

SENATE BILL NO. 482—COMMITTEE ON  
HEALTH AND HUMAN SERVICES

MARCH 27, 2017

Referred to Committee on Health and Human Services

SUMMARY—Provides for the establishment of a system for rating certain health care facilities. (BDR 40-605)

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; requiring the State Board of Health to establish a system for rating medical facilities and facilities for the dependent using letter grades; requiring the posting of the letter grade assigned to such a facility in certain places; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law authorizes the Division of Public and Behavioral Health of the  
2 Department of Health and Human Services to conduct inspections to ensure  
3 compliance with all applicable regulations and standards. (NRS 449.132) This bill  
4 requires: (1) the State Board of Health to establish a system for rating medical  
5 facilities and facilities for the dependent based on those inspections; (2) the rating  
6 system to provide for the assignment of a letter grade of A, B, C, D or F to each  
7 medical facility or facility for the dependent based on compliance with applicable  
8 statutes, regulations and standards; and (3) the rating of each facility to be posted  
9 on the Internet website maintained by the Division and in a conspicuous place near  
10 each entrance to the facility that is regularly used by the public.

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

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

- 3 ***1. The Board shall adopt regulations establishing:***
- 4 ***(a) A system for rating each medical facility and facility for the***
- 5 ***dependent based on an inspection conducted by the Division***



1 *pursuant to NRS 449.132. The rating system must provide for the*  
2 *assignment of a letter grade of A, B, C, D or F to each medical*  
3 *facility or facility for the dependent based on compliance with*  
4 *applicable statutes, regulations and standards, including, without*  
5 *limitation, the number of resolved and unresolved violations and*  
6 *the severity of those violations.*

7 *(b) Procedures by which a medical facility or facility for the*  
8 *dependent that is assigned a grade of C, D or F may request a*  
9 *follow-up inspection.*

10 *2. Not later than 30 days after inspecting a medical facility or*  
11 *facility for the dependent pursuant to NRS 449.132, the Division*  
12 *shall post on an Internet website maintained by the Division a*  
13 *report which must include:*

14 *(a) The letter grade assigned to the facility pursuant to*  
15 *subsection 1; and*

16 *(b) A report of each unresolved violation of an applicable*  
17 *statute or regulation and proposed actions to correct the violation.*

18 *3. A medical facility or facility for the dependent shall post*  
19 *the letter grade assigned to the facility pursuant to subsection 1*  
20 *after the most recent inspection in a conspicuous place near each*  
21 *entrance to the facility that is regularly used by the public and*  
22 *inform any person of that letter grade upon request.*

23 **Sec. 2.** NRS 449.030 is hereby amended to read as follows:

24 449.030 1. Except as otherwise provided in NRS 449.03013  
25 and 449.03015, no person, state or local government or agency  
26 thereof may operate or maintain in this State any medical facility or  
27 facility for the dependent without first obtaining a license therefor as  
28 provided in NRS 449.030 to 449.2428, inclusive **H**, *and section 1*  
29 *of this act.*

30 2. Unless licensed as a facility for hospice care, a person, state  
31 or local government or agency thereof shall not operate a program  
32 of hospice care without first obtaining a license for the program  
33 from the Board.

34 **Sec. 3.** NRS 449.0301 is hereby amended to read as follows:

35 449.0301 The provisions of NRS 449.030 to 449.2428,  
36 inclusive, *and section 1 of this act* do not apply to:

37 1. Any facility conducted by and for the adherents of any  
38 church or religious denomination for the purpose of providing  
39 facilities for the care and treatment of the sick who depend solely  
40 upon spiritual means through prayer for healing in the practice of  
41 the religion of the church or denomination, except that such a  
42 facility shall comply with all regulations relative to sanitation and  
43 safety applicable to other facilities of a similar category.

44 2. Foster homes as defined in NRS 424.014.



1 3. Any medical facility or facility for the dependent operated  
2 and maintained by the United States Government or an agency  
3 thereof.

