

SENATE BILL NO. 235—COMMITTEE ON HUMAN  
RESOURCES AND FACILITIES

(ON BEHALF OF THE LEGISLATIVE COMMITTEE ON  
HEALTH CARE (NRS 439B.200))

MARCH 4, 2003

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Referred to Committee on Human Resources and Facilities

SUMMARY—Revises provisions governing payment of hospitals for treating disproportionate share of Medicaid patients, indigent patients or other low-income patients. (BDR 38-746)

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.

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AN ACT relating to welfare; revising the provisions governing the payment of hospitals for treating a disproportionate share of Medicaid patients, indigent patients or other low-income patients; providing for the allocation and transfer of certain funding for the treatment of those patients; making an appropriation; 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.** The Legislature hereby finds and declares that:  
2     1. Federal law concerning payments made pursuant to 42  
3 U.S.C. § 1396r-4, otherwise known as “disproportionate share  
4 payments,” are a critical source of income for hospitals, particularly  
5 public hospitals.  
6     2. To ensure that certain hospitals can depend upon the revenue  
7 from this source, the Legislature has periodically established base  
8 payments to the hospitals in a fiscal year.



1 3. Because of the unique geographic, financial and  
2 organizational characteristics of these hospitals, a general law  
3 establishing base disproportionate share payments cannot be made  
4 applicable.

5 **Sec. 2.** NRS 422.380 is hereby amended to read as follows:  
6 422.380 As used in NRS 422.380 to 422.390, inclusive, unless  
7 the context otherwise requires:

8 1. *“Disproportionate share payment” means a payment made*  
9 *pursuant to 42 U.S.C. § 1396r-4.*

10 2. “Hospital” has the meaning ascribed to it in NRS 439B.110  
11 and includes public and private hospitals.

12 ~~[2.]~~ 3. “Public hospital” means:

13 (a) A hospital owned by a state or local government, including,  
14 without limitation, a hospital district; or

15 (b) A hospital that is supported in whole or in part by tax  
16 revenue, other than tax revenue received for medical care which is  
17 provided to Medicaid patients, indigent patients or other low-income  
18 patients.

19 **Sec. 3.** NRS 422.382 is hereby amended to read as follows:

20 422.382 1. In a county *whose population is 100,000 or more*  
21 within which:

22 (a) A public hospital is located, the state or local government or  
23 other entity responsible for the public hospital shall transfer an  
24 amount equal to ~~[75]~~:

25 (1) *Seventy* percent of the total amount *of disproportionate*  
26 *share payments* distributed to ~~[that hospital]~~ *all hospitals* pursuant  
27 to NRS 422.387 for a fiscal year, less ~~[\$75,000,]~~ *\$1,050,000; or*

28 (2) *Sixty-eight and fifty-four one hundredths percent of the*  
29 *total amount of disproportionate share payments distributed to all*  
30 *hospitals pursuant to NRS 422.387 for a fiscal year,*  
31 *whichever is less,* to the Division of Health Care Financing and  
32 Policy.

33 (b) A private hospital which receives a *disproportionate share*  
34 payment pursuant to ~~[(1) Paragraph (b)]~~:

35 ~~[(1) Paragraph (b)]~~ *paragraph (d)* of subsection 2 of NRS  
36 422.387 is located, the county shall transfer ~~[(1) Paragraph (b)]~~:

37 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
38 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
39 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
40 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
41 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~

42 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
43 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
44 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
45 ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~ ~~[(1) Paragraph (b)]~~  
*1.95 percent of the total amount of disproportionate share*  
*payments distributed to all hospitals pursuant to NRS 422.387 for*  
*a fiscal year, but not more than \$1,500,000,* to the Division of  
Health Care Financing and Policy.



1 ~~[(2) Paragraph (c) of subsection 2 of NRS 422.387 is located,~~  
 2 ~~the county shall transfer:~~  
 3 ~~(I) An amount equal to 75 percent of the total amount~~  
 4 ~~distributed to that hospital pursuant to that paragraph for a fiscal~~  
 5 ~~year, less \$75,000; or~~  
 6 ~~(II) Any maximum amount established by the Legislature~~  
 7 ~~for a fiscal year,~~  
 8 ~~whichever is less, to the Division of Health Care Financing and~~  
 9 ~~Policy.]~~

10 2. A county that transfers the amount required pursuant to  
 11 ~~[subparagraph (1) of]~~ paragraph (b) of subsection 1 to the Division  
 12 of Health Care Financing and Policy is discharged of the duty and is  
 13 released from liability for providing medical treatment for indigent  
 14 inpatients who are treated in the hospital in the county that receives  
 15 a payment pursuant to paragraph ~~[(b)]~~ (d) of subsection 2 of  
 16 NRS 422.387.

