

ASSEMBLY BILL NO. 395—ASSEMBLYMAN GOLDWATER

MARCH 17, 2003

Referred to Committee on Health and Human Services

SUMMARY—Provides for assessment of fee on certain facilities for intermediate care and on facilities for skilled nursing. (BDR 38-999)

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 public welfare; providing for an assessment of a fee on certain facilities for intermediate care and on facilities for skilled nursing; requiring the Division of Health Care Financing and Policy of the Department of Human Resources to administer the provisions concerning the assessment; 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.** Chapter 422 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 9, inclusive, of this
3 act.
4 **Sec. 2.** *As used in sections 2 to 9, inclusive, of this act, unless*
5 *the context otherwise requires, the words and terms defined in*
6 *sections 3, 4 and 5 of this act have the meanings ascribed to them*
7 *in those sections.*
8 **Sec. 3.** *“Facility for intermediate care” has the meaning*
9 *ascribed to it in NRS 449.0038, but does not include:*
10 1. *A facility which meets the requirements of a general or any*
11 *other special hospital pursuant to chapter 449 of NRS; or*
12 2. *A facility for intermediate care which limits its care and*
13 *treatment to those persons who are mentally retarded or who have*
14 *conditions related to mental retardation.*



* A B 3 9 5 R 1 *

1 **Sec. 4.** *“Facility for skilled nursing” has the meaning*
2 *ascribed to it in NRS 449.0039.*
3 **Sec. 5.** *“Nursing facility” means a facility for intermediate*
4 *care or a facility for skilled nursing.*
5 **Sec. 6.** 1. *Each nursing facility that is licensed in this state*
6 *shall pay a fee assessed by the Division of Health Care Financing*
7 *and Policy to increase the quality of nursing care in this state.*
8 2. *To determine the amount of the fee to assess pursuant to*
9 *this section, the Division of Health Care Financing and Policy*
10 *shall establish a uniform rate per non-Medicare patient day that is*
11 *equivalent to 6 percent of the total annual accrual basis gross*
12 *revenue for services provided to patients of all nursing facilities*
13 *licensed in this state. For the purposes of this subsection, total*
14 *annual accrual basis gross revenue does not include charitable*
15 *contributions received by a nursing facility.*
16 3. *The Division of Health Care Financing and Policy shall*
17 *calculate the fee owed by each nursing facility by multiplying the*
18 *total number of days of care provided to non-Medicare patients by*
19 *the nursing facility, as provided to the Division pursuant to section*
20 *7 of this act, by the uniform rate established pursuant to*
21 *subsection 2.*
22 4. *A fee assessed pursuant to this section is due 30 days after*
23 *the end of the month for which the fee was assessed.*
24 5. *The payment of a fee to the Division of Health Care*
25 *Financing and Policy pursuant to sections 2 to 9, inclusive, of this*
26 *act is an allowable cost for Medicaid reimbursement purposes.*
27 **Sec. 7.** 1. *Each nursing facility shall file with the Division*
28 *of Health Care Financing and Policy each month a report setting*
29 *forth the total number of days of care it provided to non-Medicare*
30 *patients during the preceding month, the total gross revenue it*
31 *earned as compensation for services provided to patients during*
32 *the preceding month and any other information required by the*
33 *Division.*
34 2. *Each nursing facility shall file with the Division of Health*
35 *Care Financing and Policy any information required and*
36 *requested by the Division to carry out the provisions of sections 2*
37 *to 9, inclusive, of this act.*
38 **Sec. 8.** 1. *There is hereby created in the State Treasury the*
39 *Fund to Increase the Quality of Nursing Care, to be administered*
40 *by the Division of Health Care Financing and Policy.*
41 2. *The Fund to Increase the Quality of Nursing Care must be*
42 *a separate and continuing fund, and no money in the Fund reverts*
43 *to the State General Fund at any time. The interest and income on*
44 *the money in the Fund, after deducting any applicable charges,*
45 *must be credited to the Fund.*



1 **3. Any money received by the Division of Health Care**
2 **Financing and Policy pursuant to sections 2 to 9, inclusive, of this**
3 **act must be deposited in the State Treasury for credit to the Fund**
4 **to Increase the Quality of Nursing Care, and must be expended, to**
5 **the extent authorized by federal law, to obtain federal financial**
6 **participation in the Medicaid Program, and in the manner set**
7 **forth in subsection 4.**

8 **4. Expenditures from the Fund to Increase the Quality of**
9 **Nursing Care must be used only:**

