

MINUTES - COMMERCE COMMITTEE - 56TH ASSEMBLY - April 7, 1971

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Members present: McKissick, Ashworth, Hilbrecht, Hafen, Branch, Lingenfelter, Poggione, Capurro

Members absent: Dini

Others present: George Vargas, American Insurance Corp.; Dr. Tom White, Dept. of Commerce; Preston Tidvall, Pres. of Bank; Senator Mel Close; Insurance Commission Rotman; Carol Ogren, Washoe Hospital Administrator; Paul Richards, attorney

SB-526 - Requires commissioner of insurance to provide list of certified sureties.

George Vargas explained that this bill was proposed to save the judges' time who are required to sign bonds. This would place the responsibility of being sure that the bonding companies are reliable with the insurance commissioner. He stated that he could see no real need for this legislation. Senator Close introduced the bill and explained this had been requested by Judge Mendoza of Las Vegas. He stated it would be a one-time list for the insurance commissioner to submit to the judges but would be the insurance commissioner's responsibility to amend as changes occur. Dr. White stated they did not like judges to make perfunctory signatures. Capurro stated he didn't think it involved many man-hours on the part of the judges and they had just approved a raise for the judges, 4 more judges for Clark County and 1 more for Washoe County. Lingenfelter asked that if the bonding company is approved, isn't it their responsibility. Vargas stated he hadn't heard of a surety company going broke in Nevada.

SB-343 - Revises law governing state banks and banking.

Preston Tidvall, President of the Banks, appeared and stated they favored this bill.

SB-517 - Provides prepaid funeral service contract requirements.

Senator Close went over the bill explaining the license requirements for salesmen, the bonding of \$50,000/\$5,000 and the trust fund requirements. They would be on a 75% investment to banks, government bonds and allow 25% to go to the sales companies. The trust fund would be left until it earned 100% if in bonds or banks but if in stocks or risk investments, would be left until they earned 125%. Capurro and Close are to work out small changes and report back to the committee.

SB-551 - Broadens scope of cemetery authority law.

Senator Close explained that legislation was passed two years ago whereby

they combined prepaid funeral service contract requirements with cemetery authority law. He stated they do not work together as there is a broad difference. Commission on regular cemetery sales is 40-commission/60-trust and on prepaid funeral contracts, it is 25-commission/75-trust. Capurro had proposed a bill which would provide that in the event a prepaid funeral contract is not used and the person is deceased, the money would revert to the state while Senator Close would have it revert to the sales company.

SB-56 - Revises license application and qualification requirements for private investigators, private patrolmen, process servers, polygraph operators and repossessors.

Senator explained that this legislation is needed to have control over trainers of dogs who are used for security.

AB-472 - Prepaid funeral contracts.

Dr. White stated this bill is good as it will help the public so that they will not spend more money when overemotional at the time of a death. Commissioner Rotman also stated that this bill is good although he stated this could be by regulation as he interpreted the attorney general's opinion.

SB-551 - Broadens scope of cemetery authority law.

Commissioner Rotman stated he thought this bill should be amended.

AB-579 - Requires county hospitals to carry liability insurance for physicians treating indigents.

McKissick stated a telegram had been received stating that an insurance company would write a blanket policy for this malpractice insurance and the premium costs would be in tomorrow. Carol Ogren, Administrator of Washoe Medical Center, explained that they have a paid staff who treat indigents and that the doctors who would be under this blanket policy, do not treat them unless they are called in for consultation or surgery. He stated that they have about 14 of this type patient per month as most patients who cannot pay, go to other medical installations or are covered by Medicare, Medical, etc. He stated that this coverage for only 2% or less of the patients being cared for as indigents was unnecessary. They have had no lawsuits filed by indigents. Poggione stated he has not seen any statistics showing how much their premium would be lowered if the umbrella malpractice policy was in effect. This bill will be discussed further when they receive the figures from the insurance company who agreed to furnish this type policy.

MOTION BY CAPURRO FOR A DO PASS ON SB-343, SECONDED BY BRANCH AND CARRIED.

MOTION BY CAPURRO FOR AN INDEFINITELY POSTPONE ON SB-526, SECONDED BY CAPURRO AND CARRIED.