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

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

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

29 **Sec. 4.** NRS 422.382 is hereby amended to read as follows:  
 30 422.382 1. In a county whose population is 100,000 or more  
 31 within which:

32 (a) A public hospital is located, the state or local government or  
 33 other entity responsible for the public hospital shall transfer an  
 34 amount equal to:

35 (1) Seventy percent of the total amount of disproportionate  
 36 share payments distributed to all hospitals pursuant to NRS 422.387  
 37 for a fiscal year, less \$1,050,000; or

38 (2) Sixty-eight and fifty-four one hundredths percent of the  
 39 total amount of disproportionate share payments distributed to all  
 40 hospitals pursuant to NRS 422.387 for a fiscal year,  
 41 whichever is less, to the Division of Health Care Financing and  
 42 Policy.

43 (b) A private hospital which receives a disproportionate share  
 44 payment pursuant to paragraph ~~[(d)]~~ (c) of subsection 2 of NRS  
 45 422.387 is located, the county shall transfer 1.95 percent of the total



1 amount of disproportionate share payments distributed to all  
2 hospitals pursuant to NRS 422.387 for a fiscal year, but not more  
3 than \$1,500,000, to the Division of Health Care Financing and  
4 Policy.

5 2. A county that transfers the amount required pursuant to  
6 paragraph (b) of subsection 1 to the Division of Health Care  
7 Financing and Policy is discharged of the duty and is released from  
8 liability for providing medical treatment for indigent inpatients who  
9 are treated in the hospital in the county that receives a payment  
10 pursuant to paragraph ~~(d)~~ (c) of subsection 2 of NRS 422.387.

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

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

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

23 **Sec. 5.** NRS 422.385 is hereby amended to read as follows:

24 422.385 1. The allocations and payments required pursuant  
25 to subsections 1 ~~and 2~~ to 5, *inclusive*, of NRS 422.387 must be  
26 made, to the extent allowed by the State Plan for Medicaid, from the  
27 Medicaid Budget Account.

28 2. Except as otherwise provided in subsection 3 and subsection  
29 ~~(3)~~ 6 of NRS 422.387, the money in the Intergovernmental Transfer  
30 Account must be transferred from that Account to the Medicaid  
31 Budget Account to the extent that money is available from the  
32 Federal Government for proposed expenditures, including  
33 expenditures for administrative costs. If the amount in the Account  
34 exceeds the amount authorized for expenditure by the Division of  
35 Health Care Financing and Policy for the purposes specified in NRS  
36 422.387, the Division of Health Care Financing and Policy is  
37 authorized to expend the additional revenue in accordance with the  
38 provisions of the State Plan for Medicaid.

39 3. If enough money is available to support Medicaid and to  
40 make the payments required by subsection ~~(3)~~ 6 of NRS 422.387,  
41 money in the Intergovernmental Transfer Account may be  
42 transferred:

43 (a) To an account established for the provision of health care  
44 services to uninsured children pursuant to a federal program in  
45 which at least 50 percent of the cost of such services is paid for by



1 the Federal Government, including, without limitation, the  
2 Children’s Health Insurance Program; or

3 (b) To carry out the provisions of NRS 439B.350 and 439B.360.  
4 **Sec. 6.** NRS 422.387 is hereby amended to read as follows:

5 422.387 1. Before making the payments required or  
6 authorized by this section, the Division of Health Care Financing  
7 and Policy shall allocate money for the administrative costs  
8 necessary to carry out the provisions of NRS 422.380 to 422.390,  
9 inclusive. The amount allocated for administrative costs must not  
10 exceed the amount authorized for expenditure by the Legislature for  
11 this purpose in a fiscal year. The Interim Finance Committee may  
12 adjust the amount allowed for administrative costs.