10 (a) **To increase the rates paid to nursing facilities for providing**
11 **services pursuant to the Medicaid Program and may not be used to**
12 **replace existing state expenditures paid to nursing facilities for**
13 **providing services pursuant to the Medicaid Program; and**

14 (b) **To administer the provisions of sections 2 to 9, inclusive, of**
15 **this act. The amount expended pursuant to this paragraph must**
16 **not exceed 1 percent of the money received from the fees assessed**
17 **pursuant to sections 2 to 9, inclusive, of this act, and must not**
18 **exceed the amount authorized for expenditure by the Legislature**
19 **for administrative expenses in a fiscal year.**

20 **Sec. 9. The Division of Health Care Financing and Policy**
21 **shall establish administrative penalties for the late payment by a**
22 **nursing facility of a fee assessed pursuant to sections 2 to 9,**
23 **inclusive, of this act.**

24 **Sec. 10.** NRS 422.2352 is hereby amended to read as follows:
25 422.2352 As used in **sections 2 to 9, inclusive, of this act**, NRS
26 422.2352 to 422.2374, inclusive, 422.301 to 422.306, inclusive, and
27 422.380 to 422.390, inclusive, unless the context otherwise requires,
28 "Administrator" means the Administrator of the Division of Health
29 Care Financing and Policy.

30 **Sec. 11.** NRS 422.2368 is hereby amended to read as follows:
31 422.2368 The Administrator may adopt such regulations as are
32 necessary for the administration of NRS 422.2352 to 422.2374,
33 inclusive, 422.301 to 422.306, inclusive, 422.380 to 422.390,
34 inclusive, and 422.580 ~~§~~, **and sections 2 to 9, inclusive, of this**
35 **act.**

36 **Sec. 12.** NRS 422.2372 is hereby amended to read as follows:
37 422.2372 The Administrator shall:

38 1. Supply the Director with material on which to base proposed
39 legislation.

40 2. Cooperate with the Federal Government and state
41 governments for the more effective attainment of the purposes of
42 this chapter.

43 3. Coordinate the activities of the Division of Health Care
44 Financing and Policy with other agencies, both public and private,
45 with related or similar activities.



1 4. Keep a complete and accurate record of all proceedings,
2 record and file all bonds and contracts, and assume responsibility for
3 the custody and preservation of all papers and documents pertaining
4 to his office.

5 5. Inform the public in regard to the activities and operation of
6 the Division, and provide other information which will acquaint the
7 public with the financing of Medicaid programs.

8 6. Conduct studies into the causes of the social problems with
9 which the Division is concerned.

10 7. Invoke any legal, equitable or special procedures for the
11 enforcement of his orders or the enforcement of NRS 422.2352 to
12 422.2374, inclusive, 422.301 to 422.306, inclusive, 422.380 to
13 422.390, inclusive, and 422.580 ~~H~~, *and sections 2 to 9, inclusive,*
14 *of this act.*

15 8. Exercise any other powers that are necessary and proper for
16 the standardization of state work, to expedite business, and to
17 promote the efficiency of the service provided by the Division.

18 **Sec. 13.** NRS 422.301 is hereby amended to read as follows:

19 422.301 The Administrator and the Division of Health Care
20 Financing and Policy shall administer the provisions of NRS
21 422.2352 to 422.2374, inclusive, 422.301 to 422.306, inclusive,
22 422.380 to 422.390, inclusive, and 422.580, *and sections 2 to 9,*
23 *inclusive, of this act,* subject to administrative supervision by the
24 Director.

25 **Sec. 14.** 1. The Division of Health Care Financing and
26 Policy of the Department of Human Resources shall begin assessing
27 fees pursuant to this act on July 1, 2003.

28 2. A nursing facility does not owe a fee assessed pursuant to
29 this act until:

30 (a) The amendment to the State Plan for Medicaid which
31 increases the rates paid to nursing facilities for providing services
32 pursuant to the Medicaid program is approved by the Federal
33 Government; and

34 (b) The nursing facilities have been compensated retroactively at
35 the increased rate for services provided pursuant to the Medicaid
36 program on or after July 1, 2003.

37 **Sec. 15.** 1. This section and section 7 of this act become
38 effective upon passage and approval.

39 2. Sections 1 to 6, inclusive, and 8 to 14, inclusive, of this act
40 become effective:

41 (a) Upon passage and approval for the purpose of adopting
42 regulations; and

43 (b) On July 1, 2003, for all other purposes.

