

SENATE BILL NO. 216—SENATOR SEGERBLOM

MARCH 5, 2015

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing certain reports concerning the quality of care and charges by hospitals and governing hospital billing. (BDR 40-427)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Contains Appropriation not included in Executive Budget.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public health; requiring the Department of Health and Human Services to collect certain information concerning potentially preventable readmissions to a hospital; requiring the Internet website established and maintained by the Department that provides information concerning the charges imposed and the quality of health care provided by hospitals and surgical centers for ambulatory patients to include such information concerning potentially preventable readmissions to a hospital; requiring each hospital to prepare and make public a list of average rates billed to insured patients; prohibiting a hospital from charging certain low-income patients more for medically necessary goods and services than the average rate billed to insured patients for such goods and services; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires the Department of Health and Human Services to
2 establish and maintain programs to assist consumers with comparing the quality of
3 care provided by hospitals and surgical centers for ambulatory patients in this State
4 and the charges for that care. (NRS 439A.220, 439A.240) As part of these
5 programs, existing law requires the Department to establish and maintain an
6 Internet website that includes information concerning the quality of such care and
7 the charges for such care, including certain information concerning potentially



preventable readmissions. (NRS 439A.270) **Sections 1 and 2** of this bill require the Department, as part of these programs, to collect the zip code in which each patient who is the subject of a potentially preventable readmission resides, and the number of potentially preventable readmissions of patients residing in each such zip code, and include this information on the Internet website. **Section 4** of this bill appropriates \$400,000 from the State General Fund to the Department to maintain the programs and website.

Existing law requires a hospital to: (1) maintain and use a uniform list of billed charges for that hospital for services and goods provided to all inpatients; and (2) prepare a summary of charges for common services and make the summary available to the public. (NRS 439B.400, 449.243) A hospital is authorized to negotiate lower rates than those on the list of billed charges for the hospital. (NRS 439B.400) **Section 3** of this bill: (1) requires a hospital to prepare a list of average rates for each service and any goods billed to patients admitted to the hospital who are insured for the services and goods and make it available to the public; and (2) prohibits a hospital from charging a rate higher than the rate provided on this list to certain low-income patients for emergency or other medically necessary services and the goods necessary for the provision of such services.

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

Section 1. NRS 439A.220 is hereby amended to read as follows:

439A.220 1. The Department shall establish and maintain a program to increase public awareness of health care information concerning the hospitals in this State. The program must be designed to assist consumers with comparing the quality of care provided by the hospitals in this State and the charges for that care.

2. The program must include, without limitation, the collection, maintenance and provision of information concerning:

(a) Inpatients and outpatients of each hospital in this State as reported in the forms submitted pursuant to NRS 449.485;

(b) The quality of care provided by each hospital in this State as determined by applying measures of quality endorsed by the entities described in subparagraph (1) of paragraph (b) of subsection 1 of NRS 439A.230, expressed as a number of events and rate of occurrence, if such measures can be applied to the information reported in the forms submitted pursuant to NRS 449.485;

(c) How consistently each hospital follows recognized practices to prevent the infection of patients, to speed the recovery of patients and to avoid medical complications of patients;

(d) For each hospital, the total number of patients discharged, the average length of stay and the average billed charges, reported by diagnosis-related groups for inpatients and for the 50 medical treatments for outpatients that the Department determines are most useful for consumers;



(e) The total number of patients discharged from the hospital and the total number of potentially preventable readmissions, which must be expressed as a total number and a rate of occurrence of potentially preventable readmissions, *the zip code in which each patient who is the subject of a potentially preventable readmission resides, the number of potentially preventable readmissions of patients who reside in each such zip code* and the average length of stay and the average billed charges for those potentially preventable readmissions;

(f) To the extent that money is available for that purpose, for each hospital, the name of each physician who performed a surgical procedure in the hospital and the total number of surgical procedures performed by the physician, reported by diagnosis-related group if the information is available and by principal diagnosis, principal surgical procedure and secondary surgical procedure; and

(g) Any other information relating to the charges imposed and the quality of the services provided by the hospitals in this State which the Department determines is:

(1) Useful to consumers;

(2) Nationally recognized; and

(3) Reported in a standard and reliable manner.

3. As used in this section, “diagnosis-related group” means groupings of medical diagnostic categories used as a basis for hospital payment schedules by Medicare and other third-party health care plans.

Sec. 2. NRS 439A.270 is hereby amended to read as follows:

439A.270 1. The Department shall establish and maintain an Internet website that includes the information concerning the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State as required by the programs established pursuant to NRS 439A.220 and 439A.240. The information must:

(a) Include, for each hospital in this State, the:

(1) Total number of patients discharged, the average length of stay and the average billed charges, reported for the diagnosis-related groups for inpatients and the 50 medical treatments for outpatients that the Department determines are most useful for consumers;

(2) Total number of potentially preventable readmissions reported pursuant to NRS 439A.220, the rate of occurrence of potentially preventable readmissions, *the zip code in which each patient who is the subject of a potentially preventable readmission resides, the number of potentially preventable readmissions of patients who reside in each such zip code* and the average length of



1 stay and average billed charges of those potentially preventable
2 readmissions, reported by the diagnosis-related group for inpatients
3 for which the patient originally received treatment at a hospital; and

