

SENATE BILL NO. 452—COMMITTEE ON
HEALTH AND HUMAN SERVICES

MARCH 25, 2013

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing assistance provided to indigent persons. (BDR 38-1085)

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

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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 public welfare; allowing the Board of Trustees of the Fund for Hospital Care to Indigent Persons to commit money from the Fund to obtain higher rates of reimbursement for hospital care provided to recipients of Medicaid at certain hospitals; allowing the Board to further commit money from the Fund to satisfy the obligation of counties to pay certain matching funds for the nonfederal share of expenditures for certain persons who receive long-term care; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law creates the Fund for Hospital Care to Indigent Persons and
2 requires that money in the Fund be used to reimburse or partially reimburse
3 hospitals for certain unpaid charges for hospital care. (NRS 428.175) The Fund is
4 administered by a Board of Trustees. (NRS 428.205) **Section 2** of this bill allows
5 the Board to enter into an agreement with the Division of Health Care Financing
6 and Policy of the Department of Health and Human Services to transfer money
7 from the Fund to the Division to be used to provide enhanced rates of
8 reimbursement for hospital care provided to recipients of Medicaid or to make
9 supplemental payments to the hospital for the provision of such hospital care
10 through increased federal financial participation and to satisfy any portion of the
11 obligation of a county to pay the nonfederal share of certain expenditures relating to
12 long-term care. Once such an agreement is entered into and any enhanced rate of
13 reimbursement or supplemental payments are approved by the Federal
14 Government, the Board must continue to provide money pursuant to the agreement
15 until the Federal Government approves reverting to the previous rate of
16 reimbursement or payments.



17 **Section 3** of this bill creates the Hospital Assessment Account. If an agreement
18 is entered into between the Board of Trustees of the Fund and the Division of
19 Health Care Financing and Policy pursuant to **section 2**, certain hospitals are
20 required to pay an annual assessment for deposit into the Account in an amount
21 determined by the Board.

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

1 **Section 1.** Chapter 428 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2. 1.** *The Board may enter into an agreement with the*
4 *Division of Health Care Financing and Policy of the Department*
5 *of 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 in the State Plan for Medicaid an enhanced rate of*
10 *reimbursement for hospital care provided to recipients of Medicaid*
11 *or to make supplemental payments to the hospital for the provision*
12 *of such hospital care through increased federal financial*
13 *participation and to satisfy any portion of the obligation of a*
14 *county to pay the nonfederal share of expenditures pursuant to*
15 *NRS 422.272;*

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

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

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

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

34 **Sec. 3. 1.** *The Hospital Assessment Account, to be*
35 *administered by the Board, is hereby created in the Fund. The*



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

3 *2. If an agreement is entered into pursuant to section 2 of this*
4 *act, each hospital in this State, other than a hospital operated by a*
5 *federal, state or local governmental agency or a hospital certified*
6 *as a critical access hospital by the Centers for Medicare and*
7 *Medicaid Services of the United States Department of Health and*
8 *Human Services, shall pay an annual assessment for deposit into*
9 *the Account in an amount determined by the Board to be adequate*
10 *to provide reimbursement or partial reimbursement to hospitals*
11 *for uncompensated hospital care based upon the amount paid*
12 *from the Account during the immediately preceding year.*

13 *3. Any money remaining in the Account at the end of a fiscal*
14 *year that has not been committed for expenditure must be*
15 *reimbursed to each hospital that paid an assessment pursuant to*
16 *this section for that fiscal year in an amount proportional to the*
17 *amount of the assessment paid by the hospital compared to the*
18 *total amount of assessments collected.*

19 *4. The assessments required pursuant to this section must be*
20 *paid at such times as are established by the Board and must be*
21 *deposited with the State Treasurer for credit to the Account.*

22 **Sec. 4.** NRS 428.115 is hereby amended to read as follows:

23 428.115 As used in NRS 428.115 to 428.255, inclusive, *and*
24 *sections 2 and 3 of this act*, unless the context otherwise requires,
25 the words and terms defined in NRS 428.125 to 428.165, inclusive,
26 have the meanings ascribed to them in those sections.

27 **Sec. 5.** NRS 428.175 is hereby amended to read as follows:

28 428.175 1. The Fund for Hospital Care to Indigent Persons is
29 hereby created as a special revenue fund for the purposes described
30 in NRS 428.115 to 428.255, inclusive **†**, *and sections 2 and 3 of*
31 *this act.*

32 2. Except as otherwise provided in subsection 3, money
33 collected or recovered pursuant to NRS 428.115 to 428.255,
34 inclusive, *and sections 2 and 3 of this act* and the interest earned on
35 the money in the Fund must be deposited for credit to the Fund.

36 3. Any money paid by a county pursuant to NRS 428.255 must
37 be accounted for separately in the Fund and must be used to
38 reimburse or partially reimburse a hospital for unpaid charges for
39 hospital care pursuant to NRS 428.115 to 428.255, inclusive, *and*
40 *sections 2 and 3 of this act* as other claims against the Fund are
41 paid.

42 4. Claims against the Fund must be paid on claims approved by
43 the Board.



- 1 **Sec. 6.** NRS 428.205 is hereby amended to read as follows:
2 428.205 The Board shall administer the Fund and for that
3 purpose may:
4 1. Enter into all necessary contracts and agreements.
5 2. Purchase appropriate insurance to cover that portion of a
6 claim for which the Fund is liable and which exceeds an amount
7 agreed upon by the Board and the insurer.
8 3. Employ personnel as necessary and prescribe their
9 compensation and working conditions.
10 4. Enter into agreements ~~{with the Department of~~
11 ~~Administration}~~ to obtain the services of consultants, attorneys,
12 auditors, accountants, actuaries and managers of risk.
13 5. Rent, lease, purchase or otherwise procure or receive real or
14 personal property.
15 6. Adopt regulations necessary for carrying out the provisions
16 of NRS 428.115 to 428.255, inclusive ~~H~~, *and sections 2 and 3 of*
17 *this act.*
18 **Sec. 7.** This act becomes effective on July 1, 2013.