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

5 449.0302 1. The Board shall adopt:

6 (a) Licensing standards for each class of medical facility or  
7 facility for the dependent covered by NRS 449.030 to 449.2428,  
8 inclusive, *and section 1 of this act* and for programs of hospice  
9 care.

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

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

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

24 (e) Any other regulations as it deems necessary or convenient to  
25 carry out the provisions of NRS 449.030 to 449.2428, inclusive **H**,  
26 *and section 1 of this act*.

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

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

30 (b) Residential facilities for groups,

31 ↪ which provide care to persons with Alzheimer's disease.

32 3. The Board shall adopt separate regulations for:

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

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

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

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



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

7 6. The Board shall adopt separate regulations regarding the  
8 assistance which may be given pursuant to NRS 453.375 and  
9 454.213 to an ultimate user of controlled substances or dangerous  
10 drugs by employees of residential facilities for groups. The  
11 regulations must require at least the following conditions before  
12 such assistance may be given:

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

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

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

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

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

24 (d) The prescribed medication is not administered by injection  
25 or intravenously.

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

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

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

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

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

44 (2) Contain a sleeping area or bedroom; and



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

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

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

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

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

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

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

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

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

31 8. The Division may grant an exception from the requirement  
32 of subparagraph (1) of paragraph (b) of subsection 7 to a facility  
33 which is licensed as a residential facility for groups on or before  
34 July 1, 2005, and which is authorized to have 10 or fewer beds and  
35 was originally constructed as a single-family dwelling if the  
36 Division finds that:

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

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

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

42 (2) Result in more than two residents sharing a toilet facility;

43 or

44 (3) Otherwise impair substantially the purpose of that  
45 requirement.



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

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

8 (b) The adoption of plans to provide for the evacuation of a  
9 residential facility for groups in an emergency, including, without  
10 limitation, plans to ensure that nonambulatory patients may be  
11 evacuated;

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

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

17 10. The regulations governing the licensing and operation of  
18 facilities for transitional living for released offenders must provide  
19 for the licensure of at least three different types of facilities,  
20 including, without limitation:

21 (a) Facilities that only provide a housing and living  
22 environment;

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

27 (c) Facilities that provide or arrange for the provision of alcohol  
28 and drug abuse programs, in addition to providing a housing and  
29 living environment and providing or arranging for the provision of  
30 other supportive services.

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

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

36 **Sec. 5.** NRS 449.0306 is hereby amended to read as follows:

37 449.0306 1. Money received from licensing medical facilities  
38 and facilities for the dependent must be forwarded to the State  
39 Treasurer for deposit in the State General Fund.

40 2. The Division shall enforce the provisions of NRS 449.030 to  
41 449.245, inclusive, *and section 1 of this act*, and may incur any  
42 necessary expenses not in excess of money appropriated for that  
43 purpose by the State or received from the Federal Government.



1     **Sec. 6.** NRS 449.160 is hereby amended to read as follows:

2     449.160 1. The Division may deny an application for a  
3 license or may suspend or revoke any license issued under the  
4 provisions of NRS 449.030 to 449.2428, inclusive, *and section 1 of*  
5 *this act* upon any of the following grounds:

6     (a) Violation by the applicant or the licensee of any of the  
7 provisions of NRS 439B.410 or 449.030 to 449.245, inclusive, *and*  
8 *section 1 of this act*, or of any other law of this State or of the  
9 standards, rules and regulations adopted thereunder.

10    (b) Aiding, abetting or permitting the commission of any illegal  
11 act.

12    (c) Conduct inimical to the public health, morals, welfare and  
13 safety of the people of the State of Nevada in the maintenance and  
14 operation of the premises for which a license is issued.

15    (d) Conduct or practice detrimental to the health or safety of the  
16 occupants or employees of the facility.

17    (e) Failure of the applicant to obtain written approval from the  
18 Director of the Department of Health and Human Services as  
19 required by NRS 439A.100 or as provided in any regulation adopted  
20 pursuant to NRS 449.001 to 449.430, inclusive, *and section 1 of*  
21 *this act* and 449.435 to 449.965, inclusive, if such approval is  
22 required.

