SENATE BILL NO. 389-SENATOR O'CONNELL

MARCH 17, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes regarding certain physicians and other regulated professions. (BDR 54-709)

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 regulated professions; making the Attorney General the exclusive legal counsel for certain occupational boards and commissions and providing exceptions thereto; enacting provisions governing certain employment practices of the Board of Medical Examiners; establishing and revising various powers and duties of the Board of Medical Examiners; providing the Board of Medical Examiners with the power to waive requirements for licensure under certain circumstances; limiting the power of the Board of Medical Examiners to revoke licenses; revising the requirements for a special volunteer medical license; removing certain restrictions relating to the practice of medicine; requiring performance audits of the Board of Medical Examiners and the State Board of Osteopathic Medicine; creating the Critically Impacted Medical Specialties Subsidy Fund; imposing fees on certain physicians and hospitals for the benefit of the Subsidy Fund; providing for the distribution of subsidies to certain physicians to pay or defray the cost of their malpractice insurance under certain circumstances; and providing other matters properly relating thereto.



WHEREAS, The Nevada Legislature has delegated the duty to the Board of Medical Examiners to license competent physicians; and

 WHEREAS, The Nevada Legislature intends that persons practicing medicine without a valid medical license be prosecuted; and

WHEREAS, The Nevada Legislature does not intend to prohibit or punish the display of academic degrees earned from accredited institutions; and

WHEREAS, The Nevada Legislature intends to facilitate public access and public input into the activities of the Board of Medical Examiners; and

WHEREAS, The Nevada Legislature intends to encourage beneficial collaboration and consultation among and between health care providers in the State; and

WHEREAS, The Nevada Legislature supports the efforts of the Board of Medical Examiners in maintaining and improving the quality of medical practice in the State, with or without regard for retributive punishment of licensees or discipline of licensees; and

WHEREAS, The Nevada Legislature wishes to examine the efficiency of the operations of the agencies to whom the Legislature has delegated the responsibility to license physicians and to discipline or rehabilitate incompetent physicians; and

WHEREAS, The Nevada Legislature intends to expand the scope of the duty of the Board of Medical Examiners and the State Board of Osteopathic Medicine, by delegating to those boards the duty to promote the improved quality of medical care rendered by licensees to the people of Nevada; and

WHEREAS, There exists a major health crisis in this state attributable to the skyrocketing cost of medical malpractice insurance; and

WHEREAS, Such skyrocketing medical malpractice insurance costs have resulted in a potential breakdown in the delivery of health care in this state, a denial of access to health care for the economically marginal and the depletion of physicians such as to substantially worsen the quality of health care available to the people of this state; and

WHEREAS, It is necessary to provide adequate and reasonable immediate financial assistance to physicians unable to afford the current skyrocketing cost of medical malpractice insurance as the remedy to address this health care crisis and to protect the health, welfare and safety of the people of Nevada; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:



Section 1. NRS 623.133 is hereby amended to read as follows: 623.133 [1.] The Attorney General is [hereby designated as] the legal [adviser] counsel of the Board.

- [2. Nothing in this section shall be construed so as to prevent the Board from employing legal counsel as provided elsewhere in this chapter.]
 - **Sec. 2.** NRS 623.135 is hereby amended to read as follows:
- 623.135 The Board may employ an Executive Director, [legal counsel,] investigators, professional consultants and other employees necessary to the discharge of its duties, and may fix the compensation therefor.
 - **Sec. 3.** NRS 623A.120 is hereby amended to read as follows: 623A.120 The Board may:
- 1. Employ and fix the compensation for [legal counsel,] inspectors, special agents, investigators and clerical personnel necessary to the discharge of its duties; and
- 2. Reimburse an employee specified in subsection 1 for any actual expenses incurred by the employee while acting on behalf of the Board.
- **Sec. 4.** NRS 623A.160 is hereby amended to read as follows: 623A.160 The Attorney General is the legal [adviser] counsel of the Board. [, but the Board may employ legal counsel.]
 - **Sec. 5.** NRS 624.115 is hereby amended to read as follows:
- 624.115 1. The Board may employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.
- 2. The Board may require criminal investigators who are employed by the Board pursuant to NRS 624.112 to:
- (a) Conduct a background investigation of a licensee or an applicant for a contractor's license;
 - (b) Locate and identify persons who:
- (1) Engage in the business or act in the capacity of a contractor within this state in violation of the provisions of this chapter;
- (2) Submit bids on jobs situated within this state in violation of the provisions of this chapter; or
- (3) Otherwise violate the provisions of this chapter or the regulations adopted pursuant to this chapter; and
- (c) Issue a misdemeanor citation prepared manually or electronically pursuant to NRS 171.1773 to a person who violates a provision of this chapter that is punishable as a misdemeanor. A criminal investigator may request any constable, sheriff or other peace officer to assist him in the issuance of such a citation.



