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ASSEMBLY BILL NO. 494—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE OFFICE OF FINANCE  
IN THE OFFICE OF THE GOVERNOR)

APRIL 8, 2019

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Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing financial support for health care for indigent persons. (BDR 38-1204)

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.

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AN ACT relating to health care; authorizing the use of money in the Fund for Hospital Care to Indigent Persons to offset certain decreases in other state funds; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing federal regulations authorize supplemental payments to hospitals by  
2 Medicaid using state and federal funds prescribed by federal law in an amount not  
3 to exceed an upper payment limit prescribed by federal law. (42 C.F.R. §§ 447.272,  
4 442.321) Existing law: (1) creates the Fund for Hospital Care to Indigent Persons;  
5 and (2) requires the board of county commissioners of each county to levy a tax and  
6 remit such taxes for credit to the Fund. (NRS 428.175, 428.185) Existing law  
7 authorizes the use of money in the Fund to make supplemental payments under the  
8 upper payment limit program. (NRS 428.206) Because the amount of payments  
9 under the upper payment limit program is limited, the provision of such payments  
10 from the Fund reduces federal matching funds for other components of the upper  
11 payment limit program. (42 C.F.R. §§ 447.272, 442.321) This bill authorizes the  
12 use of money in the Fund to offset a loss in savings generated by other components  
13 of the upper payment limit program caused by making supplemental payments from  
14 the Fund instead of those other components.

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

1       **Section 1.** NRS 428.206 is hereby amended to read as follows:

2       428.206 1. The Board of Trustees of the Fund for Hospital  
3 Care to Indigent Persons may enter into an agreement with the  
4 Division of Health Care Financing and Policy of the Department of  
5 Health and Human Services whereby:

6       (a) The Board agrees to transfer an agreed upon amount of  
7 money each year from the Fund to the Division;

8       (b) The Division agrees to use the money so transferred to  
9 ~~include~~:

10       (1) *Include* in the State Plan for Medicaid an enhanced rate  
11 of reimbursement for hospital care provided to recipients of  
12 Medicaid or to make supplemental payments to the hospital for the  
13 provision of such hospital care through increased federal financial  
14 participation;

15       (2) *Offset any decrease in savings generated by any*  
16 *component of the upper payment limit program established under*  
17 *the State Plan for Medicaid that results from providing*  
18 *supplemental payments to hospitals from the Fund pursuant to*  
19 *subparagraph (1); and ~~to satisfy~~*

20       (3) *Satisfy* any portion of the obligation of a county to pay  
21 the nonfederal share of expenditures pursuant to NRS 422.272;

22       (c) The Division agrees to return any money transferred to the  
23 Division pursuant to the agreement if the Federal Government does  
24 not approve the enhanced rate of reimbursement or supplemental  
25 payments included in the State Plan;

26       (d) The Board agrees to continue to transfer not less than the  
27 same amount of money as the previous year if the State Plan is  
28 approved by the Federal Government until the Board has requested  
29 the Division to exclude the enhanced rate of reimbursement or  
30 supplemental payments from the State Plan and the Federal  
31 Government approves the State Plan without such enhanced rates or  
32 supplemental payments; and

33       (e) The Division agrees to exclude the enhanced rate of  
34 reimbursement or supplemental payments from the State Plan when  
35 it is next submitted to the Federal Government for approval if so  
36 requested by the Board.

37       2. Any money transferred from the Fund to the Division  
38 pursuant to this section must not be used to replace or supplant  
39 funding available from other sources for the same purpose.

40       3. *As used in this section, "upper payment limit program"*  
41 *means a program providing for supplemental payments, not to*  
42 *exceed a limit calculated in the manner prescribed in the State*



1 *Plan for Medicaid, to hospitals owned or operated by a*  
2 *governmental entity other than this State or an agency of this*  
3 *State.*

4 **Sec. 2.** This act becomes effective upon passage and approval.