23    (f) Failure to comply with the provisions of NRS 449.2486.

24    2. In addition to the provisions of subsection 1, the Division  
25 may revoke a license to operate a facility for the dependent if, with  
26 respect to that facility, the licensee that operates the facility, or an  
27 agent or employee of the licensee:

28    (a) Is convicted of violating any of the provisions of  
29 NRS 202.470;

30    (b) Is ordered to but fails to abate a nuisance pursuant to NRS  
31 244.360, 244.3603 or 268.4124; or

32    (c) Is ordered by the appropriate governmental agency to correct  
33 a violation of a building, safety or health code or regulation but fails  
34 to correct the violation.

35    3. The Division shall maintain a log of any complaints that it  
36 receives relating to activities for which the Division may revoke the  
37 license to operate a facility for the dependent pursuant to subsection  
38 2. The Division shall provide to a facility for the care of adults  
39 during the day:

40    (a) A summary of a complaint against the facility if the  
41 investigation of the complaint by the Division either substantiates  
42 the complaint or is inconclusive;

43    (b) A report of any investigation conducted with respect to the  
44 complaint; and

45    (c) A report of any disciplinary action taken against the facility.



1   ↳ The facility shall make the information available to the public  
2 pursuant to NRS 449.2486.

3   4. On or before February 1 of each odd-numbered year, the  
4 Division shall submit to the Director of the Legislative Counsel  
5 Bureau a written report setting forth, for the previous biennium:

6   (a) Any complaints included in the log maintained by the  
7 Division pursuant to subsection 3; and

8   (b) Any disciplinary actions taken by the Division pursuant to  
9 subsection 2.

10   **Sec. 7.** NRS 449.163 is hereby amended to read as follows:

11   449.163 1. In addition to the payment of the amount required  
12 by NRS 449.0308, if a medical facility or facility for the dependent  
13 violates any provision related to its licensure, including any  
14 provision of NRS 439B.410 or 449.030 to 449.2428, inclusive, *and*  
15 *section 1 of this act* or any condition, standard or regulation adopted  
16 by the Board, the Division, in accordance with the regulations  
17 adopted pursuant to NRS 449.165, may:

18   (a) Prohibit the facility from admitting any patient until it  
19 determines that the facility has corrected the violation;

20   (b) Limit the occupancy of the facility to the number of beds  
21 occupied when the violation occurred, until it determines that the  
22 facility has corrected the violation;

23   (c) If the license of the facility limits the occupancy of the  
24 facility and the facility has exceeded the approved occupancy,  
25 require the facility, at its own expense, to move patients to another  
26 facility that is licensed;

27   (d) Impose an administrative penalty of not more than \$1,000  
28 per day for each violation, together with interest thereon at a rate not  
29 to exceed 10 percent per annum; and

30   (e) Appoint temporary management to oversee the operation of  
31 the facility and to ensure the health and safety of the patients of the  
32 facility, until:

33   (1) It determines that the facility has corrected the violation  
34 and has management which is capable of ensuring continued  
35 compliance with the applicable statutes, conditions, standards and  
36 regulations; or

37   (2) Improvements are made to correct the violation.

38   2. If a violation by a medical facility or facility for the  
39 dependent relates to the health or safety of a patient, an  
40 administrative penalty imposed pursuant to paragraph (d) of  
41 subsection 1 must be in a total amount of not less than \$1,000 and  
42 not more than \$10,000 for each patient who was harmed or at risk of  
43 harm as a result of the violation.

44   3. If the facility fails to pay any administrative penalty imposed  
45 pursuant to paragraph (d) of subsection 1, the Division may:





1 (a) Suspend the license of the facility until the administrative  
2 penalty is paid; and

3 (b) Collect court costs, reasonable attorney's fees and other  
4 costs incurred to collect the administrative penalty.

5 4. The Division may require any facility that violates any  
6 provision of NRS 439B.410 or 449.030 to 449.2428, inclusive, *and*  
7 *section 1 of this act* or any condition, standard or regulation adopted  
8 by the Board to make any improvements necessary to correct the  
9 violation.

