

SENATE BILL NO. 247—COMMITTEE ON
HEALTH AND HUMAN SERVICES

MARCH 11, 2015

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing new construction by or on behalf of health facilities. (BDR 40-981)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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 public health; prohibiting certain expenditures for new construction by or on behalf of a health facility in certain smaller cities and towns without the approval of the Director of the Department of Health and Human Services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a person from spending more than \$2,000,000 or an amount specified by the Department of Health and Human Services for new construction by or on behalf of a health facility in a county whose population is less than 100,000 (currently all counties other than Clark and Washoe Counties) without the approval of the Director of the Department. This requirement does not apply to construction for purposes unrelated to the provision of health services, renovation and maintenance, a project approved by the Legislature or the construction of a hospital in certain large unincorporated towns that do not already have a hospital. (NRS 439A.100) A person who violates this prohibition is subject to a civil penalty and the rejection of an application for a license to operate a medical facility or the suspension or revocation of such a license. (NRS 439A.310, 449.080, 449.087, 449.089, 449.160) This bill prohibits such an expenditure, without the approval of the Director, for new construction by or on behalf of a health facility in an incorporated city or unincorporated town whose population is less than 25,000 in a county whose population is 100,000 or more.



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

Section 1. NRS 439A.100 is hereby amended to read as follows:

439A.100 1. Except as otherwise provided in this section, in a county whose population is less than 100,000 ~~H~~ *or in an incorporated city or unincorporated town whose population is less than 25,000 in a county whose population is 100,000 or more*, no person may undertake any proposed expenditure for new construction by or on behalf of a health facility in excess of the greater of \$2,000,000 or such an amount as the Department may specify by regulation, which under generally accepted accounting principles consistently applied is a capital expenditure, without first applying for and obtaining the written approval of the Director. The Division of Public and Behavioral Health of the Department shall not issue a new license or alter an existing license for such a project unless the Director has issued such an approval.

2. The provisions of subsection 1 do not apply to:

(a) Any capital expenditure for:

- (1) The acquisition of land;
- (2) The construction of a facility for parking;
- (3) The maintenance of a health facility;
- (4) The renovation of a health facility to comply with standards for safety, licensure, certification or accreditation;
- (5) The installation of a system to conserve energy;
- (6) The installation of a system for data processing or communication; or
- (7) Any other project which, in the opinion of the Director, does not relate directly to the provision of any health service;

(b) Any project for the development of a health facility that has received legislative approval and authorization; or

(c) A project for the construction of a hospital in an unincorporated town if:

- (1) The population of the unincorporated town is more than 24,000;
- (2) No other hospital exists in the town;
- (3) No other hospital has been approved for construction or qualified for an exemption from approval for construction in the town pursuant to this section; and
- (4) The unincorporated town is at least a 45-minute drive from the nearest center for the treatment of trauma that is licensed by the Division of Public and Behavioral Health of the Department.



1 ↪ Upon determining that a project satisfies the requirements for an
2 exemption pursuant to this subsection, the Director shall issue a
3 certificate which states that the project is exempt from the
4 requirements of this section.

5 3. In reviewing an application for approval, the Director shall:

6 (a) Comparatively assess applications for similar projects
7 affecting the same geographic area; and

8 (b) Base his or her decision on criteria established by the
9 Director by regulation. The criteria must include:

10 (1) The need for and the appropriateness of the project in the
11 area to be served;

12 (2) The financial feasibility of the project;

13 (3) The effect of the project on the cost of health care; and

14 (4) The extent to which the project is consistent with the
15 purposes set forth in NRS 439A.020 and the priorities set forth in
16 NRS 439A.081.

17 4. The Department may by regulation require additional
18 approval for a proposed change to a project which has previously
19 been approved if the proposal would result in a change in the
20 location of the project or a substantial increase in the cost of the
21 project.

22 5. The decision of the Director is a final decision for the
23 purposes of judicial review.

24 6. As used in this section, “hospital” has the meaning ascribed
25 to it in NRS 449.012.

26 **Sec. 2.** This act becomes effective on July 1, 2015.