13 2. The State Plan for Medicaid must provide ~~for~~

14 ~~—(a) For~~ *for* the payment of the maximum amount *of*  
15 *disproportionate share payments* allowable under federal law and  
16 regulations . ~~[after making any payments pursuant to paragraphs (b)~~  
17 ~~and (c), to public hospitals for treating a disproportionate share of~~  
18 ~~Medicaid patients, indigent patients or other low income patients;~~  
19 ~~unless such payments are subsequently limited by federal law or~~  
20 ~~regulation.~~

21 ~~—(b) For a payment in an amount approved by the Legislature to~~  
22 ~~the private hospital that provides the largest volume of medical care~~  
23 ~~to Medicaid patients, indigent patients or other low income patients~~  
24 ~~in a county that does not have a public hospital.~~

25 ~~—(c) For a payment to each private hospital whose Medicaid~~  
26 ~~utilization percentage is greater than the average for all the hospitals~~  
27 ~~in this state and which is located in a county that has a public~~  
28 ~~hospital, in an amount equal to:~~

29 ~~—(1) If the Medicaid utilization percentage of the hospital is~~  
30 ~~greater than 20 percent, \$200 for each uncompensated day incurred~~  
31 ~~by the hospital; and~~

32 ~~—(2) If the Medicaid utilization percentage of the hospital is 20~~  
33 ~~percent or less, \$100 for each uncompensated day incurred by the~~  
34 ~~hospital.] *The State Plan for Medicaid must provide that for:*~~

35 *(a) All public hospitals in counties whose population is*  
36 *400,000 or more, the total annual disproportionate share payments*  
37 *are \$66,650,000 plus 90 percent of the total amount of*  
38 *disproportionate share payments distributed by the State in that*  
39 *fiscal year that exceeds \$76,000,000;*

40 *(b) The private hospital with the highest uncompensated care*  
41 *percentage in each county whose population is 400,000 or more,*  
42 *the total annual disproportionate share payments are \$1,000,000*  
43 *plus 2.1 percent of the total amount of disproportionate share*  
44 *payments distributed by the State in that fiscal year that exceeds*  
45 *\$76,000,000;*



1 (c) All private hospitals in counties whose population is  
2 400,000 or more other than the hospitals described in paragraph  
3 (b), the total annual disproportionate share payments are \$200,000  
4 plus 0.4 percent of the total amount of disproportionate share  
5 payments distributed by the State in that fiscal year that exceeds  
6 \$76,000,000;

7 (d) All private hospitals in counties whose population is  
8 100,000 or more but less than 400,000, the total annual  
9 disproportionate share payments are \$4,800,000 plus 2.5 percent  
10 of the total amount of disproportionate share payments distributed  
11 by the State in that fiscal year that exceeds \$76,000,000;

12 (e) All public hospitals in counties whose population is less  
13 than 100,000, the total annual disproportionate share payments  
14 are \$900,000 plus 2.5 percent of the total amount of  
15 disproportionate share payments distributed by the State in that  
16 fiscal year that exceeds \$76,000,000; and

17 (f) All private hospitals in counties whose population is less  
18 than 100,000, the total annual disproportionate share payments  
19 are \$2,450,000 plus 2.5 percent of the total amount of  
20 disproportionate share payments distributed by the State in that  
21 fiscal year that exceeds \$76,000,000.

22 3. The State Plan for Medicaid must provide for a base  
23 payment in an amount determined pursuant to subsections 4 and  
24 5. Any amount set forth in each paragraph of subsection 2 that  
25 remains after all base payments have been distributed must be  
26 distributed to the hospital within that paragraph with the highest  
27 uncompensated care percentage in an amount equal to either the  
28 amount remaining after all base payments have been distributed  
29 or the amount necessary to reduce the uncompensated care  
30 percentage of that hospital to the uncompensated care percentage  
31 of the hospital in that paragraph with the second highest  
32 uncompensated care percentage, whichever is less. Any amount  
33 set forth in subsection 2 that remains after the uncompensated  
34 care percentage of the hospital with the highest uncompensated  
35 care percentage in a paragraph has been reduced to equal the  
36 uncompensated care percentage of the hospital in that paragraph  
37 with the second highest uncompensated care percentage must be  
38 distributed equally to the two hospitals with the highest  
39 uncompensated care percentage in that paragraph until their  
40 uncompensated care percentages are equal to the uncompensated  
41 care percentage of the hospital with the third highest  
42 uncompensated care percentage in that paragraph. This process  
43 must be repeated until all available funds set forth in a paragraph  
44 of subsection 2 have been distributed.