Sec. 6. NRS 625.135 is hereby amended to read as follows:

- 625.135 The Board may employ and fix the compensation to be paid to [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties and may reimburse such employees for actual expenses they incur while acting on behalf of the Board.
 - **Sec. 7.** NRS 628.090 is hereby amended to read as follows:
- 628.090 1. Annually the Board shall elect a President and a Secretary-Treasurer from among its members.
- 2. The Board may employ such personnel, including [attorneys,] investigators and other professional consultants, and arrange for such assistance as the Board may require for the performance of its duties.
 - **Sec. 8.** NRS 628.410 is hereby amended to read as follows:
- 628.410 1. The Board may initiate proceedings under this chapter either on its own motion or on the complaint of any person.
- 2. A written notice of the hearing must be served on the respondent not less than 30 days before the date of the hearing, either personally or by mailing a copy thereof by registered or certified mail to the address of the respondent last known to the Board.
- 3. If, after having been served with the notice of hearing, the respondent fails to appear at the hearing and defend, the Board may proceed to hear evidence against him and may enter such order as is justified by the evidence. The order is final unless the respondent petitions for a review thereof. Within 30 days after the date of any order, upon a showing of good cause for failing to appear and defend, the Board may reopen the proceedings and may permit the respondent to submit evidence in his behalf.
- 4. At any hearing, a respondent may be represented before the Board by counsel or by a certified public accountant or registered public accountant of this state in good standing. The respondent is entitled, on application to the Board, to the issuance of subpoenas to compel the attendance of witnesses on his behalf.
- 5. The Board, or any member thereof, may issue subpoenas to compel the attendance of witnesses and the production of documents. In case of disobedience to a subpoena, the Board may invoke the aid of any court of this state in requiring the attendance and testimony of witnesses and the production of documentary evidence.
 - 6. A hearing may be conducted by:
- (a) The Board, less any member or members who have been disqualified, without the appointment of persons to hear the case in place of the disqualified members; or



(b) A member of the Board appointed by the Board as a hearing officer, with the remaining members of the Board, less any member or members who have been disqualified, to review the record, make a final decision and issue the order,

- unless the Board, after disqualifications, consists of less than three members to hear or review the case, in which circumstance the Governor must appoint one or more qualified persons so that the panel which hears or reviews the case consists of at least three persons.
- 7. A stenographic record of the hearing must be kept and a transcript thereof filed with the Board.
- 8. At all hearings, the Attorney General, or one of his deputies designated by him [or such other legal counsel as may be employed shall appear and], shall represent the Board.
 - 9. The decision of the Board must be by majority vote thereof.
- **Sec. 9.** Chapter 630 of NRS is hereby amended by adding thereto the provisions set forth as sections 10 to 17, inclusive, of this act.
- Sec. 10. 1. The Board may employ hearing officers, experts, administrators, investigators, consultants and clerical personnel necessary to the discharge of its duties.
- 2. Each employee of the Board is an at-will employee who serves at the pleasure of the Board. The Board may discharge an employee of the Board for any reason that does not violate public policy, including, without limitation, making a false representation to the Board.
- 3. The Board shall employ a person as the Executive Secretary of the Board, except that the Board shall not employ the same person as the Executive Secretary for a total of more than 8 years, regardless of whether the person serves intermittently or continuously.
- 4. The Executive Secretary serves as the chief administrative officer of the Board at a level of compensation set by the Board.
- 5. A hearing officer employed by the Board shall not act in any other capacity for the Board or occupy any other position of employment with the Board, and the Board shall not assign the hearing officer any duties which are unrelated to the duties of a hearing officer.
- 6. If a person resigns his position as a hearing officer or the Board terminates the person from his position as a hearing officer, the Board may not rehire the person in any position of employment with the Board for a period of 2 years following the date of the resignation or termination. The provisions of this subsection do not give a person any right to be rehired by the Board and do not permit the Board to rehire a person who is



prohibited from being employed by the Board pursuant to any other provision of law.

- Sec. 11. 1. Notwithstanding any other provision of law and except as otherwise provided in this section, the Board shall not adopt any regulations that prohibit or have the effect of prohibiting a physician, physician assistant or practitioner of respiratory care from collaborating or consulting with another provider of health care.
- 2. The provisions of this section do not prevent the Board from adopting regulations that prohibit a physician, physician assistant or practitioner of respiratory care from aiding or abetting another person in the unlicensed practice of medicine or the unlicensed practice of respiratory care.
- 3. As used in this section, "provider of health care" has the meaning ascribed to it in NRS 629.031.
- Sec. 12. 1. The Board shall maintain a website on the Internet or its successor.
- 2. Except as otherwise provided in this section, the Board and its members and employees shall not place any information on the website maintained by the Board unless the Board, at a regular meeting, approves the placement of the information on the website.
- 3. The Board shall place on its website, without having a meeting:
 - (a) All financial reports received by the Board;
 - (b) All financial reports prepared by the Board; and
- (c) Any other information required to be placed on the website by any other provision of law.
- Sec. 13. 1. Except as otherwise provided in this section, upon the request of an applicant for a license to practice medicine, the Board may waive one or more of the requirements for licensure set forth in NRS 630.160 to 630.268, inclusive, and issue a temporary license, limited license or unrestricted license to practice medicine to the applicant if the Board, by a two-thirds vote of its entire membership, finds that exceptional circumstances exist which justify the issuance of such a license to the applicant.
- 2. The Board shall not waive any of the requirements for licensure set forth in NRS 630.160 to 630.268, inclusive, that are necessary for the State to comply with the provisions of 42 U.S.C. § 666 or any other federal law.
- Sec. 14. 1. If the Board has reason to believe that a person has violated, is violating or is about to violate any provision of this chapter, the Board may issue to the person a letter of warning, a letter of concern or a nonpunitive admonishment, whether or not



the Board has initiated any disciplinary proceedings against the person.

