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FIRST REPRINT

A.B. 66

ASSEMBLY BILL NO. 66—COMMITTEE ON  
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE WASHOE REGIONAL  
BEHAVIORAL HEALTH POLICY BOARD)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Health and Human Services

SUMMARY—Provides for the establishment of psychiatric hospitals to provide crisis stabilization services. (BDR 39-486)

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 mental health; providing for the establishment of psychiatric hospitals to provide crisis stabilization services in certain highly populated counties; requiring certain health maintenance organizations and managed care organizations to negotiate with such hospitals to become in network providers; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires the Division of Public and Behavioral Health of the Department of Health and Human Services to operate certain facilities to provide mental health services. (NRS 433.233) Existing law also authorizes the Division to contract with certain persons and entities for the provision of mental health services and related services. (NRS 433.334-433.354) **Section 1** of this bill authorizes the Division to establish psychiatric hospitals to provide crisis stabilization services. **Section 1** also authorizes the Division to enter into a contract with a provider of behavioral health services to provide crisis stabilization services at the psychiatric hospital. **Section 1** defines "crisis stabilization services" to mean behavioral health services designed to: (1) de-escalate or stabilize a behavioral crisis; and (2) avoid admission of a patient to another inpatient mental health facility or hospital when appropriate. **Section 1.4** of this bill requires services provided at a psychiatric hospital established by the Division to provide crisis stabilization services to be reimbursable under Medicaid. **Sections 1.5 and 1.7** of this bill require a health maintenance organization and managed care organization that provide health care services to recipients of Medicaid or enrollees in the Children's Health Insurance



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Program to negotiate in good faith to include such a psychiatric hospital in the network of providers under contract to provide services to such persons.

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

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**Section 1.** Chapter 433 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Division may establish psychiatric hospitals that meet the requirements of this section to provide crisis stabilization services. Such a psychiatric hospital must:*

*(a) Not later than 1 year after commencing the delivery of services to patients, be accredited by the Commission on Accreditation of Rehabilitation Facilities, or its successor organization, or the Joint Commission, or its successor organization;*

*(b) Not exceed a capacity of 16 beds or be an institution for mental diseases, as defined in 42 U.S.C. § 1396d;*

*(c) Operate in accordance with established administrative protocols, evidenced-based protocols for providing treatment and evidence-based standards for documenting information concerning services rendered and recipients of such services in accordance with best practices for providing crisis stabilization services;*

*(d) Deliver crisis stabilization services:*

*(1) To patients for not less than 24 hours in an area devoted to crisis stabilization or detoxification before releasing the patient into the community, referring the patient to another facility or transferring the patient to a bed within the hospital for short-term treatment, if the psychiatric hospital has such beds;*

*(2) In accordance with best practices for the delivery of crisis stabilization services; and*

*(3) In a manner that promotes concepts that are integral to recovery for persons with mental illness, including, without limitation, hope, personal empowerment, respect, social connections, self-responsibility and self-determination;*

*(e) Employ qualified persons to provide peer support services, as defined in NRS 449.01566, when appropriate;*

*(f) Use a data management tool to collect and maintain data relating to admissions, discharges, diagnoses and long-term outcomes for recipients of crisis stabilization services;*

*(g) Perform an initial assessment on any patient who presents at the psychiatric hospital, regardless of the severity of the behavioral health issues that the patient is experiencing;*



(h) Have the equipment and personnel necessary to conduct a medical examination of a patient pursuant to NRS 433A.165; and

(i) Consider whether each patient would be better served by another facility and transfer a patient to another facility when appropriate.

2. Crisis stabilization services that may be provided pursuant to paragraph (d) of subsection 1 may include, without limitation:

(a) Case management services, including, without limitation, such services to assist patients to obtain housing, food, primary health care and other basic needs;

(b) Services to intervene effectively when a behavioral health crisis occurs and address underlying issues that lead to repeated behavioral health crises;

(c) Treatment specific to the diagnosis of a patient; and

(d) Coordination of aftercare for patients, including, without limitation, at least one follow-up contact with a patient not later than 72 hours after the patient is discharged.

3. The Division may enter into a contract with an organization that specializes in the provision of behavioral health services to provide crisis stabilization services. Before entering into such a contract, the Division must consult with the regional behavioral health policy board created by NRS 433.429 for the region in which the crisis stabilization center is located concerning the scope of the contract.

4. A psychiatric hospital established pursuant to this section must accept all patients, without regard to:

(a) The race, ethnicity, gender, socioeconomic status, sexual orientation or place of residence of the patient;

(b) Any social conditions that affect the recipient;

(c) The ability of the patient to pay; or

(d) Whether the patient is admitted to the psychiatric hospital on a voluntary admission pursuant to NRS 433A.140 or emergency admission pursuant to NRS 433A.150.

5. The Division may accept gifts, grants and donations from any source for the purpose of carrying out the provisions of this section.

