
ASSEMBLY BILL NO. 402—ASSEMBLYMEN SHERER, KNECHT,
BROWN, COLLINS, CONKLIN, GEDDES, HETTRICK,
KOIVISTO AND MARVEL

MARCH 17, 2003

Referred to Committee on Health and Human Services

SUMMARY—Revises requirements concerning approval of
certain construction on behalf of health facility.
(BDR 40-816)

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.

AN ACT relating to health care; revising the requirements
concerning the approval by the Director of the
Department of Human Resources of certain construction
projects on behalf of a health facility; 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.100 is hereby amended to read as
2 follows:
3 439A.100 1. Except as otherwise provided in this section, in
4 a county whose population is less than 100,000, no person may
5 undertake any proposed expenditure for new construction by or on
6 behalf of a health facility in excess of the greater of \$2,000,000 or
7 such an amount as the Department may specify by regulation, which
8 under generally accepted accounting principles consistently applied
9 is a capital expenditure, without first applying for and obtaining the
10 written approval of the Director. The Health Division of the
11 Department of Human Resources shall not issue a new license or
12 alter an existing license for such a project unless the Director has
13 issued such an approval.
14 2. The provisions of subsection 1 do not apply to:



* A B 4 0 2 *

- 1 (a) Any capital expenditure for:
- 2 (1) The acquisition of land;
- 3 (2) The construction of a facility for parking;
- 4 (3) The maintenance of a health facility;
- 5 (4) The renovation of a health facility to comply with
- 6 standards for safety, licensure, certification or accreditation;
- 7 (5) The installation of a system to conserve energy;
- 8 (6) The installation of a system for data processing or
- 9 communication; or

10 (7) Any other project which, in the opinion of the Director,

11 does not relate directly to the provision of any health service; or

12 (b) Any project for the development of a health facility that has

13 received legislative approval and authorization.

14 *(c) A project for the construction of a hospital in an*

15 *unincorporated town if:*

16 *(1) The population of the unincorporated town is more than*

17 *24,000;*

18 *(2) No other hospital exists in the town;*

19 *(3) No other hospital has been approved for construction or*

20 *qualified for an exemption from approval for construction in the*

21 *town pursuant to this section; and*

22 *(4) The unincorporated town is at least a 45-minute drive*

23 *from the nearest center for the treatment of trauma that is licensed*

24 *by the Health Division of the Department.*

25 Upon determining that a project satisfies the requirements for an

26 exemption pursuant to this subsection, the Director shall issue a

27 certificate which states that the project is exempt from the

28 requirements of this section.

29 3. In reviewing an application for approval, the Director shall:

30 (a) Comparatively assess applications for similar projects

31 affecting the same geographic area; and

32 (b) Base his decision on criteria established by the Director by

33 regulation. The criteria must include:

34 (1) The need for and the appropriateness of the project in the

35 area to be served;

36 (2) The financial feasibility of the project;

37 (3) The effect of the project on the cost of health care; and

38 (4) The extent to which the project is consistent with the

39 purposes set forth in NRS 439A.020 and the priorities set forth in

40 NRS 439A.081.

41 4. The Department may by regulation require additional

42 approval for a proposed change to a project which has previously

43 been approved if the proposal would result in a change in the

44 location of the project or a substantial increase in the cost of the

45 project.



1 5. The decision of the Director is a final decision for the
2 purposes of judicial review.

3 **6. As used in this section, "hospital" has the meaning**
4 **ascribed to it in NRS 449.012.**

5 **Sec. 2.** 1. The Director of the Department of Human
6 Resources shall issue a certificate of exemption for any project for
7 which an application for approval has been filed pursuant to NRS
8 439A.100 that is pending on July 1, 2003, if the application is
9 exempt from the requirement of approval pursuant to the
10 amendatory provisions of this act.

11 2. The amendatory provisions of this act that require the
12 approval pursuant to NRS 439A.100 of a project that was previously
13 exempt apply to projects for which construction begins on or after
14 July 1, 2003, unless a health facility had entered into a binding
15 contract for the construction before July 1, 2003.

16 **Sec. 3.** This act becomes effective on July 1, 2003.

