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FIRST REPRINT

A.B. 277

ASSEMBLY BILL NO. 277—ASSEMBLYMEN KOENIG, YUREK, GRAY,
GURR; DELONG, DICKMAN, D’SILVA, GONZÁLEZ,
GORELOW, HAFEN, HANSEN, HARDY, HIBBETTS, NGUYEN,
ORENTLICHER, PETERS, TAYLOR, THOMAS AND TORRES

MARCH 9, 2023

Referred to Committee on Health and Human Services

SUMMARY—Establishes provisions governing rural emergency hospitals. (BDR 40-637)

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 health care; establishing a rural emergency hospital as a type of medical facility licensed in this State; authorizing a rural emergency hospital that meets certain requirements to receive an endorsement as a crisis stabilization center; requiring the Department of Health and Human Services to take certain measures to increase reimbursement under Medicaid for certain services provided by rural emergency hospitals; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing federal law establishes the Medicare program, which is a public health insurance program for persons 65 years of age and older and specified persons with disabilities who are under 65 years of age. (42 U.S.C. §§ 1395 et seq.) Existing federal law establishes a rural emergency hospital as a Medicare provider type and defines the term “rural emergency hospital” to mean, in general, a facility: (1) in a rural area with less than 50 beds; (2) with an emergency department that is staffed 24 hours per day, 7 days per week; (3) that generally does not provide acute care inpatient services; and (4) has a transfer agreement with a level I or level II trauma center. (42 U.S.C. § 1395x(kkk)) **Section 1** of this bill defines the term “rural emergency hospital” to be consistent with federal law. **Section 2** of this bill makes a conforming change to indicate the proper placement of **section 1** in the Nevada Revised Statutes.

Section 3 of this bill establishes a rural emergency hospital as a unique type of medical facility licensed and regulated by the State Board of Health and the Division of Public and Behavioral Health of the Department of Health and Human Services. **Section 4** of this bill requires the Board to adopt regulations for the



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licensure of rural emergency hospitals, which take into consideration the unique problems of operating such a facility in a rural area.

Existing law authorizes the Division to issue an endorsement as a crisis stabilization center to certain medical facilities that provide behavioral health services designed to de-escalate or stabilize a behavioral crisis. (NRS 449.0915) **Section 5** of this bill authorizes the Division to issue such an endorsement to a rural emergency hospital if the rural emergency hospital meets certain requirements.

Existing law requires the Director of the Department to develop and adopt a State Plan for Medicaid which includes, without limitation, a list of specific medical services required to be provided to Medicaid recipients. (NRS 422.063, 422.270-422.27495) Existing law authorizes the Director, under certain circumstances, to seek a waiver of certain provisions of federal law governing Medicaid to enable the State to receive federal funding for certain Medicaid coverage. (NRS 422.270-422.27495) **Section 7** of this bill authorizes the Department to apply to the United States Secretary of Health and Human Services for such a waiver or an amendment to the State Plan for Medicaid that authorizes the Department to receive federal funding to increase rates of reimbursement under the State Plan for rural emergency hospital services provided by a rural emergency hospital. **Section 6** of this bill makes a conforming change to indicate that the provisions of **section 7** will be administered in the same manner as the provisions of existing law governing the State Plan.

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

Section 1. Chapter 449 of NRS is hereby amended by adding thereto a new section to read as follows:

“Rural emergency hospital” means a hospital that is a rural emergency hospital, as defined in 42 U.S.C. § 1395x(kkk).

Sec. 2. NRS 449.001 is hereby amended to read as follows:

449.001 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 449.0015 to 449.0195, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

Sec. 3. NRS 449.0151 is hereby amended to read as follows:

449.0151 “Medical facility” includes:

1. A surgical center for ambulatory patients;
2. A freestanding birthing center;
3. An independent center for emergency medical care;
4. An agency to provide nursing in the home;
5. A facility for intermediate care;
6. A facility for skilled nursing;
7. A facility for hospice care;
8. A hospital;
9. A psychiatric hospital;
10. A facility for the treatment of irreversible renal disease;
11. A rural clinic;
12. A nursing pool;



13. A facility for modified medical detoxification;

14. A facility for refractive surgery;

15. A mobile unit; ~~and~~

16. A community triage center ~~[]~~; and

17. A rural emergency hospital.

Sec. 4. NRS 449.0302 is hereby amended to read as follows:

449.0302 1. The Board shall adopt:

(a) Licensing standards for each class of medical facility or facility for the dependent covered by NRS 449.029 to 449.2428, inclusive, and for programs of hospice care.

