

**Amendment No. 291**

Senate Amendment to Senate Bill No. 509 (BDR 38-980)  
**Proposed by:** Senate Committee on Health and Human Services  
**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 509 (§ 6).

ASSEMBLY ACTION		Initial and Date		SENATE ACTION		Initial and Date			
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

EWR/JWP



Date: 4/19/2017

S.B. No. 509—Authorizes the imposition of an assessment on certain providers of health care. (BDR 38-980)





SENATE BILL NO. 509—COMMITTEE ON  
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE OFFICE OF FINANCE  
IN THE OFFICE OF THE GOVERNOR)

MARCH 27, 2017

Referred to Committee on Health and Human Services

SUMMARY—Authorizes the imposition of an assessment on certain providers of health care. (BDR 38-980)

FISCAL NOTE: Effect on Local Government: No.  
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 Medicaid; authorizing the Division of Health Care Financing and Policy of the Department of Health and Human Services to impose an assessment on certain providers of health care; prescribing the authorized uses of the revenue generated by such an assessment; authorizing the Division to impose an administrative penalty against a provider of health care who does not pay an assessment in a timely manner; authorizing the Division to take certain measures to collect an unpaid assessment or administrative penalty; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires the Department of Health and Human Services to administer the  
2 Medicaid program and to adopt a State Plan for Medicaid. (NRS 232.320, 422.063, 422.270)  
3 **Section 6** of this bill authorizes the Division of Health Care Financing and Policy of the  
4 Department to impose an assessment on each provider of health care that is required to obtain  
5 a given type of license or certificate. **Section 7** of this bill authorizes the Division to expend  
6 the revenue generated from the assessment to: (1) provide increased payments to providers of  
7 health care for services rendered to recipients of Medicaid; and (2) administer provisions  
8 relating to the assessment. **Section 8** of this bill authorizes the Division to impose an  
9 administrative penalty against a provider of health care who fails to pay an assessment in a  
10 timely manner. **Section 8** also authorizes the Division , after notifying the provider of  
11 health care, to deduct the amount of an unpaid assessment or administrative penalty from  
12 future payments owed to the provider of health care under the State Plan For Medicaid.  
13 Finally, **section 8** authorizes the Division to negotiate a payment plan with a provider of  
14 health care before making such deductions.

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

1       **Section 1.** Chapter 422 of NRS is hereby amended by adding thereto the  
2 provisions set forth as sections 2 to 8, inclusive, of this act.

3       **Sec. 2.** *As used in sections 2 to 8, inclusive, of this act, unless the context*  
4 *otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act*  
5 *have the meanings ascribed to them in those sections.*

6       **Sec. 3.** *“Account” means the Account to Improve Health Care Quality and*  
7 *Access created by section 7 of this act.*

8       **Sec. 4.** *“Provider group” means all providers of health care who are*  
9 *required to obtain a given type of license or certificate pursuant to title 54 of NRS*  
10 *or chapter 449 of NRS.*

11       **Sec. 5.** *“Provider of health care” has the meaning ascribed to it in NRS*  
12 *629.031 and includes, without limitation, a medical facility as defined in NRS*  
13 *449.0151.*

14       **Sec. 6. 1.** *Except as otherwise provided in this section, after polling the*  
15 *providers of health care in a provider group and receiving an affirmative vote*  
16 *from ~~the majority~~ at least 67 percent of the providers in that provider group, the*  
17 *Division may impose by regulation, against each provider of health care in the*  
18 *provider group, an assessment in an amount equal to a percentage of the net*  
19 *revenue generated by the provider of health care from providing care in this State*  
20 *during a calendar or fiscal year. The Division shall adopt:*

21       *(a) Regulations prescribing the percentage that must be used to calculate the*  
22 *amount of the assessment, the date on which the assessment is due and the*  
23 *manner in which the assessment must be paid; and*

24       *(b) Any other regulations necessary or convenient to carry out the provisions*  
25 *of this section.*

26       **2.** *The revenue from an assessment imposed pursuant to subsection 1 must*  
27 *be deposited in the Account.*

28       **3.** *An assessment imposed pursuant to subsection 1 must comply with the*  
29 *provisions of 42 C.F.R. § 433.68. An assessment must not be imposed pursuant to*  
30 *subsection 1 if federal law or regulations prohibit using the revenue generated by*  
31 *the assessment for the purposes prescribed in section 7 of this act. If new federal*  
32 *law or regulations imposing such a prohibition are enacted or adopted, as*  
33 *applicable:*

34       *(a) An assessment must not be collected after the effective date of the law or*  
35 *regulations; and*

36       *(b) Any money collected during the calendar or fiscal year, as applicable, in*  
37 *which the federal law or regulations become effective must be returned to the*  
38 *providers of health care from whom it was collected.*

39       **4.** *A provider of health care shall submit to the Division any information*  
40 *requested by the Division for the purposes of carrying out the provisions of this*  
41 *section.*

42       **Sec. 7. 1.** *The Account to Improve Health Care Quality and Access is*  
43 *hereby created in the State General Fund. The Division shall administer the*  
44 *Account. The revenue from assessments and penalties imposed on the providers*  
45 *of health care in each provider group must be accounted for separately in the*  
46 *Account.*