2. The issuance of such a letter or admonishment:

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- (a) Does not preclude the Board from initiating any disciplinary proceedings against the person or taking any disciplinary action against the person based on any conduct alleged or described in the letter or admonishment or any other conduct: and
- (b) Does not constitute a final decision of the Board and is not subject to judicial review.
- Sec. 15. The Board shall not revoke a license issued pursuant to this chapter unless the Board, by a majority vote of its entire membership, finds by clear and convincing evidence that the licensee committed a material violation of a provision of NRS 630.161 or 630.301 to 630.3067, inclusive.
- Sec. 16. 1. In addition to any other audits required of the Board by law, the Legislative Commission shall engage the services of a person specializing in managerial and financial consulting to conduct regular performance audits of the Board.
- 2. The initial performance audit of the Board must be commenced before October 1, 2003. After the initial performance audit is completed, additional performance audits must be conducted:
 - (a) Once every 8 years, for the preceding 8-year period; or
- (b) Whenever ordered by the Legislative Commission, for the period since the last performance audit was conducted pursuant to this section.
- 3. A written report of the results of the initial performance audit must be submitted to the Secretary of the Legislative Commission not later than 60 days after the date that the initial performance audit is commenced. A written report of the results of each subsequent performance audit must be submitted to the Secretary of the Legislative Commission as soon as practicable after the date that the performance audit is commenced.
- 4. Upon receipt of the written report of the results of each performance audit, the Secretary of the Legislative Commission shall:
- (a) Distribute the report to the members of the Legislative Commission and to any other Legislator who requests a copy of 40 the report; and
 - (b) Not later than 30 days after receipt of the report, make the report available to the public.
- 43 5. The Board shall pay all costs related to each performance audit conducted pursuant to this section.



- 6. Any person who conducts a performance audit pursuant to this section:
 - (a) Is directly responsible to the Legislative Commission;

- (b) Must be sufficiently qualified to conduct the performance audit; and
- (c) Must never have conducted an audit of the Board pursuant to NRS 218.825 or have been affiliated, in any way, with a person who has conducted an audit of the Board pursuant to NRS 218.825.
- 7. If the Legislative Commission is unable to select a person specializing in managerial and financial consulting who meets the requirements of this section, the Legislative Commission shall direct the Audit Division of the Legislative Counsel Bureau to conduct the performance audit.
- 8. Each performance audit conducted pursuant to this section must include, without limitation, a comprehensive review and evaluation of:
- (a) The methodology and efficiency of the Board in responding to complaints filed by the public against a licensee;
- (b) The methodology and efficiency of the Board in responding to complaints filed by a licensee against another licensee;
- (c) The methodology and efficiency of the Board in conducting investigations of licensees who have had two or more malpractice claims filed against them within a period of 12 months;
- (d) The methodology and efficiency of the Board in conducting investigations of licensees who have been subject to one or more peer review actions at a medical facility that resulted in the licensee losing his professional privileges at the medical facility for more than 30 days within a period of 12 months;
- (e) The methodology and efficiency of the Board in taking preventative steps or progressive actions to remedy or deter any unprofessional conduct by a licensee before such conduct results in a violation under this chapter that warrants disciplinary action; and
- (f) The managerial and administrative efficiency of the Board in using the fees that it collects pursuant to this chapter.
- Sec. 17. 1. Except as otherwise provided in this section, in addition to the fees prescribed by NRS 630.268, the Board shall charge and collect from each physician an annual fee of \$200 to be deposited in the Critically Impacted Medical Specialties Subsidy Fund created by section 62 of this act.
- 2. If a physician fails to pay the annual fee prescribed by this section, the Board shall, after notice and opportunity for a hearing, assess the physician an administrative fine of not more



than \$2,000 for each such violation, in addition to any other fines or penalties permitted by law.

- 3. The Board shall not charge and collect the annual fee prescribed by this section from a physician who:
 - (a) Is not actively practicing medicine in this state; or

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- (b) Holds a license that is restricted or limited to the practice of medicine without compensation.
- 4. All money received by the Board pursuant to this section from fees and administrative fines must be deposited with the State Treasurer for credit to the Critically Impacted Medical Specialties Subsidy Fund created by section 62 of this act.
 - **Sec. 18.** NRS 630.003 is hereby amended to read as follows:
- 630.003 The Legislature finds and declares that it is among the responsibilities of State Government to ensure, as far as possible, that only competent persons practice medicine and respiratory care within this state. For this purpose, the Legislature delegates to the Board of Medical Examiners the duty of determining the initial and continuing competence of doctors of medicine, physician assistants and practitioners of respiratory care in this state. The powers conferred upon the Board by this chapter must be liberally construed to carry out *the provisions of* this [purpose.] chapter.
 - **Sec. 19.** NRS 630.020 is hereby amended to read as follows: 630.020 "Practice of medicine" means:
- 1. To diagnose, treat, correct, prevent or prescribe for any human disease, ailment, injury, infirmity, deformity or other condition, physical or mental, by any means or instrumentality.
- 2. To apply principles or techniques of medical science in the diagnosis or the prevention of any such conditions.
- 3. To perform any of the acts described in subsections 1 and 2 by using equipment that transfers information concerning the medical condition of the patient electronically, telephonically or by fiber optics.
- 4. To offer, undertake, attempt to do or hold oneself out as able to do any of the acts described in subsections 1 and 2.
- [5. To use in connection with a person's name the words or letters "M.D.," or any other title, word, letter or other designation intended to imply or designate him as a practitioner of medicine in any of its branches, except in the manner authorized by NRS 630A.220.1
 - **Sec. 20.** NRS 630.045 is hereby amended to read as follows:
- 630.045 1. The purpose of licensing physicians, physician assistants and practitioners of respiratory care is to protect the public health and safety and the general welfare of the people of this state.
- 2. Any license issued pursuant to this chapter is a revocable privilege [and no holder of], but the Board may revoke such a



license [acquires thereby any vested right.] only in accordance with the provisions of section 15 of this act.

