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ASSEMBLY BILL NO. 297—ASSEMBLYMEN SHERER, KNECHT,  
GIBBONS, ANDONOV, ANGLE, BROWN, CHRISTENSEN,  
CONKLIN, GEDDES, GOICOECHEA, GRADY, GRIFFIN,  
GUSTAVSON, HARDY, HETTRICK, KOIVISTO, MABEY,  
MARVEL, MCCLAIN, MORTENSON AND WEBER

MARCH 13, 2003

JOINT SPONSOR: SENATOR MCGINNESS

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing payment of hospitals for treating disproportionate share of Medicaid patients, indigent patients or other low-income patients. (BDR 38-885)

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.

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AN ACT relating to public welfare; requiring the payments made for a hospital treating a disproportionate share of Medicaid patients, indigent patients or other low-income patients to be made to the county in which the hospital is located; requiring the hospital to submit a claim against the county for the money received by the county; 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 422.382 is hereby amended to read as follows:  
2     422.382 1. In a county within which:  
3     (a) A public hospital is located, the state or local government or  
4     other entity responsible for the public hospital shall transfer an  
5     amount equal to 75 percent of the total amount distributed to that



1 hospital pursuant to NRS 422.387 for a fiscal year, less \$75,000, to  
2 the Division of Health Care Financing and Policy.

3 (b) A private hospital which receives a payment *from money*  
4 *that was provided to a county* pursuant to:

5 (1) Paragraph (b) of subsection 2 of NRS 422.387 , is  
6 located, the county shall transfer:

7 (I) Except as otherwise provided in sub-subparagraph (II),  
8 an amount equal to 75 percent of the total amount distributed to that  
9 hospital *from money that was provided to a county* pursuant to  
10 paragraph (b) of subsection 2 of NRS 422.387 for a fiscal year; or

11 (II) An amount established by the Legislature for a fiscal  
12 year,  
13 to the Division of Health Care Financing and Policy.

14 (2) Paragraph (c) of subsection 2 of NRS 422.387 , is  
15 located, the county shall transfer:

16 (I) An amount equal to 75 percent of the total amount  
17 distributed to that hospital *from money that was provided to a*  
18 *county* pursuant to that paragraph for a fiscal year, less \$75,000; or

19 (II) Any maximum amount established by the Legislature  
20 for a fiscal year,  
21 whichever is less, to the Division of Health Care Financing and  
22 Policy.

23 2. A county that transfers the amount required pursuant to  
24 subparagraph (1) of paragraph (b) of subsection 1 to the Division of  
25 Health Care Financing and Policy is discharged of the duty and is  
26 released from liability for providing medical treatment for indigent  
27 inpatients who are treated in the hospital in the county that receives  
28 a payment pursuant to paragraph (b) of subsection 2 of  
29 NRS 422.387.

30 3. The money transferred to the Division of Health Care  
31 Financing and Policy pursuant to subsection 1 must not come from  
32 any source of funding that could result in any reduction in revenue  
33 to the State pursuant to 42 U.S.C. § 1396b(w).

34 4. Any money collected pursuant to subsection 1, including  
35 any interest or penalties imposed for a delinquent payment, must be  
36 deposited in the State Treasury for credit to the Intergovernmental  
37 Transfer Account in the State General Fund to be administered by  
38 the Division of Health Care Financing and Policy.

39 5. The interest and income earned on money in the  
40 Intergovernmental Transfer Account, after deducting any applicable  
41 charges, must be credited to the Account.

42 **Sec. 2.** NRS 422.387 is hereby amended to read as follows:

43 422.387 1. Before making the payments required or  
44 authorized by this section, the Division of Health Care Financing  
45 and Policy shall allocate money for the administrative costs



1 necessary to carry out the provisions of NRS 422.380 to 422.390,  
2 inclusive. The amount allocated for administrative costs must not  
3 exceed the amount authorized for expenditure by the Legislature for  
4 this purpose in a fiscal year. The Interim Finance Committee may  
5 adjust the amount allowed for administrative costs.

6 2. The State Plan for Medicaid must provide:

7 (a) For the payment of the maximum amount allowable under  
8 federal law and regulations after making any payments pursuant to  
9 paragraphs (b) and (c), to *the counties in which public hospitals are*  
10 *located to pay such hospitals* for treating a disproportionate share of  
11 Medicaid patients, indigent patients or other low-income patients,  
12 unless such payments are subsequently limited by federal law or  
13 regulation.

14 (b) For a payment in an amount approved by the Legislature to  
15 *each county that does not have a public hospital and in which* the  
16 private hospital that provides the largest volume of medical care to  
17 Medicaid patients, indigent patients or other low-income patients in  
18 ~~the county that does not have a public hospital,~~ *that county has been*  
19 *allocated a payment.*

20 (c) For a payment to each *county that has a public hospital and*  
21 *in which a private hospital is located* whose Medicaid utilization  
22 percentage is greater than the average for all the hospitals in this  
23 state ~~and which is located in a county that has a public hospital,~~  
24 in an amount equal to:

25 (1) If the Medicaid utilization percentage of the *private*  
26 hospital is greater than 20 percent, \$200 for each uncompensated  
27 day incurred by the hospital; and

28 (2) If the Medicaid utilization percentage of the *private*  
29 hospital is 20 percent or less, \$100 for each uncompensated day  
30 incurred by the hospital.

31 The Plan must be consistent with the provisions of NRS 422.380 to  
32 422.390, inclusive, and Title XIX of the Social Security Act, 42  
33 U.S.C. §§ 1396 et seq., and the regulations adopted pursuant to  
34 those provisions.

35 3. To the extent that money is available in the  
36 Intergovernmental Transfer Account, the Division of Health Care  
37 Financing and Policy shall distribute \$50,000 from that Account  
38 each fiscal year to each ~~public hospital~~ *county in* which:

39 (a) ~~Is located in a county that does not have any other hospitals;~~  
40 ~~and~~

41 ~~(b) Is~~ *A public hospital which is* not eligible for a payment  
42 *from money provided to a county* pursuant to subsection 2 ~~is~~  
43 *located; and*

44 (b) *There are no other hospitals.*



- 1     4. *Any hospital which is qualified to receive a payment from*  
2 *money provided to a county pursuant to subsection 2 or 3 must*  
3 *submit a claim against the county in which the hospital is located*  
4 *for money paid to the county pursuant to subsection 2 or 3. All*  
5 *claims for payment pursuant to this section must be allowed and*  
6 *the board of county commissioners of the county in which the*  
7 *hospital is located shall pay such claims in the same manner as*  
8 *other claims against the county are paid as provided for by law.*  
9     5. As used in this section:  
10    (a) "Medicaid utilization percentage" means the total number of  
11 days of treatment of Medicaid patients, including patients who  
12 receive their Medicaid benefits through a health maintenance  
13 organization, divided by the total number of days of treatment of all  
14 patients during a fiscal year.  
15    (b) "Uncompensated day" means a day in which medical care is  
16 provided to an inpatient for which a hospital receives:  
17       (1) Not more than 25 percent of the cost of providing that  
18 care from the patient; and  
19       (2) No compensation for the cost of providing that care from  
20 any other person or any governmental program.  
21    **Sec. 3.** This act becomes effective on July 1, 2003.