10 5. Any money collected as administrative penalties pursuant to  
11 paragraph (d) of subsection 1 must be accounted for separately and  
12 used to administer and carry out the provisions of NRS 449.001 to  
13 449.430, inclusive, *and section 1 of this act* and 449.435 to  
14 449.965, inclusive, to protect the health, safety, well-being and  
15 property of the patients and residents of facilities in accordance with  
16 applicable state and federal standards or for any other purpose  
17 authorized by the Legislature.

18 **Sec. 8.** NRS 449.220 is hereby amended to read as follows:

19 449.220 1. The Division may bring an action in the name of  
20 the State to enjoin any person, state or local government unit or  
21 agency thereof from operating or maintaining any facility within the  
22 meaning of NRS 449.030 to 449.2428, inclusive ~~†~~, *and section 1*  
23 *of this act*:

24 (a) Without first obtaining a license therefor; or

25 (b) After his or her license has been revoked or suspended by  
26 the Division.

27 2. It is sufficient in such action to allege that the defendant did,  
28 on a certain date and in a certain place, operate and maintain such a  
29 facility without a license.

30 **Sec. 9.** NRS 654.190 is hereby amended to read as follows:

31 654.190 1. The Board may, after notice and an opportunity  
32 for a hearing as required by law, impose an administrative fine of  
33 not more than \$10,000 for each violation on, recover reasonable  
34 investigative fees and costs incurred from, suspend, revoke, deny  
35 the issuance or renewal of or place conditions on the license of, and  
36 place on probation or impose any combination of the foregoing on  
37 any nursing facility administrator or administrator of a residential  
38 facility for groups who:

39 (a) Is convicted of a felony relating to the practice of  
40 administering a nursing facility or residential facility or of any  
41 offense involving moral turpitude.

42 (b) Has obtained his or her license by the use of fraud or deceit.

43 (c) Violates any of the provisions of this chapter.

44 (d) Aids or abets any person in the violation of any of the  
45 provisions of NRS 449.030 to 449.2428, inclusive, *and section 1 of*



1 *this act*, as those provisions pertain to a facility for skilled nursing,  
2 facility for intermediate care or residential facility for groups.

3 (e) Violates any regulation of the Board prescribing additional  
4 standards of conduct for nursing facility administrators or  
5 administrators of residential facilities for groups, including, without  
6 limitation, a code of ethics.

7 (f) Engages in conduct that violates the trust of a patient or  
8 resident or exploits the relationship between the nursing facility  
9 administrator or administrator of a residential facility for groups and  
10 the patient or resident for the financial or other gain of the licensee.

11 2. If a licensee requests a hearing pursuant to subsection 1, the  
12 Board shall give the licensee written notice of a hearing pursuant to  
13 NRS 233B.121 and 241.034. A licensee may waive, in writing, his  
14 or her right to attend the hearing.

15 3. The Board may compel the attendance of witnesses or the  
16 production of documents or objects by subpoena. The Board may  
17 adopt regulations that set forth a procedure pursuant to which the  
18 Chair of the Board may issue subpoenas on behalf of the Board.  
19 Any person who is subpoenaed pursuant to this subsection may  
20 request the Board to modify the terms of the subpoena or grant  
21 additional time for compliance.

22 4. An order that imposes discipline and the findings of fact and  
23 conclusions of law supporting that order are public records.

24 5. The expiration of a license by operation of law or by order  
25 or decision of the Board or a court, or the voluntary surrender of a  
26 license, does not deprive the Board of jurisdiction to proceed with  
27 any investigation of, or action or disciplinary proceeding against, the  
28 licensee or to render a decision suspending or revoking the license.

29 **Sec. 10.** This act becomes effective upon passage and approval  
30 for the purpose of adopting regulations and performing any other  
31 administrative tasks that are necessary to carry out the provisions of  
32 this act and on January 1, 2018, for all other purposes.





