

Assembly Bill No. 494–Committee on Ways and Means

CHAPTER.....

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:

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

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

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

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

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

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

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

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

(2) Offset any decrease in savings generated by any component of the upper payment limit program established under the State Plan for Medicaid that results from providing



supplemental payments to hospitals from the Fund pursuant to subparagraph (1); and ~~[to satisfy]~~

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

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

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

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

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

3. *As used in this section, "upper payment limit program" means a program providing for supplemental payments, not to exceed a limit calculated in the manner prescribed in the State Plan for Medicaid, to hospitals owned or operated by a governmental entity other than this State or an agency of this State.*

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

