

Date: February 21, 1979

Page: 1

Committee in Session at 8:30 am on Wednesday, February 21, 1979.

Senator Keith Ashworth in the Chair.

PRESENT: Chairman Keith Ashworth
Vice-Chairman Joe Neal
Senator Clifton Young
Senator Rick Blakemore
Senator Wilbur Faiss

ABSENT: Senator Jim Kosinski

GUESTS: Ms. Myrl Nygren, Administrator, Office of Health
Planning and Resources
Mr. Carl R. Dahlen, Greater Nevada Health Systems
Agency
Mr. Fred Hillerby, Nevada Hospital Association

Chairman Ashworth opened the meeting with the hearing on S.B. 146.

Ms. Myrl Nygren, Administrator, Office of Health Planning and Resources, stated the purpose of the bill was to make the agency's operation more workable by bringing it into compliance with federal programs. She stated it would remove limitations on collecting statistical and other informational data. Ms. Nygren noted that past reports do not contain information the agency must address in the state health plan. She stated that the Office of Health Planning and Resources has met with some of the agencies affected by the proposed changes in the law. From those meetings, Ms. Nygren presented Exhibit "A" to the committee which were the agreed modifications. She stated the changes in Section 1, subsection 3(b) would provide the agency the ability to negotiate with health care providers as to the type and extent of data needed.

Senator Neal questioned the need for the verbage, "mutually agreed upon," as it indicates the health care provider can refuse to submit data. Ms. Nygren agreed; however, she stated the health care providers' concern was with usable data submitted without undue financial hardship. She noted that obtaining data is currently a cooperative endeavor and the agency would like to keep it on a cooperative basis.

Senator Young asked if this cooperative basis would affect compliance with federal regulations. Ms. Nygren stated that the federal government recognizes that every state is at a different level of gathering data and accepts plans based on data the state is able to produce.

Senator Neal questioned the usage of data; for example, in the area of equipment. Ms. Nygren stated a determination is made as to the utilization of a service to its most cost-effective level.

Date: February 21, 1979

Page: 2

On Page 2, subsection 2(d), Lines 31-33, Ms. Nygren stated they wished to delete the brackets to remain in conformity with federal law. She also stated that based upon the difficulty of review, they requested the deletion on Page 2 of Section 2, subsection 2(e), Lines 37 and 38.

Ms. Nygren stated the only other substantitive change was in Section 2, subsection 2(c) which would put the agency in compliance with federal regulations.

Ms. Nygren stated the last change was in Section 3, subsection 1, Lines 48-50, and pertained to health facility construction projects funded by the federal government would be required to submit their proposals to the agency as well as the local health systems agency.

Mr. Carl Dahlen, president of governing body of Greater Nevada Health Systems Agency, spoke in favor of the proposed changes to S.B. 146. He stated the agency's purpose is to review the needs of the people of Nevada and determine how the health systems can best meet those needs at reasonable cost. Mr. Dahlen stressed the necessity of data and the cooperative approach to receiving the data. He stated the \$150,000 limit referred to in Section 2, subsection 2(d), Line 32 is necessary to insure that major capital expenditures will be reviewed. As to deleting Section 2, subsection 2(e), Lines 37 and 38, Mr. Dahlen agreed based upon the belief that a review of that nature should not be a function of the Office of Health Planning and Resources.

Senator Neal questioned the need of the legislation as currently the agencies involved are receiving the information on a co-operative basis.

Chairman Ashworth noted that the bill was modernizing the language of the existing legislation. Senator Blakemore stated that the language will also place the agency in compliance with federal regulations.

Mr. Fred Hillerby, Nevada Hospital Association, spoke in favor of S.B. 146 (see Exhibit "B").

There being no further testimony, Chairman Ashworth closed the hearing on S.B. 146.

S.B. 146 (Exhibit "C")

Senator Young moved to "Amend" as suggested by the Office of Health Planning and Resources (Exhibit "A") and "Do Pass."

Seconded by Senator Blakemore.

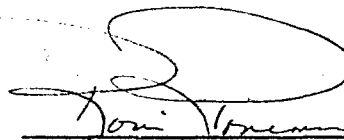
Motion carried.

Yeas -- 5
Nays -- None
Absent -- Senator Kosinski

Chairman Ashworth assigned the floor debate on S.B. 146 to Senator Young.

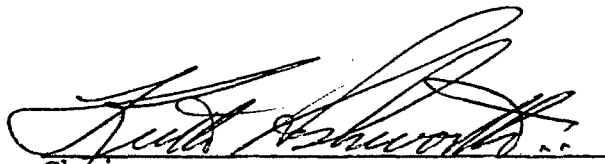
There being no further business, Chairman Ashworth adjourned the meeting at 9:16 am.

Respectfully submitted,



Roni Ronemus
Committee Secretary

Approved:



Chairman
Senator Keith Ashworth



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EXHIBIT "A"

MYRL NYGREN
ADMINISTRATOR

PROPOSED CHANGES TO SB 146

439A.081(3)(b) (lines 1 through 4): Require providers of health care doing business in the state to [continue to] make statistical and other reports to the department, [, to the same extent customarily made in the year 1977] appropriate to the performance of its [the department's] duties under this chapter, [.] the contents of which will be mutually agreed upon by the office of health planning and resources, the health systems agencies and the provider groups affected.

439A.100(d) (lines 31 through 33): delete brackets.

439A.100(e) (lines 37 through 38): delete.

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S.B. 146

SENATE COMMITTEE ON HUMAN RESOURCES AND FACILITIES

Mr. Chairman, my name is Fred Hillerby, and I represent the Nevada Hospital Association.

