NRS 450.425, the board of county commissioners shall levy a tax ad valorem at a rate necessary to produce revenue in an amount equal to an amount calculated by multiplying the assessed valuation of all taxable property in the county by the tax rate established pursuant to subsection 1, and subtracting from the product the amount of unencumbered money remaining in the fund on May 1 of the current fiscal year.

3. For each fiscal year beginning on or after July 1, 1989, the board of county commissioners of each county shall remit to the State Controller from the money in the fund an amount of money equivalent to the amount collected from 1 cent on each \$100 of



assessed valuation of all taxable property in the county for credit to the Intergovernmental Transfer Account in the State General Fund.

4. For each fiscal year beginning on or after July 1, 2013, in a county whose population is less than 100,000, the board of county commissioners shall, pursuant to an interlocal agreement with the State, remit to the State Controller an amount of money determined by the Director of the Department of Health and Human Services to be adequate for the State Plan for Medicaid to include the payment of the nonfederal share of expenditures set forth in NRS 422.272. In such a county, the amount of money that the board of county commissioners may be required to remit, as determined by the Director pursuant to this subsection, must not exceed an amount of money equivalent to the amount collected from 8 cents on each \$100 of assessed valuation of all taxable property in the county.

5. Not later than January 1, 2014, and not later than January 1 of each year thereafter, the board of county commissioners of each county shall remit to the State Controller an amount equal to the amount collected by the board of county commissioners pursuant to NRS 439B.340 for the previous fiscal year for credit to the ~~Supplemental Account.~~ *Fund for Hospital Care to Indigent Persons created by NRS 428.175.*

6. The tax so levied and its proceeds must be excluded in computing the maximum amount of money which the county is permitted to receive from taxes ad valorem and the highest permissible rate of such taxes.

Sec. 5. NRS 428.207, 428.305, 428.410, 428.420, 428.430, 428.440, 428.450, 428.460, 428.470, 428.480 and 428.490 are hereby repealed.

Sec. 6. This act becomes effective upon passage and approval.

LEADLINES OF REPEALED SECTIONS

428.207 Hospital Assessment Account: Creation; assessments; reimbursement to hospitals; administration.

428.305 Supplemental Account for Medical Assistance to Indigent Persons; reversion of balances in Supplemental Account.

428.410 Definitions.

428.420 "Board" defined.

428.430 "Fund" defined.

428.440 "Interlocal agreement" defined.

428.450 "Payment" defined.



428.460 “State Plan” defined.

428.470 Fund for the Institutional Care of the Medically Indigent; Board of Trustees of Fund.

428.480 Board of Trustees of Fund: Powers.

428.490 Transfer of money from Fund: Request by county; action by Board; reports.

