

ASSEMBLY BILL NO. 237—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE JOINT INTERIM STANDING COMMITTEE
ON HEALTH AND HUMAN SERVICES)

MARCH 2, 2023

Referred to Committee on Health and Human Services

SUMMARY—Makes revisions relating to Medicaid.
(BDR 38-328)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

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

AN ACT relating to Medicaid; establishing the Alternative Billing Resource Office in the Division of Health Care Financing and Policy of the Department of Health and Human Services for the purpose of providing certain assistance relating to participation in Medicaid as a provider; requiring a Medicaid managed care program to negotiate in good faith with each school-based health center for the provision of health care services to recipients of Medicaid; providing for a study of the requirements applicable to school-based health centers that provide health care services to recipients of Medicaid; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Department of Health and Human Services, through the Division of Health Care Financing and Policy of the Department, to administer Medicaid. (NRS 422.2357, 422.270) **Section 2** of this bill defines “school-based health center” to mean a health center located or based on, in or near school grounds, property, buildings or any other school district facilities for the purpose of rendering care or services to any person. **Section 3** of this bill establishes the Alternative Billing Resource Office within the Division for the purpose of assisting school-based health centers and other providers of services under the State Plan for Medicaid and persons and entities who wish to provide such services to evaluate and utilize different methods of participating in and billing Medicaid. **Sections 4 and 6** of this bill make conforming changes to indicate the proper placement of



sections 2 and 3 in the Nevada Revised Statutes. Section 7 of this bill requires the Division and the Department of Education to: (1) conduct a study of the requirements applicable to school-based health centers that provide health care services to recipients of Medicaid; and (2) report to the Joint Interim Standing Committee on Health and Human Services concerning the results of the study.

Existing law requires a health maintenance organization with which the Department of Health and Human Services contracts for the provision of services through a Medicaid managed care program to negotiate in good faith with federally-qualified health centers, the University Medical Center of Southern Nevada and the University of Nevada School of Medicine to provide services to recipients of Medicaid. (NRS 422.273) Section 5 of this bill similarly requires such a health maintenance organization to negotiate in good faith with each school-based health center in this State to provide services to recipients of Medicaid.

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

Section 1. Chapter 422 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *“School-based health center” means a health center located or based on, in or near school grounds, property, buildings or any other school district facilities for the purpose of rendering health care or services to any person.*

Sec. 3. 1. *The Alternative Billing Resource Office is hereby established within the Division.*

2. *The Alternative Billing Resource Office shall assist school-based health centers and other providers of services under the State Plan for Medicaid and persons and entities that wish to provide such services to:*

(a) Evaluate the benefits and drawbacks of various methods of participating in and billing Medicaid that are available to the provider, person or entity, including, without limitation, different provider types under which a provider, person or entity may be authorized to participate in and bill Medicaid; and

(b) Meet the requirements and carry out the procedures necessary to participate in and bill Medicaid using the methods chosen by the provider, person or entity, as applicable.

3. *The Division shall provide the necessary facilities, equipment, staff, supplies and other usual operating expenses necessary to enable the Office to carry out its functions.*

Sec. 4. NRS 422.001 is hereby amended to read as follows:

422.001 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 422.003 to 422.054, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.



Sec. 5. NRS 422.273 is hereby amended to read as follows:

422.273 1. For any Medicaid managed care program established in the State of Nevada, the Department shall contract only with a health maintenance organization that has:

(a) Negotiated in good faith with a federally-qualified health center to provide health care services for the health maintenance organization;

(b) *Negotiated in good faith with each school-based health center in this State to provide health care services to recipients of Medicaid;*

(c) Negotiated in good faith with the University Medical Center of Southern Nevada to provide inpatient and ambulatory services to recipients of Medicaid; and

~~(e)~~ (d) Negotiated in good faith with the University of Nevada School of Medicine to provide health care services to recipients of Medicaid.

Nothing in this section shall be construed as exempting a federally-qualified health center, *a school-based health center*, the University Medical Center of Southern Nevada or the University of Nevada School of Medicine from the requirements for contracting with the health maintenance organization.

2. During the development and implementation of any Medicaid managed care program, the Department shall cooperate with the University of Nevada School of Medicine by assisting in the provision of an adequate and diverse group of patients upon which the school may base its educational programs.

3. The University of Nevada School of Medicine may establish a nonprofit organization to assist in any research necessary for the development of a Medicaid managed care program, receive and accept gifts, grants and donations to support such a program and assist in establishing educational services about the program for recipients of Medicaid.

4. For the purpose of contracting with a Medicaid managed care program pursuant to this section, a health maintenance organization is exempt from the provisions of NRS 695C.123.