(b) Regulations governing the licensing of such facilities and programs.

(c) Regulations governing the procedure and standards for granting an extension of the time for which a natural person may provide certain care in his or her home without being considered a residential facility for groups pursuant to NRS 449.017. The regulations must require that such grants are effective only if made in writing.

(d) Regulations establishing a procedure for the indemnification by the Division, from the amount of any surety bond or other obligation filed or deposited by a facility for refractive surgery pursuant to NRS 449.068 or 449.069, of a patient of the facility who has sustained any damages as a result of the bankruptcy of or any breach of contract by the facility.

(e) Regulations that prescribe the specific types of discrimination prohibited by NRS 449.101.

(f) Regulations requiring a hospital or independent center for emergency medical care to provide training to each employee who provides care to victims of sexual assault or attempted sexual assault concerning appropriate care for such persons, including, without limitation, training concerning the requirements of NRS 449.1885.

(g) Any other regulations as it deems necessary or convenient to carry out the provisions of NRS 449.029 to 449.2428, inclusive.

2. The Board shall adopt separate regulations governing the licensing and operation of:

(a) Facilities for the care of adults during the day; and

(b) Residential facilities for groups,

↳ which provide care to persons with Alzheimer's disease or other severe dementia, as described in paragraph (a) of subsection 2 of NRS 449.1845.

3. The Board shall adopt separate regulations for:

(a) The licensure of rural hospitals *and rural emergency hospitals* which take into consideration the unique problems of operating such a facility in a rural area.



(b) The licensure of facilities for refractive surgery which take into consideration the unique factors of operating such a facility.

(c) The licensure of mobile units which take into consideration the unique factors of operating a facility that is not in a fixed location.

4. The Board shall require that the practices and policies of each medical facility or facility for the dependent provide adequately for the protection of the health, safety and physical, moral and mental well-being of each person accommodated in the facility.

5. In addition to the training requirements prescribed pursuant to NRS 449.093, the Board shall establish minimum qualifications for administrators and employees of residential facilities for groups. In establishing the qualifications, the Board shall consider the related standards set by nationally recognized organizations which accredit such facilities.

6. The Board shall adopt separate regulations regarding the assistance which may be given pursuant to NRS 453.375 and 454.213 to an ultimate user of controlled substances or dangerous drugs by employees of residential facilities for groups. The regulations must require at least the following conditions before such assistance may be given:

(a) The ultimate user's physical and mental condition is stable and is following a predictable course.

(b) The amount of the medication prescribed is at a maintenance level and does not require a daily assessment.

(c) A written plan of care by a physician or registered nurse has been established that:

(1) Addresses possession and assistance in the administration of the medication; and

(2) Includes a plan, which has been prepared under the supervision of a registered nurse or licensed pharmacist, for emergency intervention if an adverse condition results.

(d) Except as otherwise authorized by the regulations adopted pursuant to NRS 449.0304, the prescribed medication is not administered by injection or intravenously.

(e) The employee has successfully completed training and examination approved by the Division regarding the authorized manner of assistance.

7. The Board shall adopt separate regulations governing the licensing and operation of residential facilities for groups which provide assisted living services. The Board shall not allow the licensing of a facility as a residential facility for groups which provides assisted living services and a residential facility for groups shall not claim that it provides "assisted living services" unless:



(a) Before authorizing a person to move into the facility, the facility makes a full written disclosure to the person regarding what services of personalized care will be available to the person and the amount that will be charged for those services throughout the resident's stay at the facility.

(b) The residents of the facility reside in their own living units which:

(1) Except as otherwise provided in subsection 8, contain toilet facilities;

(2) Contain a sleeping area or bedroom; and

(3) Are shared with another occupant only upon consent of both occupants.