Sec. 21. NRS 630.060 is hereby amended to read as follows:

- 630.060 1. Six members of the Board must be persons who are licensed to practice medicine in this state, are actually engaged in the practice of medicine in this state and have resided and practiced medicine in this state for at least 5 years preceding their respective appointments.
- 2. The remaining members must be persons who have resided in this state for at least 5 years and who:
 - (a) Are not licensed in any state to practice any healing art;
- (b) Are not actively engaged in the administration of any facility for the dependent as defined in chapter 449 of NRS, medical facility or medical school; and
- (c) Do not have a pecuniary interest in any matter pertaining to the healing arts, except as a patient or potential patient.
- 3. The members of the Board must be selected without regard to their individual political beliefs.
- 4. The **President of the** Board shall conduct **a** training **[programs] program** to assist new members of the Board in the performance of their duties.
 - **Sec. 22.** NRS 630.110 is hereby amended to read as follows:
- 630.110 1. Out of the money coming into the possession of the Board, each member and advisory member of the Board is entitled to receive:
- (a) A salary of not more than \$80 per day, as fixed by the Board, while engaged in the business of the Board; and
- (b) A per diem allowance and travel expenses at a rate fixed by the Board, while engaged in the business of the Board. The rate must not exceed the rate provided for state officers and employees generally.
- 2. While engaged in the business of the Board, each employee of the Board is entitled to receive a per diem allowance and travel expenses at a rate fixed by the Board. The rate must not exceed the rate provided for state officers and employees generally.
- 3. Expenses of the Board and the expenses and salaries of its members and employees must be paid from the fees received by the Board pursuant to the provisions of this chapter, and no part of the salaries or expenses of the Board may be paid out of the State General Fund or from the penalties imposed by the Board pursuant to this chapter.
- 4. [All] Except as otherwise provided in section 17 of this act, all money received by the Board from:
- (a) Fees must be deposited in financial institutions in this state that are federally insured or insured by a private insurer pursuant to



- NRS 678.755, invested in treasury bills or notes of the United States, deposited in institutions in this state whose business is the making of investments, or invested as authorized by NRS 355.140.
- (b) Penalties must be deposited with the State Treasurer for credit to the State General Fund.
 - Sec. 23. NRS 630.125 is hereby amended to read as follows: 630.125 The Board may :
- 1. Maintain maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- [2. Employ hearing officers, experts, administrators, attorneys, investigators, consultants and clerical personnel necessary to the discharge of its duties.]
 - **Sec. 24.** NRS 630.130 is hereby amended to read as follows:
- 630.130 1. In addition to the other powers and duties provided in this chapter, the Board shall [:], in the interest of the public, judiciously:
 - (a) Enforce the provisions of this chapter;

- (b) Establish by regulation standards for licensure under this chapter;
- (c) Conduct examinations for licensure and establish a system of scoring for those examinations;
- (d) Investigate the character of each applicant for a license and issue licenses to those applicants who meet the qualifications set by this chapter and the Board; and
- (e) Institute a proceeding in any court to enforce its orders or the provisions of this chapter.
- 2. On or before February 15 of each odd-numbered year, the board shall submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a written report compiling:
- (a) Disciplinary action taken by the Board during the previous biennium against physicians for malpractice or negligence; and
- (b) Information reported to the Board during the previous biennium pursuant to NRS 630.3067, subsections 2 and 3 of NRS 630.307 and NRS 690B.045.
- The report must include only aggregate information for statistical purposes and exclude any identifying information related to a particular person.
- 3. The Board may adopt such regulations as are necessary or desirable to enable it to carry out the provisions of this chapter.
 - **Sec. 25.** NRS 630.258 is hereby amended to read as follows:
- 630.258 1. A physician who is retired from active practice and who wishes to donate his expertise for the medical care and treatment of indigent persons in this state may obtain a special



volunteer medical license by submitting an application to the Board pursuant to this section.

