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WE ARE HERE TO SUPPORT AB 228

What this bill does:

1. It provides a 30% discount on total billed charges to:

- a. Inpatient treatment for trauma at a designated center for the treatment of trauma pursuant to NRS 450B.237, in a county whose population is more than 100,000 but less than 400,000;
- b. Where the inpatient has insurance but there is no agreement with the hospital to reduce or discount the total billed charges, and
- c. The patient makes reasonable arrangements to pay his hospital bill.

What happens in the medical insurance industry, is insurance providers and medical providers seek to make mutually beneficial agreements where the medical provider agrees to reduce or discount the billed charges in exchange for the insurance provider to encourage its participants to utilize the medical provider that provides a discount and by paying lower benefits for using other providers that do not provide the discount.

The discounts are offset by increased volume, prompt, virtually guaranteed payment by the insurance provider, and a highly inflated schedule for billed charges, charged to patients not covered by any discount agreement.

The schedule for billed charges is often discounted by 50% or more, under these types of agreements, and for the most part, these free market consumer provider choices work pretty well, notwithstanding the recent changes in the medical insurance medical provider industry.

What this bill tries to partially remedy is the problem created when a patient, because of a trauma situation loses control through no fault of their own to choose the medical service provider that provides them a reduced or discounted rate .

This bill seeks to create parity for people with insurance in these circumstances with people that have no insurance at all.

This "insurance penalty" we believe, is unfair and creates a financial burden on the wrong people at the wrong time. Especially in light of the nature and circumstances of the treatment where the patient may not have even survived.

We contend that a 30% discount is not unreasonable considering the patient has to make reasonable arrangements within 30 days of discharge, in order to be eligible for the reduction, and that the hospital will still be allowed to charge a rate that is substantially above the discounted rate they provide to patients under plans that do have an agreement to provide a discount. If they can make a profit at 50% discounts they can still make a profit at a 30% discount.

The hospital is still allowed to raise their fee schedule and the increase will be shared by all patients rather than the current system that shifts the costs unjustly to insured patients with no discount agreement, and to the tax payers that reimburse for indigent care.

The monopoly effect created by the designated trauma center laws requires government regulation because trauma medical treatment is an inelastic commodity. When you have to have it, you have to have it, no excess charging should be allowed.

ASSEMBLY HEALTH AND HUMAN SERVICES
DATE: 03/19 ROOM: 3138 EXHIBIT D
SUBMITTED BY: Skip Daly