

Senate Bill No. 435—Committee on
Health and Human Services

CHAPTER.....

AN ACT relating to Medicaid; requiring the provision of certain information to the operator of a hospital or rural hospital concerning the use of revenue generated by certain proposed assessments; prohibiting the continued imposition of such an assessment under certain circumstances; revising the authorized uses of the revenue generated from an assessment authorized to be imposed on operators of certain agencies and facilities; 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 each operator of an agency to provide personal care services in the home and each operator of a medical facility that is required to obtain a license if, after polling the operators, at least 67 percent of those operators vote in favor of the assessment. (NRS 422.3794) Existing law authorizes the expenditure of the money generated from such an assessment only to: (1) provide supplemental payments or enhanced rates of reimbursement under Medicaid to operators upon whom the assessment is imposed; and (2) administer provisions of law governing such assessments. (NRS 422.37945) **Section 2** of this bill authorizes the money to also be used to provide supplemental payments or enhanced rates of reimbursement to operators that are not subject to the assessment if such expenditure was identified as a potential use of the assessment in the polling of operators which received an affirmative vote from at least 67 percent of the operators on whom the assessment was to be imposed. **Section 2** additionally authorizes the Division to use money generated from an assessment imposed on private hospitals or rural hospitals to provide additional supports and services under Medicaid for recipients of Medicaid with serious behavioral health conditions. **Section 2** provides that not more than 15 percent of the total amount of money generated each year by such an assessment may be used for administrative costs and to fund such supports and services. **Section 1.8** of this bill requires the Division to provide each operator of a hospital or rural hospital who is polled concerning the imposition of such an assessment of the amount of the assessment that will be used for those purposes. **Section 1.8** also prohibits the continued imposition of such an assessment where state or federal law or regulations prohibit or alter the authorized uses of the revenue generated by the assessment. **Sections 1.2 and 1.4** of this bill define the terms “hospital” and “rural hospital,” respectively. **Section 1.6** of this bill makes conforming changes to indicate the proper placement of **sections 1.2 and 1.4** in the Nevada Revised Statutes.



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

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 1.2 and 1.4 of this act.

Sec. 1.2. ***“Hospital” has the meaning ascribed to it in NRS 449.012.***

Sec. 1.4. ***“Rural hospital” has the meaning ascribed to it in NRS 449.0177.***

Sec. 1.6. NRS 422.3791 is hereby amended to read as follows:

422.3791 As used in NRS 422.3791 to 422.3795, inclusive, ***and section 1.2 and 1.4 of this act***, unless the context otherwise requires, the words and terms defined in NRS 422.37915 to 422.37935, inclusive, ***and sections 1.2 and 1.4 of this act*** have the meanings ascribed to them in those sections.

Sec. 1.8. NRS 422.3794 is hereby amended to read as follows:

422.3794 1. Except as otherwise provided in this section, after polling the operators in an operator group and receiving an affirmative vote from at least 67 percent of the operators in that operator group, the Division may impose by regulation, against each operator in the operator group, an assessment in an amount equal to a percentage of the net revenue generated by the agency to provide personal care services in the home or medical facility, as applicable, from providing care in this State during a calendar or fiscal year. The Division shall adopt:

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

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

2. ***Before polling the operator of a hospital or a rural hospital pursuant to subsection 1, the Division shall provide the operator a statement of the amount of the revenue generated by the proposed assessment that will be used for the purposes prescribed by paragraphs (c) and (d) of subsection 3 of NRS 422.37945.***

3. The revenue from an assessment imposed pursuant to subsection 1 must be deposited in the Account.

~~3.1~~ 4. An assessment imposed pursuant to subsection 1 must comply with the provisions of 42 C.F.R. § 433.68. ***The revenue generated by such an assessment must be used only for the***



purposes authorized by NRS 422.37945. An assessment must not be imposed pursuant to subsection 1 if *state or* federal law or regulations prohibit ~~[using]~~ *or alter the use of* the revenue generated by the assessment for the purposes prescribed in NRS 422.37945. If new *state or* federal law or regulations imposing such a prohibition *or making such an alteration* are enacted or adopted, as applicable:

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

(b) Any money collected during the calendar or fiscal year, as applicable, in which the ~~[federal]~~ law or regulations become effective must be returned to the operators from whom it was collected.

~~[4.]~~ *5.* An operator shall submit to the Division any information requested by the Division for the purposes of carrying out the provisions of this section.

Sec. 2. NRS 422.37945 is hereby amended to read as follows:

422.37945 1. The Account to Improve Health Care Quality and Access is hereby created in the State General Fund. The Division shall administer the Account. The revenue from assessments and penalties imposed on the operators in each operator group must be accounted for separately in the Account.

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

3. ~~[The]~~ *Subject to the provisions of subsections 4 and 5,* money in the Account must be expended to:

(a) Provide supplemental payments or enhanced rates of reimbursement to operators ~~[in the operator group upon whom an assessment was imposed]~~ pursuant to an upper payment limit program established under the provisions of 42 C.F.R. § 447.272 or 447.321;

(b) Provide supplemental payments to operators ~~[in the operator group upon whom an assessment was imposed]~~ who provide care to recipients of Medicaid in addition to the reimbursements those operators would otherwise receive for providing such care; ~~[and]~~

(c) Administer the provisions of NRS 422.3791 to 422.3795, inclusive ~~[~~

~~—4.] ; and~~

(d) For money generated by an assessment imposed against the operators of private hospitals or private rural hospitals, fund additional supports and services under Medicaid, as approved by the Director, to improve access to behavioral health care for recipients of Medicaid with serious behavioral health conditions, including, without limitation, psychiatric disorders, in order to



reduce the burden imposed by such recipients on the emergency medical services and inpatient services of the hospitals in this State.

4. Not more than 15 percent of the total amount of money generated each year by assessments against the operators of private hospitals or private rural hospitals may be expended for the purposes described in paragraphs (c) and (d) of subsection 3. Money allocated for such expenditures must be used first for the purpose described in paragraph (c) of subsection 3. If money allocated for such expenditures remains after all necessary expenditures are made for that purpose, the Division shall expend the remaining money for the purpose described in paragraph (d) of subsection 3.

5. Money in the Account that was generated by a specific assessment must not be expended to provide supplemental payments or enhanced rates of reimbursement pursuant to subsection 3 to operators in an operator group that is not subject to the assessment unless such expenditure was identified as a potential use of revenue when the assessment received an affirmative vote of at least 67 percent of the operators in the operator group subject to the assessment pursuant to subsection 1 of NRS 422.3794.

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

7. The Director shall seek all necessary federal authority to capture all available federal financial participation to provide additional supports and services as described in paragraph (d) of subsection 3.

Sec. 3. This act becomes effective upon passage and approval.