47       **2.** *The interest and income on the money in the Account, after deducting*  
48 *any applicable charges, must be credited to the Account.*

49       **3.** *The money in the Account must be expended to:*

1 *(a) Provide supplemental payments or enhanced rates of reimbursement to*  
 2 *providers of health care in the provider group upon whom an assessment was*  
 3 *imposed pursuant to an upper payment limit program established under the*  
 4 *provisions of 42 C.F.R. § 447.272 or 447.321;*

5 *(b) Provide supplemental payments to providers of health care in the*  
 6 *provider group upon whom an assessment was imposed who provide care to*  
 7 *recipients of Medicaid in addition to the reimbursements those providers of*  
 8 *health care would otherwise receive for providing such care; and*

9 *(c) Administer the provisions of sections 2 to 8, inclusive, of this act.*

10 4. *Any money remaining in the Account at the end of a fiscal year does not*  
 11 *revert to the State General Fund, and the balance of the Account must be carried*  
 12 *forward to the next fiscal year.*

13 **Sec. 8. 1. The Division shall adopt regulations that establish**  
 14 **administrative penalties for failure to timely pay an assessment imposed pursuant**  
 15 **to section 6 of this act. Any money collected from such a penalty must be**  
 16 **deposited in the Account.**

17 2. *If a provider of health care fails to remit to the Division any penalty*  
 18 *imposed pursuant to this section or any assessment imposed pursuant to section 6*  
 19 *of this act within 30 days ~~to~~ after the date on which the penalty or assessment is*  
 20 *due, the Division may deduct the amount of the assessment or penalty, as*  
 21 *applicable, from future payments owed to the provider of health care under the*  
 22 *State Plan for Medicaid. Before doing so, the Division ~~may~~ :*

23 *(a) Shall notify the provider of health care of the intended deduction; and*

24 *(b) May negotiate a payment plan with the provider of health care.*

25 **Sec. 9.** NRS 232.320 is hereby amended to read as follows:

26 232.320 1. The Director:

27 (a) Shall appoint, with the consent of the Governor, administrators of the  
 28 divisions of the Department, who are respectively designated as follows:

29 (1) The Administrator of the Aging and Disability Services Division;

30 (2) The Administrator of the Division of Welfare and Supportive Services;

31 (3) The Administrator of the Division of Child and Family Services;

32 (4) The Administrator of the Division of Health Care Financing and  
 33 Policy; and

34 (5) The Administrator of the Division of Public and Behavioral Health.

35 (b) Shall administer, through the divisions of the Department, the provisions of  
 36 chapters 63, 424, 425, 427A, 432A to 442, inclusive, 446 to 450, inclusive, 458A  
 37 and 656A of NRS, NRS 127.220 to 127.310, inclusive, 422.001 to 422.410,  
 38 inclusive, **and sections 2 to 8, inclusive, of this act**, 422.580, 432.010 to 432.133,  
 39 inclusive, 432B.621 to 432B.626, inclusive, 444.002 to 444.430, inclusive, and  
 40 445A.010 to 445A.055, inclusive, and all other provisions of law relating to the  
 41 functions of the divisions of the Department, but is not responsible for the clinical  
 42 activities of the Division of Public and Behavioral Health or the professional line  
 43 activities of the other divisions.

44 (c) Shall administer any state program for persons with developmental  
 45 disabilities established pursuant to the Developmental Disabilities Assistance and  
 46 Bill of Rights Act of 2000, 42 U.S.C. §§ 15001 et seq.

47 (d) Shall, after considering advice from agencies of local governments and  
 48 nonprofit organizations which provide social services, adopt a master plan for the  
 49 provision of human services in this State. The Director shall revise the plan  
 50 biennially and deliver a copy of the plan to the Governor and the Legislature at the  
 51 beginning of each regular session. The plan must:

1 (1) Identify and assess the plans and programs of the Department for the  
2 provision of human services, and any duplication of those services by federal, state  
3 and local agencies;

4 (2) Set forth priorities for the provision of those services;

5 (3) Provide for communication and the coordination of those services  
6 among nonprofit organizations, agencies of local government, the State and the  
7 Federal Government;

8 (4) Identify the sources of funding for services provided by the Department  
9 and the allocation of that funding;

10 (5) Set forth sufficient information to assist the Department in providing  
11 those services and in the planning and budgeting for the future provision of those  
12 services; and

13 (6) Contain any other information necessary for the Department to  
14 communicate effectively with the Federal Government concerning demographic  
15 trends, formulas for the distribution of federal money and any need for the  
16 modification of programs administered by the Department.

17 (e) May, by regulation, require nonprofit organizations and state and local  
18 governmental agencies to provide information regarding the programs of those  
19 organizations and agencies, excluding detailed information relating to their budgets  
20 and payrolls, which the Director deems necessary for the performance of the duties  
21 imposed upon him or her pursuant to this section.

22 (f) Has such other powers and duties as are provided by law.

23 2. Notwithstanding any other provision of law, the Director, or the Director's  
24 designee, is responsible for appointing and removing subordinate officers and  
25 employees of the Department, other than the State Public Defender of the Office of  
26 State Public Defender who is appointed pursuant to NRS 180.010.

27 **Sec. 10.** This act becomes effective upon passage and approval.