6. As used in this section:

(a) "Crisis stabilization services" means behavioral health services designed to:

(1) De-escalate or stabilize a behavioral crisis, including, without limitation, a behavioral health crisis experienced by a person with a co-occurring substance use disorder; and

(2) When appropriate, avoid admission of a patient to another inpatient mental health facility or hospital and connect



*the patient with providers of ongoing care as appropriate for the unique needs of the patient.*

*(b) "Psychiatric hospital" has the meaning ascribed to it in NRS 449.0165.*

**Sec. 1.3.** NRS 232.320 is hereby amended to read as follows:

232.320 1. The Director:

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

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

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

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

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

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

(b) Shall administer, through the divisions of the Department, the provisions of chapters 63, 424, 425, 427A, 432A to 442, inclusive, 446 to 450, inclusive, 458A and 656A of NRS, NRS 127.220 to 127.310, inclusive, 422.001 to 422.410, inclusive, *and section 1.4 of this act*, 422.580, 432.010 to 432.133, inclusive, 432B.621 to 432B.626, inclusive, 444.002 to 444.430, inclusive, and 445A.010 to 445A.055, inclusive, and all other provisions of law relating to the functions of the divisions of the Department, but is not responsible for the clinical activities of the Division of Public and Behavioral Health or the professional line activities of the other divisions.

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

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

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

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



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

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

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

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

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

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

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

**Sec. 1.4.** Chapter 422 of NRS is hereby amended by adding thereto a new section to read as follows:

*The Department shall take any action necessary to ensure that crisis stabilization services provided at a psychiatric hospital established pursuant to section 1 of this act are reimbursable under Medicaid to the same extent as if the services were provided in another covered facility.*

**Sec. 1.5.** Chapter 695C of NRS is hereby amended by adding thereto a new section to read as follows:

*A health maintenance organization that provides health care services to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services shall negotiate in good faith to enter into a contract with a psychiatric hospital established pursuant to section 1 of this act to include the psychiatric hospital in the network of providers under contract with the health maintenance organization to provide services to recipients of Medicaid or*



*enrollees in the Children's Health Insurance Program, as applicable.*

**Sec. 1.6.** NRS 695C.330 is hereby amended to read as follows:

695C.330 1. The Commissioner may suspend or revoke any certificate of authority issued to a health maintenance organization pursuant to the provisions of this chapter if the Commissioner finds that any of the following conditions exist:

(a) The health maintenance organization is operating significantly in contravention of its basic organizational document, its health care plan or in a manner contrary to that described in and reasonably inferred from any other information submitted pursuant to NRS 695C.060, 695C.070 and 695C.140, unless any amendments to those submissions have been filed with and approved by the Commissioner;

(b) The health maintenance organization issues evidence of coverage or uses a schedule of charges for health care services which do not comply with the requirements of NRS 695C.1691 to 695C.200, inclusive, *and section 1.5 of this act*, or 695C.207;

(c) The health care plan does not furnish comprehensive health care services as provided for in NRS 695C.060;

(d) The Commissioner certifies that the health maintenance organization:

(1) Does not meet the requirements of subsection 1 of NRS 695C.080; or

(2) Is unable to fulfill its obligations to furnish health care services as required under its health care plan;

(e) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(f) The health maintenance organization has failed to put into effect a mechanism affording the enrollees an opportunity to participate in matters relating to the content of programs pursuant to NRS 695C.110;

(g) The health maintenance organization has failed to put into effect the system required by NRS 695C.260 for:

(1) Resolving complaints in a manner reasonably to dispose of valid complaints; and

(2) Conducting external reviews of adverse determinations that comply with the provisions of NRS 695G.241 to 695G.310, inclusive;

(h) The health maintenance organization or any person on its behalf has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive or unfair manner;



(i) The continued operation of the health maintenance organization would be hazardous to its enrollees or creditors or to the general public;

(j) The health maintenance organization fails to provide the coverage required by NRS 695C.1691; or

(k) The health maintenance organization has otherwise failed to comply substantially with the provisions of this chapter.

2. A certificate of authority must be suspended or revoked only after compliance with the requirements of NRS 695C.340.

3. If the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of that suspension, enroll any additional groups or new individual contracts, unless those groups or persons were contracted for before the date of suspension.

4. If the certificate of authority of a health maintenance organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. It shall engage in no further advertising or solicitation of any kind. The Commissioner may, by written order, permit such further operation of the organization as the Commissioner may find to be in the best interest of enrollees to the end that enrollees are afforded the greatest practical opportunity to obtain continuing coverage for health care.

**Sec. 1.7.** Chapter 695G of NRS is hereby amended by adding thereto a new section to read as follows:

*A managed care organization that provides health care services to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services shall negotiate in good faith to enter into a contract with a psychiatric hospital established pursuant to section 1 of this act to include the psychiatric hospital in the network of providers under contract with the managed care organization to provide services to recipients of Medicaid or insureds in the Children's Health Insurance Program, as applicable.*

**Sec. 2.** This act becomes effective:

1. Upon passage and approval for the purpose of performing any preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On January 1, 2020, for all other purposes.