- 1 *4. Except as otherwise provided in subsection 5, the base*  
 2 *payments for the purposes of subsection 3 are:*  
 3 *(a) For the University Medical Center of Southern Nevada,*  
 4 *\$66,531,729;*  
 5 *(b) For Washoe Medical Center, \$4,800,000;*  
 6 *(c) For Carson-Tahoe Hospital, \$1,000,000;*  
 7 *(d) For Northeastern Nevada Regional Hospital, \$500,000;*  
 8 *(e) For Churchill Community Hospital, \$500,000;*  
 9 *(f) For Humboldt General Hospital, \$215,109;*  
 10 *(g) For William Bee Ririe Hospital, \$204,001;*  
 11 *(h) For Mt. Grant General Hospital, \$195,838;*  
 12 *(i) For South Lyon Medical Center, \$174,417;*  
 13 *(j) For Nye Regional Medical Center, \$115,000; and*  
 14 *(k) For Sunrise Hospital and Medical Center, \$200,000,*  
 15 *or the successors in interest to such hospitals.*

16 *5. The Plan must be consistent with the provisions of NRS*  
 17 *422.380 to 422.390, inclusive, and Title XIX of the Social Security*  
 18 *Act, 42 U.S.C. §§ 1396 et seq., and the regulations adopted pursuant*  
 19 *to those provisions. If the total amount available to the State for*  
 20 *making disproportionate share payments is less than \$76,000,000,*  
 21 *the Administrator:*

22 *(a) Shall adjust the amounts for each group of hospitals*  
 23 *described in a paragraph of subsection 2 proportionally in*  
 24 *accordance with the limits of federal law. If the amount available*  
 25 *to hospitals in a group described in a paragraph of subsection 2 is*  
 26 *less than the total amount of base payments specified in subsection*  
 27 *4, the Administrator shall reduce the base payments proportionally*  
 28 *in accordance with the limits of federal law.*

29 *(b) Shall adopt a regulation specifying the amount of the*  
 30 *reductions required by paragraph (a).*

31 ~~3.1~~ *6. To the extent that money is available in the*  
 32 *Intergovernmental Transfer Account, the Division of Health Care*  
 33 *Financing and Policy shall distribute \$50,000 from that Account*  
 34 *each fiscal year to each public hospital which:*

- 35 *(a) Is located in a county that does not have any other hospitals;*  
 36 *and*  
 37 *(b) Is not eligible for a payment pursuant to ~~subsection 2.~~*  
 38 *~~4.1~~ subsections 2, 3 and 4.*

39 *7. As used in this section:*

40 ~~(a) "Medicaid utilization percentage" means the total number of~~  
 41 ~~days of treatment of Medicaid patients, including patients who~~  
 42 ~~receive their Medicaid benefits through a health maintenance~~  
 43 ~~organization, divided by the total number of days of treatment of all~~  
 44 ~~patients during a fiscal year.~~



1 ~~—(b) “Uncompensated day” means a day in which medical care is~~  
2 ~~provided to an inpatient for which a hospital receives:~~

3 ~~——(1) Not more than 25 percent of the cost of providing that~~  
4 ~~care from the patient; and~~

5 ~~——(2) No compensation for the cost of providing that care from~~  
6 ~~any other person or any governmental program.] “Total revenue” is~~  
7 ~~the amount of revenue a hospital receives for patient care and~~  
8 ~~other services, net of any contractual allowances or bad debts.~~

9 (b) “Uncompensated care costs” means the total costs of a  
10 hospital incurred in providing care to uninsured patients,  
11 including, without limitation, patients covered by Medicaid or  
12 another governmental program for indigent patients, less any  
13 payments received by the hospital for that care.

14 (c) “Uncompensated care percentage” means the  
15 uncompensated care costs of a hospital divided by the total  
16 revenue for the hospital.

17 **Sec. 7.** NRS 422.387 is hereby amended to read as follows:

18 422.387 1. Before making the payments required or  
19 authorized by this section, the Division of Health Care Financing  
20 and Policy shall allocate money for the administrative costs  
21 necessary to carry out the provisions of NRS 422.380 to 422.390,  
22 inclusive. The amount allocated for administrative costs must not  
23 exceed the amount authorized for expenditure by the Legislature for  
24 this purpose in a fiscal year. The Interim Finance Committee may  
25 adjust the amount allowed for administrative costs.