- 2. An application for a special volunteer medical license must be on a form provided by the Board and must include:
- (a) Documentation of the history of medical practice of the physician;
- (b) Proof that the physician previously has been issued an unrestricted license to practice medicine in any state of the United States and that he has never been the subject of disciplinary action by a medical board in any jurisdiction;
- (c) [Proof that the physician satisfies the requirements for licensure set forth in NRS 630.160;
- (d)] Acknowledgment that the practice of the physician under the special volunteer medical license will be exclusively devoted to providing medical care to indigent persons in this state; and
- [(e)] (d) Acknowledgment that the physician will not receive any payment or compensation, either direct or indirect, or have the expectation of any payment or compensation, for providing medical care under the special volunteer medical license, except for payment by a medical facility at which the physician provides volunteer medical services of the expenses of the physician for necessary travel, continuing education, malpractice insurance or fees of the State Board of Pharmacy.
- 3. If the Board finds that the application of a physician satisfies the requirements of subsection 2 and that the [retired] physician is competent to practice medicine, the Board shall issue a special volunteer medical license to the physician.
- 4. [The initial] A physician who holds a special volunteer medical license issued pursuant to this section [expires 1 year after the date of issuance. The license may be renewed pursuant to this section, and any license that is renewed expires 2 years after the date of issuance.] is not required to renew the license, and the physician may hold the license until it is voluntarily relinquished by the physician or revoked by the Board in accordance with section 15 of this act.
 - 5. The Board shall not charge a fee for:
- (a) The review of an application for a special volunteer medical license; or
- (b) The issuance [or renewal] of a special volunteer medical license pursuant to this section.
- 6. A physician who is issued a special volunteer medical license pursuant to this section and who accepts the privilege of practicing medicine in this state pursuant to the provisions of the special volunteer medical license is subject to all the provisions governing disciplinary action set forth in this chapter.



7. A physician who is issued a special volunteer medical license pursuant to this section shall comply with the requirements for continuing education adopted by the Board.

- **Sec. 26.** NRS 630.261 is hereby amended to read as follows: 630.261 1. Except as otherwise provided in NRS 630.161, the Board may issue:
- (a) A locum tenens license, to be effective not more than 3 months after issuance, to any physician who is licensed and in good standing in another state, who meets the requirements for licensure in this state and who is of good moral character and reputation. The purpose of this license is to enable an eligible physician to serve as a substitute for another physician who is licensed to practice medicine in this state and who is absent from his practice for reasons deemed sufficient by the Board. A license issued pursuant to the provisions of this paragraph is not renewable.
- (b) A special license to a licensed physician of another state to come into this state to care for or assist in the treatment of his own patient in association with a physician licensed in this state. A special license issued pursuant to the provisions of this paragraph is limited to the care of a specific patient. The physician licensed in this state has the primary responsibility for the care of that patient.
- (c) A restricted license for a specified period if the Board determines the applicant needs supervision or restriction.
- (d) A temporary license for a specified period if the physician is licensed and in good standing in another state and meets the requirements for licensure in this state, and if the Board determines that it is necessary in order to provide medical services for a community without adequate medical care. A temporary license issued pursuant to the provisions of this paragraph is not renewable.
- (e) A special purpose license to a physician who is licensed in another state to permit the use of equipment that transfers information concerning the medical condition of a patient in this state across state lines electronically, telephonically or by fiber optics if the physician:
- (1) Holds a full and unrestricted license to practice medicine in that state;
- (2) Has not had any disciplinary or other action taken against him by any state or other jurisdiction; and
- (3) Meets the requirement set forth in paragraph (d) of subsection 2 of NRS 630.160.
- 2. Except as otherwise provided in this section, the Board may renew or modify any license issued pursuant to subsection 1.
- 3. Every physician who is licensed pursuant to subsection 1 and who accepts the privilege of practicing medicine in this state pursuant to the provisions of the license shall be deemed to have



given his consent to the revocation of the license at any time by the Board [for any of the grounds provided in NRS 630.161 or 630.301 to 630.3065, inclusive.] in accordance with the provisions of section 15 of this act.

Sec. 27. NRS 630.301 is hereby amended to read as follows: 630.301 The following acts, among others, constitute grounds for initiating disciplinary action or denying licensure:

- 1. Conviction of a felony. [, any offense involving moral turpitude or any offense relating to the practice of medicine or the ability to practice medicine.] A plea of nolo contendere is a conviction for the purposes of this subsection.
- 2. Conviction of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310 [,] or 616D.350 to 616D.440, inclusive.
- 3. The revocation, suspension, modification or limitation of the license to practice any type of medicine by any other jurisdiction or the surrender of the license or discontinuing the practice of medicine while under investigation by any licensing authority, a medical facility, a branch of the Armed Services of the United States, an insurance company, an agency of the Federal Government or an employer.
- 4. [Malpractice, which may be evidenced by claims settled against a practitioner.] The commission of repeated acts of malpractice or gross malpractice, but only if such acts are established by clear and convincing evidence.
- 5. The engaging by a practitioner in any sexual activity with a patient who is currently being treated by the practitioner.
- 6. Disruptive behavior with physicians, hospital personnel, patients, members of the families of patients or any other persons if the behavior interferes with patient care or has an adverse impact on the quality of care rendered to a patient.
- 7. The engaging in conduct that violates the trust of a patient and exploits the relationship between the physician and the patient for financial or other personal gain.
- 8. The failure to offer appropriate procedures or studies, to protest inappropriate denials by organizations for managed care, to provide necessary services or to refer a patient to an appropriate provider, when such a failure occurs with the intent of positively influencing the financial well-being of the practitioner or an insurer.
- 9. The engaging in conduct that brings the medical profession into disrepute, including, without limitation, conduct that violates any provision of a national code of ethics adopted by the Board by regulation.
- 10. The engaging in sexual contact with the surrogate of a patient or other key persons related to a patient, including, without



limitation, a spouse, parent or legal guardian, which exploits the relationship between the physician and the patient in a sexual manner.

