

Amendment No. 345

Assembly Amendment to Assembly Bill No. 347	(BDR 38-541)
<b>Proposed by:</b> Assembly Committee on Health and Human Services	
<b>Amends:</b> Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will: (1) REMOVE the 2/3s majority vote requirement from A.B. 347. (2) REMOVE the unfunded mandate from A.B. 347.
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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.





## ASSEMBLY BILL NO. 347—ASSEMBLYMAN ORENTLICHER

MARCH 22, 2021

Referred to Committee on Health and Human Services

SUMMARY—~~[Revises provisions]~~ **Requires the Legislative Committee on Health Care to study certain issues** related to **the economics of health care.** (BDR ~~[38-541]~~ **S-541**)

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

~~[CONTAINS UNFUNDED MANDATE (§ 31)  
(Not Requested by Affected Local Government)]~~

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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; ~~[authorizing the Division of Health Care Financing and Policy of the Department of Health and Human Services to impose an assessment on certain health care providers; prescribing the authorized uses of the revenue generated by such an assessment; requiring the Division to adopt regulations establishing administrative penalties against a health care provider 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; establishing procedures for fixing the rates charged by certain hospitals, independent centers for emergency medical care, surgical centers for ambulatory patients and physicians for certain services; authorizing the imposition of a civil penalty and initiation of disciplinary action against such a facility or a physician who fails to comply with provisions concerning rate fixing; creating certain causes of action to enforce those provisions;]~~ **requiring the Legislative Committee on Health Care to study matters relating to the economics of health care in this State;** and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

~~[Existing law authorizes the Division of Health Care Financing and Policy of the Department of Health and Human Services to impose an assessment on agencies to provide personal care services in the home or medical facilities that are required to obtain a certain type of license after obtaining the approval of at least 67 percent of the operators of such agencies or facilities. (NRS 422.3794) Existing law requires the Division to expend the revenue generated from the assessment to provide increased payments to operators of agencies to provide personal care in the home and operators of medical facilities for services rendered to recipients of Medicaid and to pay administrative costs. (NRS 422.37945) Sections 2-8 of~~

this bill authorize the imposition of a similar assessment on groups of health care providers who provide similar services or physicians who practice in a specialty area. Sections 3-5 of this bill define necessary terms. Section 6 of this bill provides for the imposition of the assessment upon the affirmative vote of at least 67 percent of the affected providers. Section 7 of this bill creates the Account to Improve Health Care Quality and Access for Patients of Certain Providers and requires the Division to deposit the proceeds from the assessment into the Account. Section 7 authorizes the Division to use the money in the Account to: (1) increase the rates of reimbursement of providers in the assessed group receive from Medicaid to rates equal to those paid by Medicare; and (2) pay administrative costs related to the assessment. Section 8 of this bill requires the Division to adopt regulations establishing administrative penalties against a health care provider who fails to pay an assessment in a timely manner. Section 8 also authorizes the Division, after notifying the provider, to deduct the amount of an unpaid assessment or administrative penalty from future payments owed to the operator under the State Plan for Medicaid. Finally, section 8 authorizes the Division to negotiate a payment plan with a health care provider before making such deductions. Section 9 of this bill makes a conforming change to indicate the proper placement of sections 2-8 in the Nevada Revised Statutes.

Sections 14-23 of this bill establish procedures for fixing the rates charged by certain hospitals, independent centers for emergency medical care, surgical centers for ambulatory patients and physicians for services that are reimbursable through Medicare when provided to a patient who is not indigent and is not covered by Medicare or Medicaid. Sections 15-17 of this bill define necessary terms. Section 18 of this bill generally prohibits such a health care facility or a physician from charging rates different from those established under sections 14-23. Section 19 of this bill requires the Division to fix rates to ensure that each health care facility and physician is able to cover reasonable costs and earn a fair and reasonable profit. Section 19 requires the Division to generally: (1) presume that the rates paid by Medicare allow a health care facility or physician to cover reasonable costs and earn a fair and reasonable profit; and (2) fix rates at that amount. However, section 19 authorizes a health care facility, physician or group of physicians to request a different rate if the health care facility, physician or group of physicians determine the rates paid by Medicare do not allow the health care facility, physician or physicians in the group to cover reasonable costs and earn a fair and reasonable profit. Section 20 of this bill: (1) requires the Administrator of the Division to appoint a panel of employees who are experienced or trained in rate fixing to evaluate such requests; and (2) prescribes the procedure for evaluating such a request and the criteria that the panel is required to consider during the evaluation. Section 21 of this bill prescribes requirements concerning an order relating to such a request. Section 21 provides that such an order is valid for 1 year and authorizes a health care facility, physician or group of physicians to request to renew a rate.

Section 22 of this bill requires the Division to adopt certain regulations governing rate fixing, including regulations establishing civil penalties to be imposed against a health care facility or physician that violates provisions governing rate fixing. Sections 23, 26, 32 and 33 of this bill provide for the imposition of disciplinary action against a health care facility or physician for such a violation. Section 23 also authorizes: (1) the Division or Attorney General to maintain a suit for an injunction against such a violation; and (2) any person or entity injured by such a violation to maintain a suit for damages. Sections 10-12, 24, 25, 27-31, 34-44 and 47 of this bill make conforming changes to clarify the application of or remove existing provisions concerning the rates that a health care facility or physician may charge for certain services.]

Existing law establishes the Legislative Committee on Health Care to review and examine certain issues relating to the provision of health care in this State. (NRS 439B.200, 439B.220) This bill requires the Legislative Committee on Health Care, during the 2021-2023 legislative interim, to study: (1) the economics of the system of setting reimbursement rates for health care services by private and public health insurers; (2) the impact of current reimbursement rates paid by insurers for health care services on patients; (3) opportunities to set rates charged for health care services at a level to allow providers of health care, including health care institutions, to cover and reduce costs and make a reasonable profit; (4) incentives for providers of health care to provide services to recipients of Medicaid; and (5) make recommendations to the 82nd Session of the Nevada Legislature.

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

Delete existing sections 1 through 48 of this bill and replace with the following new sections 1 and 2:

Section 1. 1. As part of its review of health care during the 2021-2023 legislative interim, the Legislative Committee on Health Care shall study:

(a) The economics of the system of setting reimbursement rates for health care services in this State by private and public health insurers, including, without limitation, Medicaid, and a comparison of that system with such systems in other states;

(b) The impact of current reimbursement rates paid by health insurers for health care services on patients in this State, including, without limitation, costs relating to health care services imposed on such patients and the cost of premiums for health insurance;

(c) Opportunities and options to set rates charged for health care services at a level that would allow providers of health care to cover reasonable costs of providing health care services, earn a fair and reasonable profit and reduce administrative costs relating to billing for health care; and

(d) Opportunities and options to provide incentives for providers of health care to provide health care services to recipients of Medicaid throughout this State, including, without limitation, by:

(1) Increasing reimbursement rates for Medicaid by imposing assessments on certain groups of providers of health care; and

(2) Reducing administrative burdens.

2. On or before September 1, 2022, the Legislative Committee on Health Care shall submit its findings and any recommendations to the Director of the Legislative Counsel Bureau for transmittal to the 82nd Session of the Nevada Legislature.

3. As used in this section:

(a) "Health care services" has the meaning ascribed to it in NRS 695G.022.

(b) "Provider of health care" has the meaning ascribed to it in NRS 695G.070.

Sec. 2. This act becomes effective on July 1, 2021.