26 2. The State Plan for Medicaid must provide for the payment of  
27 the maximum amount of disproportionate share payments allowable  
28 under federal law and regulations. The State Plan for Medicaid must  
29 provide that for:

30 (a) All public hospitals in counties whose population is 400,000  
31 or more, the total annual disproportionate share payments are  
32 \$66,650,000 plus 90 percent of the total amount of disproportionate  
33 share payments distributed by the State in that fiscal year that  
34 exceeds \$76,000,000;

35 (b) ~~[The private hospital with the highest uncompensated care~~  
36 ~~percentage in each county whose population is 400,000 or more, the~~  
37 ~~total annual disproportionate share payments are \$1,000,000 plus~~  
38 ~~2.1 percent of the total amount of disproportionate share payments~~  
39 ~~distributed by the State in that fiscal year that exceeds \$76,000,000;~~

40 ~~—(e)]~~ All private hospitals in counties whose population is  
41 400,000 or more , ~~[other than the hospitals described in paragraph~~  
42 ~~(b).]~~ the total annual disproportionate share payments are ~~[\$200,000~~  
43 ~~plus 0.4]~~ **\$1,200,000 plus 2.5** percent of the total amount of  
44 disproportionate share payments distributed by the State in that  
45 fiscal year that exceeds \$76,000,000;





1 ~~[(c)]~~ (c) All private hospitals in counties whose population is  
2 100,000 or more but less than 400,000, the total annual  
3 disproportionate share payments are \$4,800,000 plus 2.5 percent of  
4 the total amount of disproportionate share payments distributed by  
5 the State in that fiscal year that exceeds \$76,000,000;

6 ~~[(d)]~~ (d) All public hospitals in counties whose population is  
7 less than 100,000, the total annual disproportionate share payments  
8 are \$900,000 plus 2.5 percent of the total amount of  
9 disproportionate share payments distributed by the State in that  
10 fiscal year that exceeds \$76,000,000; and

11 ~~[(e)]~~ (e) All private hospitals in counties whose population is  
12 less than 100,000, the total annual disproportionate share payments  
13 are \$2,450,000 plus 2.5 percent of the total amount of  
14 disproportionate share payments distributed by the State in that  
15 fiscal year that exceeds \$76,000,000.

16 3. The State Plan for Medicaid must provide for a base  
17 payment in an amount determined pursuant to subsections 4 and 5.  
18 Any amount set forth in each paragraph of subsection 2 that remains  
19 after all base payments have been distributed must be distributed to  
20 the hospital within that paragraph with the highest uncompensated  
21 care percentage in an amount equal to either the amount remaining  
22 after all base payments have been distributed or the amount  
23 necessary to reduce the uncompensated care percentage of that  
24 hospital to the uncompensated care percentage of the hospital in that  
25 paragraph with the second highest uncompensated care percentage,  
26 whichever is less. Any amount set forth in subsection 2 that remains  
27 after the uncompensated care percentage of the hospital with the  
28 highest uncompensated care percentage in a paragraph has been  
29 reduced to equal the uncompensated care percentage of the hospital  
30 in that paragraph with the second highest uncompensated care  
31 percentage must be distributed equally to the two hospitals with the  
32 highest uncompensated care percentage in that paragraph until their  
33 uncompensated care percentages are equal to the uncompensated  
34 care percentage of the hospital with the third highest uncompensated  
35 care percentage in that paragraph. This process must be repeated  
36 until all available funds set forth in a paragraph of subsection 2 have  
37 been distributed.

38 4. Except as otherwise provided in subsection 5, the base  
39 payments for the purposes of subsection 3 are:

40 (a) For the University Medical Center of Southern Nevada,  
41 \$66,531,729;

42 (b) For Washoe Medical Center, \$4,800,000;

43 (c) For Carson-Tahoe Hospital, \$1,000,000;

44 (d) For Northeastern Nevada Regional Hospital, \$500,000;

45 (e) For Churchill Community Hospital, \$500,000;



- 1 (f) For Humboldt General Hospital, \$215,109;
- 2 (g) For William Bee Ririe Hospital, \$204,001;
- 3 (h) For Mt. Grant General Hospital, \$195,838;
- 4 (i) For South Lyon Medical Center, \$174,417;
- 5 (j) For Nye Regional Medical Center, \$115,000; and
- 6 (k) For Sunrise Hospital and Medical Center, ~~[\$200,000,]~~ *one-*
- 7 *sixth of the total amount distributed in the respective fiscal year to*
- 8 *the group described in the paragraph of subsection 2 of which*
- 9 *Sunrise Hospital and Medical Center is a member,*
- 10 or the successors in interest to such hospitals.