Sec. 28. NRS 630.333 is hereby amended to read as follows:

- 630.333 1. In addition to any other remedy provided by law, the Board, through its President or Secretary-Treasurer or the Attorney General, may apply to any court of competent jurisdiction:
- (a) To enjoin any prohibited act or other conduct of a licensee which is harmful to the public;
- (b) To enjoin any person who is not licensed under this chapter from practicing medicine or respiratory care;
- (c) To limit the practice of a physician, physician assistant or practitioner of respiratory care, or suspend his license to practice; or
- (d) To enjoin the use of the title ["M. D.,"] "P.A.," "P.A.-C," "R.C.P." or any other word, combination of letters or other designation intended to imply or designate a person as a [physician,] physician assistant or practitioner of respiratory care, when not licensed by the Board pursuant to this chapter, unless the use is otherwise authorized by a specific statute.
- 2. The court in a proper case may issue a temporary restraining order or a preliminary injunction for the purposes set forth in subsection 1:
 - (a) Without proof of actual damage sustained by any person;
- (b) Without relieving any person from criminal prosecution for engaging in the practice of medicine without a license; and
 - (c) Pending proceedings for disciplinary action by the Board. **Sec. 29.** NRS 630.352 is hereby amended to read as follows:
- 630.352 1. Any member of the Board, except for an advisory member serving on a panel of the Board hearing charges, may participate in the final order of the Board. If the Board, after a formal hearing, determines from a preponderance of the evidence or, when the issue is the revocation of the license, by clear and convincing evidence that a violation of the provisions of this chapter or of the regulations of the Board has occurred, it shall issue and serve on the physician charged an order, in writing, containing its findings and any sanctions.
- 2. If the Board determines that no violation has occurred, it shall dismiss the charges, in writing, and notify the physician that the charges have been dismissed. If the disciplinary proceedings were instituted against the physician as a result of a complaint filed against him, the Board may provide the physician with a copy of the complaint.



- 3. Except as otherwise provided in subsection 4, if the Board finds that a violation has occurred, it may by order:
 - (a) Place the person on probation for a specified period on any of the conditions specified in the order;
 - (b) Administer to him a public reprimand;

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- (c) Limit his practice or exclude one or more specified branches of medicine from his practice;
- (d) Suspend his license for a specified period or until further order of the Board;
- (e) Revoke his license to practice medicine [;], but only in accordance with the provisions of section 15 of this act;
- 12 (f) Require him to participate in a program to correct alcohol or drug dependence or any other impairment;
 - (g) Require supervision of his practice;
 - (h) Impose a fine not to exceed \$5,000;
 - (i) Require him to perform community service without compensation;
 - (j) Require him to take a physical or mental examination or an examination testing his competence;
 - (k) Require him to fulfill certain training or educational requirements; and
 - (l) Require him to pay all costs incurred by the Board relating to his disciplinary proceedings.
 - 4. If the Board finds that the physician has violated the provisions of NRS 439B.425, the Board shall suspend his license for a specified period or until further order of the Board.
 - **Sec. 30.** NRS 630.400 is hereby amended to read as follows: 630.400 A person who:
 - 1. Presents to the Board as his own the diploma, license or credentials of another;
 - 2. Gives either false or forged evidence of any kind to the Board;
 - 3. Practices medicine or respiratory care under a false or assumed name or falsely personates another licensee;
 - 4. Except as otherwise provided by specific statute, practices medicine or respiratory care without being licensed under this chapter;
- 5. Holds himself out as a physician assistant or uses any other term indicating or implying that he is a physician assistant without being licensed by the Board; *or*
 - 6. Holds himself out as a practitioner of respiratory care or uses any other term indicating or implying that he is a practitioner of respiratory care without being licensed by the Board, for



7. Uses the title "M.D.," when not licensed by the Board pursuant to this chapter, unless otherwise authorized by a specific statute.

- is guilty of a category D felony and shall be punished as provided in NRS 193.130.
 - **Sec. 31.** NRS 630A.190 is hereby amended to read as follows: 630A.190 The Board may:
- 1. Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 2. Employ [attorneys,] investigators, hearing officers, experts, administrators, consultants and clerical personnel necessary to the discharge of its duties.
- **Sec. 32.** NRS 631.190 is hereby amended to read as follows: 631.190 In addition to the powers and duties provided in this chapter, the Board shall:
- 1. Adopt rules and regulations necessary to carry out the provisions of this chapter.
- 2. Appoint such committees, examiners, officers, employees, agents, [attorneys,] investigators and other professional consultants and define their duties and incur such expense as it may deem proper or necessary to carry out the provisions of this chapter, the expense to be paid as provided in this chapter.
- 3. Fix the time and place for and conduct examinations for the granting of licenses to practice dentistry and dental hygiene.
- 4. Examine applicants for licenses to practice dentistry and dental hygiene.
 - 5. Collect and apply fees as provided in this chapter.
- 6. Keep a register of all dentists and dental hygienists licensed in this state, together with their addresses, license numbers and renewal certificate numbers.
 - 7. Have and use a common seal.
- 8. Keep such records as may be necessary to report the acts and proceedings of the Board. Except as otherwise provided in NRS 631.368, the records must be open to public inspection.
- 9. Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 10. Have discretion to examine work authorizations in dental offices or dental laboratories.
 - **Sec. 33.** NRS 632.065 is hereby amended to read as follows: 632.065 The Board may:
- 1. Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 2. Employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.