4 (3) Name of each physician who performed a surgical
5 procedure in the hospital and the total number of surgical
6 procedures performed by each physician in the hospital, reported for
7 the most frequent surgical procedures that the Department
8 determines are most useful for consumers if the information is
9 available;

10 (b) Include, for each surgical center for ambulatory patients in
11 this State, the:

12 (1) Total number of patients discharged and the average
13 billed charges, reported for 50 medical treatments for outpatients
14 that the Department determines are most useful for consumers; and

15 (2) Name of each physician who performed a surgical
16 procedure in the surgical center for ambulatory patients and the total
17 number of surgical procedures performed by each physician in the
18 surgical center for ambulatory patients, reported for the most
19 frequent surgical procedures that the Department determines are
20 most useful for consumers;

21 (c) Be presented in a manner that allows a person to view and
22 compare the information for the hospitals by:

23 (1) Geographic location of each hospital;

24 (2) Type of medical diagnosis; and

25 (3) Type of medical treatment;

26 (d) Be presented in a manner that allows a person to view and
27 compare the information for the surgical centers for ambulatory
28 patients by:

29 (1) Geographic location of each surgical center for
30 ambulatory patients;

31 (2) Type of medical diagnosis; and

32 (3) Type of medical treatment;

33 (e) Be presented in a manner that allows a person to view and
34 compare the information separately for:

35 (1) The inpatients and outpatients of each hospital; and

36 (2) The outpatients of each surgical center for ambulatory
37 patients;

38 (f) Be readily accessible and understandable by a member of the
39 general public;

40 (g) Include the annual summary of reports of sentinel events
41 prepared for each medical facility pursuant to paragraph (c) of
42 subsection 1 of NRS 439.840;

43 (h) Include the annual summary of reports of sentinel events
44 prepared pursuant to paragraph (d) of subsection 1 of NRS 439.840;



(i) Include the reports of information prepared for each medical facility pursuant to paragraph (b) of subsection 4 of NRS 439.847;

(j) Include a link to electronic copies of all reports, summaries, compilations and supplementary reports required by NRS 449.450 to 449.530, inclusive;

(k) Include, for each hospital with 100 or more beds, a summary of financial information which is readily understandable by a member of the general public and which includes, without limitation, a summary of:

(1) The expenses of the hospital which are attributable to providing community benefits and in-kind services as reported pursuant to NRS 449.490;

(2) The capital improvement report submitted to the Department pursuant to NRS 449.490;

(3) The net income of the hospital;

(4) The net income of the consolidated corporation, if the hospital is owned by such a corporation and if that information is publicly available;

(5) The operating margin of the hospital;

(6) The ratio of the cost of providing care to patients covered by Medicare to the charges for such care;

(7) The ratio of the total costs to charges of the hospital; and

(8) The average daily occupancy of the hospital; and

(l) Provide any other information relating to the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State which the Department determines is:

(1) Useful to consumers;

(2) Nationally recognized; and

(3) Reported in a standard and reliable manner.

2. The Department shall:

(a) Publicize the availability of the Internet website;

(b) Update the information contained on the Internet website at least quarterly;

(c) Ensure that the information contained on the Internet website is accurate and reliable;

(d) Ensure that the information reported by a hospital or surgical center for ambulatory patients for inpatients and outpatients which is contained on the Internet website is expressed as a total number and as a rate, and must be reported in a manner so as not to reveal the identity of a specific inpatient or outpatient of a hospital or surgical center for ambulatory patients;

(e) Post a disclaimer on the Internet website indicating that the information contained on the website is provided to assist with the comparison of hospitals and is not a guarantee by the Department or



its employees as to the charges imposed by the hospitals in this State or the quality of the services provided by the hospitals in this State, including, without limitation, an explanation that the actual amount charged to a person by a particular hospital may not be the same charge as posted on the website for that hospital;

(f) Provide on the Internet website established pursuant to this section a link to the Internet website of the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services; and

(g) Upon request, make the information that is contained on the Internet website available in printed form.

3. As used in this section, “diagnosis-related group” means groupings of medical diagnostic categories used as a basis for hospital payment schedules by Medicare and other third-party health care plans.

Sec. 3. Chapter 439B of NRS is hereby amended by adding thereto a new section to read as follows:

1. Not later than March 1 of each year, each hospital licensed in this State shall prepare a list of average rates billed for each service and any goods provided to patients admitted to the hospital during the previous calendar year who had insurance that covered those services and goods and make the list available to the public.

2. A hospital that provides an emergency or other medically necessary service to an uninsured patient whose household income is not more than 250 percent of the federally designated level signifying poverty shall not charge the patient for any such service or good provided in connection with such a service an amount greater than the average rate for the service or goods provided on the list prepared pursuant to subsection 1.

Sec. 4. There is hereby appropriated from the State General Fund to the Department of Health and Human Services the sum of \$400,000 for the maintenance of the programs established pursuant to NRS 439A.220 and 439A.240 and the Internet website established pursuant to NRS 439A.270.

Sec. 5. Any remaining balance of the appropriation made by section 4 of this act must not be committed for expenditure after June 30, 2017, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 15, 2017, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 15, 2017.



1 **Sec. 6.** This act becomes effective on July 1, 2015.