(c) The facility provides personalized care to the residents of the facility and the general approach to operating the facility incorporates these core principles:

(1) The facility is designed to create a residential environment that actively supports and promotes each resident's quality of life and right to privacy;

(2) The facility is committed to offering high-quality supportive services that are developed by the facility in collaboration with the resident to meet the resident's individual needs;

(3) The facility provides a variety of creative and innovative services that emphasize the particular needs of each individual resident and the resident's personal choice of lifestyle;

(4) The operation of the facility and its interaction with its residents supports, to the maximum extent possible, each resident's need for autonomy and the right to make decisions regarding his or her own life;

(5) The operation of the facility is designed to foster a social climate that allows the resident to develop and maintain personal relationships with fellow residents and with persons in the general community;

(6) The facility is designed to minimize and is operated in a manner which minimizes the need for its residents to move out of the facility as their respective physical and mental conditions change over time; and

(7) The facility is operated in such a manner as to foster a culture that provides a high-quality environment for the residents, their families, the staff, any volunteers and the community at large.

8. The Division may grant an exception from the requirement of subparagraph (1) of paragraph (b) of subsection 7 to a facility which is licensed as a residential facility for groups on or before July 1, 2005, and which is authorized to have 10 or fewer beds and



1 was originally constructed as a single-family dwelling if the
2 Division finds that:

3 (a) Strict application of that requirement would result in
4 economic hardship to the facility requesting the exception; and

5 (b) The exception, if granted, would not:

6 (1) Cause substantial detriment to the health or welfare of
7 any resident of the facility;

8 (2) Result in more than two residents sharing a toilet facility;
9 or

10 (3) Otherwise impair substantially the purpose of that
11 requirement.

12 9. The Board shall, if it determines necessary, adopt
13 regulations and requirements to ensure that each residential facility
14 for groups and its staff are prepared to respond to an emergency,
15 including, without limitation:

16 (a) The adoption of plans to respond to a natural disaster and
17 other types of emergency situations, including, without limitation,
18 an emergency involving fire;

19 (b) The adoption of plans to provide for the evacuation of a
20 residential facility for groups in an emergency, including, without
21 limitation, plans to ensure that nonambulatory patients may be
22 evacuated;

23 (c) Educating the residents of residential facilities for groups
24 concerning the plans adopted pursuant to paragraphs (a) and (b); and

25 (d) Posting the plans or a summary of the plans adopted
26 pursuant to paragraphs (a) and (b) in a conspicuous place in each
27 residential facility for groups.

28 10. The regulations governing the licensing and operation of
29 facilities for transitional living for released offenders must provide
30 for the licensure of at least three different types of facilities,
31 including, without limitation:

32 (a) Facilities that only provide a housing and living
33 environment;

34 (b) Facilities that provide or arrange for the provision of
35 supportive services for residents of the facility to assist the residents
36 with reintegration into the community, in addition to providing a
37 housing and living environment; and

38 (c) Facilities that provide or arrange for the provision of
39 programs for alcohol and other substance use disorders, in addition
40 to providing a housing and living environment and providing or
41 arranging for the provision of other supportive services.

42 ➤ The regulations must provide that if a facility was originally
43 constructed as a single-family dwelling, the facility must not be
44 authorized for more than eight beds.



11. The Board shall adopt regulations applicable to providers of community-based living arrangement services which:

(a) Except as otherwise provided in paragraph (b), require a natural person responsible for the operation of a provider of community-based living arrangement services and each employee of a provider of community-based living arrangement services who supervises or provides support to recipients of community-based living arrangement services to complete training concerning the provision of community-based living arrangement services to persons with mental illness and continuing education concerning the particular population served by the provider;

(b) Exempt a person licensed or certified pursuant to title 54 of NRS from the requirements prescribed pursuant to paragraph (a) if the Board determines that the person is required to receive training and continuing education substantially equivalent to that prescribed pursuant to that paragraph;

(c) Require a natural person responsible for the operation of a provider of community-based living arrangement services to receive training concerning the provisions of title 53 of NRS applicable to the provision of community-based living arrangement services; and

(d) Require an applicant for a license to provide community-based living arrangement services to post a surety bond in an amount equal to the operating expenses of the applicant for 2 months, place that amount in escrow or take another action prescribed by the Division to ensure that, if the applicant becomes insolvent, recipients of community-based living arrangement services from the applicant may continue to receive community-based living arrangement services for 2 months at the expense of the applicant.