Sec. 34. Chapter 633 of NRS is hereby amended by adding thereto the provisions set forth as sections 35 and 36 of this act.

- Sec. 35. 1. In addition to any other audits required of the Board by law, the Legislative Commission shall engage the services of a person specializing in managerial and financial consulting to conduct regular performance audits of the Board.
- 2. The initial performance audit of the Board must be commenced before October 1, 2003. After the initial performance audit is completed, additional performance audits must be conducted:
 - (a) Once every 8 years, for the preceding 8-year period; or
- (b) Whenever ordered by the Legislative Commission, for the period since the last performance audit was conducted pursuant to this section.
- 3. A written report of the results of the initial performance audit must be submitted to the Secretary of the Legislative Commission not later than 60 days after the date that the initial performance audit is commenced. A written report of the results of each subsequent performance audit must be submitted to the Secretary of the Legislative Commission as soon as practicable after the date that the performance audit is commenced.
- 4. Upon receipt of the written report of the results of each performance audit, the Secretary of the Legislative Commission shall:
- (a) Distribute the report to the members of the Legislative Commission and to any other Legislator who requests a copy of the report; and
- (b) Not later than 30 days after receipt of the report, make the report available to the public.
- 5. The Board shall pay all costs related to each performance audit conducted pursuant to this section.
- 6. Any person who conducts a performance audit pursuant to this section:
 - (a) Is directly responsible to the Legislative Commission;
- (b) Must be sufficiently qualified to conduct the performance audit; and
- (c) Must never have conducted an audit of the Board pursuant to NRS 218.825 or have been affiliated, in any way, with a person who has conducted an audit of the Board pursuant to NRS 218.825.
- 7. If the Legislative Commission is unable to select a person specializing in managerial and financial consulting who meets the requirements of this section, the Legislative Commission shall direct the Audit Division of the Legislative Counsel Bureau to conduct the performance audit.



8. Each performance audit conducted pursuant to this section must include, without limitation, a comprehensive review and evaluation of:

- (a) The methodology and efficiency of the Board in responding to complaints filed by the public against a licensee;
- (b) The methodology and efficiency of the Board in responding to complaints filed by a licensee against another licensee:
- (c) The methodology and efficiency of the Board in conducting investigations of licensees who have had two or more malpractice claims filed against them within a period of 12 months;
- (d) The methodology and efficiency of the Board in conducting investigations of licensees who have been subject to one or more peer review actions at a medical facility that resulted in the licensee losing his professional privileges at the medical facility for more than 30 days within a period of 12 months;
- (e) The methodology and efficiency of the Board in taking preventative steps or progressive actions to remedy or deter any unprofessional conduct by a licensee before such conduct results in a violation under this chapter that warrants disciplinary action; and
- (f) The managerial and administrative efficiency of the Board in using the fees that it collects pursuant to this chapter.
- Sec. 36. 1. Except as otherwise provided in this section, in addition to the fees prescribed by NRS 633.501, the Board shall charge and collect from each osteopathic physician an annual fee of \$200 to be deposited in the Critically Impacted Medical Specialties Subsidy Fund created by section 62 of this act.
- 2. If an osteopathic physician fails to pay the annual fee prescribed by this section, the Board shall, after notice and opportunity for a hearing, assess the osteopathic physician an administrative fine of not more than \$2,000 for each such violation, in addition to any other fines or penalties permitted by law.
- 3. The Board shall not charge and collect the annual fee prescribed by this section from an osteopathic physician who:
- (a) Is not actively practicing osteopathic medicine in this state; or
- (b) Holds a license that is restricted or limited to the practice of osteopathic medicine without compensation.
- 4. All money received by the Board pursuant to this section from fees and administrative fines must be deposited with the State Treasurer for credit to the Critically Impacted Medical Specialties Subsidy Fund created by section 62 of this act.



Sec. 37. NRS 633.261 is hereby amended to read as follows:

633.261 1. All reasonable expenses incurred by the Board in carrying out the provisions of this chapter [shall] *must* be paid from the fees which it receives, and no part of the salaries or expenses of the Board may be paid out of the *State* General Fund . [of the State Treasury.

2. All]

- 2. Except as otherwise provided in section 36 of this act, all money received by the Board [shall] must be deposited in banks, credit unions or savings and loan associations in this state and [shall] must be paid out on its order for its expenses.
 - **Sec. 38.** NRS 633.271 is hereby amended to read as follows: 633.271 The Board may:
- 1. Appoint an Executive Director who is entitled to such compensation as determined by the Board.
- 2. Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 3. Employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.
 - **Sec. 39.** NRS 634.043 is hereby amended to read as follows:
- 634.043 1. The Board shall appoint an Executive Director who serves at the pleasure of the Board and is entitled to receive such compensation as may be fixed by the Board.
 - 2. The Board may:
- (a) Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- (b) Employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.
- (c) Enter and inspect any chiropractic office in this state in order to enforce the provisions of this chapter.
 - **Sec. 40.** NRS 634.208 is hereby amended to read as follows:
- 634.208 1. In addition to any other remedy provided by law, the Board, through its President [,] or Secretary or [its attorney, or] through the Attorney General, may bring an action in any court of competent jurisdiction to enjoin any person who does not hold a license issued by the Board from practicing chiropractic or representing himself to be a chiropractor.
- 2. The court in a proper case may issue an injunction for such purposes without proof of actual damage sustained by any person, this provision being a preventive as well as a punitive measure. The issuance of such an injunction does not relieve the person from criminal prosecution for a violation of NRS 634.227.