We would like to speak in favor of S.B. 146 with the amendments offered by Miss Nygren of the State Office of Health Planning.

The Nevada Hospital Association has historically supported responsible health planning and in fact, helped write the original certificate of need law passed by the 1971 Nevada Legislature.

We would like to commend the Office of Health Planning and the local health systems agencies for their co-operation and willingness to include the provider community in making changes to the health planning law.

The proposed amendments to S.B. 146 will assure continued thoughtful planning to help our health community respond to and plan for the health care needs of a growing population.

The first change will provide planners and health care providers the opportunity to discuss data needs and the most appropriate way to respond to those needs without creating unnecessary and costly paperwork requirements.

The second proposed change will retain an appropriate dollar threshold for the review of new services. This is consistent with the stated goals of health planning—that is, the provision of needed services at a reasonable cost to the patient. The threshold allows for community review of those services that would require significant expenditures of finite resources and yet not restrict the needed responsiveness on the part of the provider community by imposing a cumbersome, costly regulatory process.

We would agree that the change of ownership provision would be difficult if not impossible to administer and support the deletion of that suggested provision.

Again, we support the passage of S.B. 146 with the proposed amendments. I would be happy to answer any questions you may have of me.

SENATE BILL NO. 146—COMMITTEE ON HUMAN
RESOURCES AND FACILITIES

JANUARY 30, 1979

Referred to Committee on Human Resources and Facilities

SUMMARY—Changes certain requirements respecting licenses and construction applications of health facilities and agencies. (BDR 40-150)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to public health; removing a limitation on certain reports; providing an additional circumstance under which approval of licenses to health facilities and agencies is required; requiring the submission of applications for certain construction projects to the appropriate health systems agency; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 439A.081 is hereby amended to read as follows:
2 439A.081 1. The department shall act as the state health planning
3 and development agency for the purposes of the Federal Act. As [such]
4 that state agency, the department shall:
5 (a) Carry out the state administrative program and perform the state
6 health planning and development functions prescribed in the Federal
7 Act; and
8 (b) Consult with and assist the council,
9 and may accept and disburse money granted by the Federal Government
10 pursuant to the Federal Act.
11 2. The director of the department may establish within the depart-
12 ment an office of health planning and resources, consisting of employees
13 in the classified service, which shall:
14 (a) Perform health planning functions and develop health resources
15 for the state.
16 (b) Carry out the functions of the department as *the* state agency
17 under the Federal Act.
18 3. The department may:
19 (a) Adopt such regulations as are necessary to carry out the pro-
20 visions of this chapter.

1 (b) Require providers of health care doing business in the state to con-
2 tinue to make statistical and other reports [, to the same extent cus-
3 tomarily made in the year 1977,] appropriate to the performance of the
4 department's duties under this chapter.

5 SEC. 2. NRS 439A.100 is hereby amended to read as follows:

6 439A.100 1. The health division of the department of human
7 resources shall not issue a new license or alter an existing license for
8 changes in the number of beds or types of services offered by a hospital,
9 ambulatory surgical care center, skilled nursing facility, intermediate
10 care facility or home health agency without an approval in writing from
11 the director of the department or *its* office of health planning and
12 resources.

13 2. The situations in which this approval is required include:

14 (a) The construction, development or other establishment of a new
15 health care facility or health maintenance organization;

16 (b) Any expenditure by or on behalf of a health care facility or health
17 maintenance organization in excess of \$150,000, or such amount as the
18 department may specify in regulations adopted pursuant to this chapter,
19 which under generally accepted accounting principles consistently applied
20 is a capital expenditure;

21 (c) A change in the number of existing beds in a hospital, skilled
22 nursing facility, intermediate care facility, end-stage renal disease treat-
23 ment facility or health maintenance organization through the addition or
24 removal of five or more beds [,] *or a number of beds equal to 10 per-*
25 *cent of the licensed capacity of that facility or organization, whichever*
26 *is less, or the relocation [of five or more beds] from one physical*
27 *facility to another [; and] of five or more beds or a number of beds*
28 *equal to 10 percent of the licensed capacity of that facility, whichever*
29 *is less;*

30 (d) The offering of health services in or through a health care facility,
31 home health agency or health maintenance organization [, costing more
32 than \$150,000 or such amount as the department may specify in regula-
33 tions adopted pursuant to this chapter,] which were not offered on a
34 regular basis in or through that facility, agency or organization within
35 the 12-month period before the time when such services would be
36 offered [.] ; *and*

37 (e) *A change in ownership of a health care facility, home health*
38 *agency or health maintenance organization.*

39 3. Upon receipt of an application for such approval, the director or
40 office shall consider any recommendation of a health systems agency. A
41 decision to approve or disapprove the application must generally be
42 based on the need for services, utilizing criteria, established by the
43 department by regulation, which are consistent with the purposes set
44 forth in NRS 439A.020 and with the goals and priorities of the health
45 plans developed pursuant to the Federal Act.

46 SEC. 3. NRS 449.360 is hereby amended to read as follows:

47 449.360 1. Applications for health facility construction projects
48 for which federal funds are required [shall] *must* be submitted to the
49 *appropriate health systems agency and the state department. [; and they]*
50 *They* may be submitted by the state or any political subdivision thereof

1 or by any public or nonprofit agency authorized to construct and operate
2 a health facility.
3 2. Each application for a construction project **[shall]** *must* conform
4 to federal and state requirements and **[shall]** *must* be submitted in the
5 manner and form prescribed by the state department.