MOTION BY CAPURRO FOR A DO PASS ON SB-90, SECONDED BY BRANCH AND CARRIED.

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Capurro is to get the reprints on amendments for AB-732. MOTION BY POGGIONE FOR AN AMEND AND DO PASS ON AB-732, SECONDED BY HAFEN AND CARRIED.

MOTION BY CAPURRO FOR AN AMEND AND DO PASS ON SB-91, SECONDED BY POGGIONE AND CARRIED. For the record, Hilbrecht stated he isn't in favor of two people from the industry being on the committee but otherwise approves the bill.

AB-230 - Permits enforcement of gambling obligations in the courts.

For the record, Branch stated he did not like the discourtesy displayed by the Senate Judiciary Committee in not inviting the sponsor of this bill, Assemblyman McKissick, or either co-sponsor, Assemblyman May or himself to their meeting when they killed this bill.

Meeting adjourned: 12:10 P.M.

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SOME REASONS FOR THE RECOMMENDED DEFEAT OF AB 579

1. The County indigent load at WMC is currently below two percent.
2. The Hospital of the County is being asked to indemnify 200 physicians, all of whom potentially consult on County indigent patients.
3. All physicians on the County hospital staff sign the Rules and Regulations of the Medical Staff which makes it a privilege of County Medical Staff membership to rotate on service assignment some time during the year, in the treatment of the indigent.
4. The County Hospital admits no more than 28 County indigent patients per month. These patients are cared for by Dr. Lawrence Russell, and a staff of two other physicians, paid by the hospital and covered under the hospital mal-practice policy. Less than one half of these patients are seen in consultation by physicians who now ask that all staff members be granted mal-practice insurance coverage to be paid by the Hospital or the County.
5. The Hospital now pays ninety-six thousand dollars per year, for its liability and mal-practice coverage. To add to this the cost of insuring 200 physicians for potential mal-practice claims is attaching an unfair burden on the already over-taxed private patient.
6. Private and Church sponsored hospitals do some charity work. Physicians who assist in the care of these patients should also be indemnified by the Administration of those Hospitals.
7. Private physicians on the staff of the County Hospital act as consultants at

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the Veterans Administration Hospital. Patients not Service-Connected must be indigent to be admitted to this Hospital. Here again, the Veterans Administration ²⁷⁷ Hospital should be required to indemnify all private physicians participating in the care of indigent Veterans.

8. Medicaid, or Title 19, or SAMI patients are indigent. In these cases, the State should be required to indemnify all physicians participating in this program.
9. Indian patients are indigent. The U.S. Public Health Service should be required to indemnify physicians participating in the care of Indians qualified under the program.
10. Other Federal programs which should provide mal-practice for participating physicians would include: Crippled Children, Maternal Child Care, Cuban Indigent Relief, Migratory Farm Workers, Active Military, Dependents of the Military, and others.
11. Carried to a logical degree, the State should indemnify physicians who care for N.I.C. patients.
12. In the past fifteen years, there has not been one successful mal-practice suit brought against a physician member of the Washoe Medical Center staff, as a result of participating in the treatment of a County indigent patient.
13. It cannot be proved that the tiny percentage of County indigent patients seen by Private Staff Members contributes in the least to the cost of mal-practice insurance carried by the Private Physicians.
14. Fifteen years ago, Private Staff Members in Washoe Medical Center participated in the care of an indigent patient load totalling 30 percent. This load is now below 2 percent. The Hospital and the County did not indemnify physicians then, and it does not now.
15. No Insurance Company stands prepared to provide a figure relating to the true cost of indemnifying 200 physicians for liability and mal-practice insurance covering every conceivable specialty in medicine. Any insurance company willing to assume such a potential risk will not do so at its own expense.

16. Washoe Medical Center, along with Washoe County is unalterably opposed to the passage of A.B. 579. It is needless to say that in any suit involving the treatment of an indigent patient, the County of Washoe, along with the Washoe Medical Center will be named along with the physician in attendance. The precedent has been established and is in practice.
17. Washoe Medical Center and Washoe County provide the physicians of the County with their tools and their workshop; it is ridiculous that they be asked to provide any share of his mal-practice insurance.



C. W. Ogren
Administrator