5. The provisions of this section apply to any managed care organization, including a health maintenance organization, that provides health care services to recipients of Medicaid under the State Plan for Medicaid or the Children's Health Insurance Program pursuant to a contract with the Division. Such a managed care organization or health maintenance organization is not required to establish a system for conducting external reviews of adverse determinations in accordance with chapter 695B, 695C or 695G of NRS. This subsection does not exempt such a managed care



1 organization or health maintenance organization for services
2 provided pursuant to any other contract.

3 6. As used in this section, unless the context otherwise
4 requires:

5 (a) "Federally-qualified health center" has the meaning ascribed
6 to it in 42 U.S.C. § 1396d(l)(2)(B).

7 (b) "Health maintenance organization" has the meaning ascribed
8 to it in NRS 695C.030.

9 (c) "Managed care organization" has the meaning ascribed to it
10 in NRS 695G.050.

11 **Sec. 6.** NRS 232.320 is hereby amended to read as follows:

12 232.320 1. The Director:

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

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

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

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

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

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

26 (b) Shall administer, through the divisions of the Department,
27 the provisions of chapters 63, 424, 425, 427A, 432A to 442,
28 inclusive, 446 to 450, inclusive, 458A and 656A of NRS, NRS
29 127.220 to 127.310, inclusive, 422.001 to 422.410, inclusive, *and*
30 *sections 2 and 3 of this act*, 422.580, 432.010 to 432.133, inclusive,
31 432B.6201 to 432B.626, inclusive, 444.002 to 444.430, inclusive,
32 and 445A.010 to 445A.055, inclusive, and all other provisions of
33 law relating to the functions of the divisions of the Department, but
34 is not responsible for the clinical activities of the Division of Public
35 and Behavioral Health or the professional line activities of the other
36 divisions.

37 (c) Shall administer any state program for persons with
38 developmental disabilities established pursuant to the
39 Developmental Disabilities Assistance and Bill of Rights Act of
40 2000, 42 U.S.C. §§ 15001 et seq.

41 (d) Shall, after considering advice from agencies of local
42 governments and nonprofit organizations which provide social
43 services, adopt a master plan for the provision of human services in
44 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.

Sec. 7. 1. The Division of Health Care Financing and Policy of the Department of Health and Human Services and the Department of Education shall:

(a) Conduct a study of the requirements applicable to school-based health centers that provide health care services to recipients of Medicaid. The study must consist of:

(1) A review of the standards for school-based health centers to become eligible to provide health care services to recipients of Medicaid and possible ways of increasing the flexibility and reducing the complexity of those standards, including, without limitation:

(I) Increased flexibility for school-based health centers to operate on or off the premises of a school or as a mobile unit;

(II) The use of telehealth in each setting in which a school-based health center is authorized to operate;



(III) Authorization for school-based health centers to offer behavioral health services and dental services;

(IV) The integration of school-based health centers into other health services offered by, on the premises of or in association with schools; and

(V) Opportunities to serve parents, siblings and other family members of pupils;

(2) An evaluation of the need for an on-site laboratory at a school-based health center;

(3) A review of the need for the board of trustees of a school district to approve the operation of a school-based health center that is near to or associated with, but not on the premises of, a school;

(4) A review of rates of reimbursement under the State Plan for Medicaid for school-based health centers, a comparison of those rates of reimbursement to the rates of reimbursement under the State Plan for physicians and federally-qualified health centers and possible ways to create parity between rates of reimbursement under the State Plan for all persons and entities described in this subparagraph; and

(5) A consideration of strategies to incentivize the formation and operation of school-based health centers including, without limitation, through the promotion of well visits and the use of value-based payments.

(b) On or before December 31, 2023, submit a report of the findings of the study conducted pursuant to paragraph (a) and any recommendations resulting from those findings to the Director of the Legislative Counsel Bureau for transmittal to the Joint Interim Standing Committee on Health and Human Services.

2. As used in this section:

(a) “Federally-qualified health center” has the meaning ascribed to it in 42 U.S.C. § 1396d(1)(2)(B).

(b) “School-based health center” has the meaning ascribed to it in section 2 of this act.

(c) “Telehealth” has the meaning ascribed to it in NRS 629.515.

(d) “Value-based payment” means a model of paying for health care in which providers are reimbursed based on health outcomes including, without limitation, helping patients improve their health, reduce the effects and incidence of chronic disease and live healthier lives, in an evidence-based manner.

(e) “Well visit” means a regularly scheduled physical examination.

Sec. 8. 1. This section becomes effective upon passage and approval.

2. Section 7 of this act becomes effective:



- 1 (a) Upon passage and approval for the purpose of adopting any
2 regulations and performing any other preparatory administrative
3 tasks that are necessary to carry out the provisions of this act; and
4 (b) On July 1, 2023, for all other purposes.
5 3. Sections 1 to 6, inclusive, of this act become effective:
6 (a) Upon passage and approval for the purpose of adopting any
7 regulations and performing any other preparatory administrative
8 tasks that are necessary to carry out the provisions of this act; and
9 (b) On January 1, 2024, for all other purposes.