12. The Board shall adopt separate regulations governing the licensing and operation of freestanding birthing centers. Such regulations must:

(a) Align with the standards established by the American Association of Birth Centers, or its successor organization, the accrediting body of the Commission for the Accreditation of Birth Centers, or its successor organization, or another nationally recognized organization for accrediting freestanding birthing centers; and

(b) Allow the provision of supervised training to providers of health care, as appropriate, at a freestanding birthing center.

13. As used in this section, "living unit" means an individual private accommodation designated for a resident within the facility.



Sec. 5. NRS 449.0915 is hereby amended to read as follows:

449.0915 1. The Division may issue an endorsement as a crisis stabilization center to the holder of a license to operate a hospital that meets the requirements of this section.

2. A hospital that wishes to obtain an endorsement as a crisis stabilization center must submit an application in the form prescribed by the Division which must include, without limitation, proof that the applicant meets the requirements of subsection 3.

3. An endorsement as a crisis stabilization center may only be issued if the hospital to which the endorsement will apply:

(a) Operates in accordance with established administrative protocols, evidence-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;

(b) Delivers crisis stabilization services:

(1) To patients 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 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 behavioral health issues, including, without limitation, hope, personal empowerment, respect, social connections, self-responsibility and self-determination;

(c) Employs peer recovery support specialists, as defined in NRS 433.627, to provide peer recovery support services, as defined in NRS 433.626, when appropriate;

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

(e) Accepts all patients, without regard to:

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

(2) Any social conditions that affect the patient;

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

(4) Whether the patient is admitted voluntarily to the hospital pursuant to NRS 433A.140 or admitted to the hospital under an emergency admission pursuant to NRS 433A.162;

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



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

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

4. Crisis stabilization services that may be provided pursuant to paragraph (b) of subsection 3 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.

5. An endorsement as a crisis stabilization center must be renewed at the same time as the license to which the endorsement applies. An application to renew an endorsement as a crisis stabilization center must include, without limitation:

(a) The information described in subsection 3; and

(b) Proof that the hospital is a rural hospital *or rural emergency hospital* or is accredited by the Commission on Accreditation of Rehabilitation Facilities, the Center for Improvement in Healthcare Quality, DNV GL Healthcare, the Accreditation Commission for Health Care or the Joint Commission, or their successor organizations.

6. As used in this section, “crisis stabilization services” means behavioral health services designed to:

(a) 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

(b) 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.

Sec. 6. 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 7 of this act*, 422.580, 432.010 to 432.133, inclusive, 432B.6201 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



1 distribution of federal money and any need for the modification of
2 programs administered by the Department.

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

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

10 2. Notwithstanding any other provision of law, the Director, or
11 the Director's designee, is responsible for appointing and removing
12 subordinate officers and employees of the Department.

13 **Sec. 7.** Chapter 422 of NRS is hereby amended by adding
14 thereto a new section to read as follows:

15 *1. The Department may apply to the Secretary of Health and*
16 *Human Services for a waiver of federal law or amendment to the*
17 *State Plan for Medicaid that authorizes the Department to receive*
18 *federal funding to provide increased rates of reimbursement under*
19 *the State Plan for rural emergency hospital services provided by a*
20 *rural emergency hospital. The Department shall fully cooperate in*
21 *good faith with the Federal Government during the application*
22 *process to satisfy the requirements of the Federal Government for*
23 *obtaining a waiver or amendment pursuant to this section.*

24 *2. As used in this section:*

25 *(a) "Rural emergency hospital" has the meaning ascribed to it*
26 *in section 1 of this act.*

27 *(b) "Rural emergency hospital services" has the meaning*
28 *ascribed to it in 42 U.S.C. § 1395x(kkk).*

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

31 2. Sections 1 to 7, inclusive, of this act become effective:

32 (a) Upon passage and approval for the purpose of adopting any
33 regulations and performing any other preparatory administrative
34 tasks that are necessary to carry out the provisions of this act; and

35 (b) On January 1, 2024, for all other purposes.