11 5. The Plan must be consistent with the provisions of NRS  
12 422.380 to 422.390, inclusive, and Title XIX of the Social Security  
13 Act, 42 U.S.C. §§ 1396 et seq., and the regulations adopted pursuant  
14 to those provisions. If the total amount available to the State for  
15 making disproportionate share payments is less than \$76,000,000,  
16 the Administrator:

17 (a) Shall adjust the amounts for each group of hospitals  
18 described in a paragraph of subsection 2 proportionally in  
19 accordance with the limits of federal law. If the amount available to  
20 hospitals in a group described in a paragraph of subsection 2 is less  
21 than the total amount of base payments specified in subsection 4, the  
22 Administrator shall reduce the base payments proportionally in  
23 accordance with the limits of federal law.

24 (b) Shall adopt a regulation specifying the amount of the  
25 reductions required by paragraph (a).

26 6. To the extent that money is available in the  
27 Intergovernmental Transfer Account, the Division of Health Care  
28 Financing and Policy shall distribute \$50,000 from that Account  
29 each fiscal year to each public hospital which:

30 (a) Is located in a county that does not have any other hospitals;  
31 and

32 (b) Is not eligible for a payment pursuant to subsections 2, 3  
33 and 4.

34 7. As used in this section:

35 (a) "Total revenue" is the amount of revenue a hospital receives  
36 for patient care and other services, net of any contractual allowances  
37 or bad debts.

38 (b) "Uncompensated care costs" means the total costs of a  
39 hospital incurred in providing care to uninsured patients, including,  
40 without limitation, patients covered by Medicaid or another  
41 governmental program for indigent patients, less any payments  
42 received by the hospital for that care.

43 (c) "Uncompensated care percentage" means the uncompensated  
44 care costs of a hospital divided by the total revenue for the hospital.



1     **Sec. 8.** NRS 422.390 is hereby amended to read as follows:  
2     422.390 1. The Division of Health Care Financing and Policy  
3 shall adopt regulations concerning:

4     (a) Procedures for the transfer to the Division of Health Care  
5 Financing and Policy of the amount required pursuant to  
6 NRS 422.382.

7     (b) Provisions for the payment of a penalty and interest for a  
8 delinquent transfer.

9     (c) Provisions for the payment of interest by the Division of  
10 Health Care Financing and Policy for late reimbursements to  
11 hospitals or other providers of medical care.

12     ***(d) Provisions for the calculation of the uncompensated care***  
13 ***percentage for hospitals, including, without limitation, the***  
14 ***procedures and methodology required to be used in calculating the***  
15 ***percentage, and any required documentation of and reporting by a***  
16 ***hospital relating to the calculation.***

17     2. The Division of Health Care Financing and Policy shall  
18 report to the Interim Finance Committee quarterly concerning the  
19 provisions of NRS 422.380 to 422.390, inclusive.

20     **Sec. 9.** 1. There is hereby appropriated from the State  
21 General Fund to the Medicaid Budget Account in the State General  
22 Fund:

23         For the Fiscal Year 2003-2004..... \$350,000  
24         For the Fiscal Year 2004-2005..... \$350,000

25     2. Any balance of the appropriation made by subsection 1  
26 remaining at the end of the respective fiscal years must not be  
27 committed for expenditure after June 30 of the respective fiscal  
28 years and reverts to the State General Fund as soon as all payments  
29 of money committed have been made.

30     3. The Division of Health Care Financing and Policy of the  
31 Department of Human Resources shall distribute \$350,000 during  
32 Fiscal Year 2003-2004 and \$350,000 during Fiscal Year 2004-2005,  
33 proportionally to each hospital described in paragraph (c) of  
34 subsection 2 of NRS 422.387 whose annual disproportionate share  
35 payment was reduced by at least 40 percent between Fiscal Year  
36 2002-2003 and Fiscal Year 2003-2004.

37     **Sec. 10.** 1. This section and sections 1, 2, 3, 5, 6, 8 and 9 of  
38 this act become effective upon passage and approval for the purpose  
39 of adopting any regulations necessary to carry out the provisions of  
40 this act and on July 1, 2003, for all other purposes.

41     2. Sections 4 and 7 of this act become effective on July 1,  
42 2005.