Sec. 41. NRS 634A.070 is hereby amended to read as follows: 634A.070 The Board may:

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- 1. Employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to discharge its duties. To conduct its examinations, the Board may call to its aid persons of established reputation and known ability in Oriental medicine.
- 2. Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 3. Adopt regulations not inconsistent with the provisions of this chapter. The regulations may include a code of ethics regulating the professional conduct of licensees.
- 4. Compel the attendance of witnesses and the production of evidence by subpoena.
 - **Sec. 42.** NRS 635.035 is hereby amended to read as follows: 635.035 The Board may:
- 1. Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 2. Employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.
 - **Sec. 43.** NRS 636.090 is hereby amended to read as follows: 636.090 1. The Board may employ:
- (a) Agents and inspectors to secure evidence of, and report on, violations of this chapter.
- (b) [Attorneys, investigators] Investigators professional consultants and clerical personnel necessary to 26 administer this chapter.
 - 2. The Attorney General [may] shall act as counsel for the Board.
 - **Sec. 44.** NRS 637.070 is hereby amended to read as follows:
 - 637.070 1. The Board may adopt such rules and regulations as it may deem necessary to carry out the provisions of this chapter.
 - 2. The Board shall have a common seal of which all courts of this state shall take judicial notice.
 - 3. The Board may empower any member to conduct any proceeding, hearing or investigation necessary to its purposes.
 - 4. The Board may employ and fix the compensation of [attorneys,] investigators and other professional consultants and such other employees and assistants as it may deem necessary to carry out the provisions of this chapter.
 - **Sec. 45.** NRS 638.070 is hereby amended to read as follows:
 - 638.070 1. The Board shall adopt regulations providing an administrative fine in an amount not to exceed \$500 if an applicant for a license or the renewal of a license:



- (a) Intentionally or knowingly makes a false or misleading statement on his application;
 - (b) Knowingly fails to submit a notarized application; or
- (c) Fails to inform the Board of any change of information which was contained in his application.
 - 2. The Board may adopt regulations:

- (a) Necessary to carry out the provisions of this chapter;
- (b) Concerning the rights and responsibilities of veterinary interns and externs and graduates of schools of veterinary medicine located outside the United States or Canada;
- (c) Concerning the rights and responsibilities of a veterinarian's employees who are not licensed nor working towards obtaining a license pursuant to this chapter and whose duties require them to spend a substantial portion of their time in direct contact with animals:
 - (d) Concerning requirements for continuing education;
- (e) Establishing procedures to approve schools which confer the degree of veterinary technician or its equivalent;
- (f) Concerning the disposition of animals which are abandoned or left unclaimed at the office of a veterinarian;
- (g) Establishing sanitary requirements for facilities in which veterinary medicine is practiced, including, but not limited to, precautions to be taken to prevent the creation or spread of any infectious or contagious disease; and
- (h) Concerning alternative veterinary medicine, including, but not limited to, acupuncture, chiropractic procedures, dentistry, cosmetic surgery, holistic medicine, and the provision of such services by a licensed provider of health care under the direction of a licensed veterinarian.
 - 3. The Board may:
- (a) Employ [attorneys,] investigators, hearing officers for disciplinary hearings, and other professional consultants and clerical personnel necessary to the discharge of its duties;
- (b) Conduct investigations and take and record evidence as to any matter cognizable by it;
- (c) Maintain offices in as many localities in the State as it considers necessary to carry out the provisions of this chapter; and
- (d) Purchase or rent any office space, equipment and supplies that it considers necessary to carry out the provisions of this chapter.
 - **Sec. 46.** NRS 638.151 is hereby amended to read as follows:
- 638.151 At all hearings, the Attorney General, or [an attorney employed by the Board,] one of his deputies designated by him, shall represent the Board.



- **Sec. 47.** NRS 639.070 is hereby amended to read as follows: 639.070 1. The Board may:
- (a) Adopt such regulations, not inconsistent with the laws of this state, as are necessary for the protection of the public, appertaining to the practice of pharmacy and the lawful performance of its duties.
- (b) Adopt regulations requiring that prices charged by retail pharmacies for drugs and medicines which are obtained by prescription be posted in the pharmacies and be given on the telephone to persons requesting such information.
- (c) Adopt regulations, not inconsistent with the laws of this state, authorizing the Secretary to issue certificates, licenses and permits required by this chapter and chapters 453 and 454 of NRS.
- (d) Adopt regulations governing the dispensing of poisons, drugs, chemicals and medicines.
 - (e) Regulate the practice of pharmacy.

- (f) Regulate the sale and dispensing of poisons, drugs, chemicals and medicines.
- (g) Regulate the means of recordkeeping and storage, handling, sanitation and security of drugs, poisons, medicines, chemicals and devices, including, but not limited to, requirements relating to:
- (1) Pharmacies, institutional pharmacies and pharmacies in correctional institutions;
 - (2) Drugs stored in hospitals; and
 - (3) Drugs stored for the purpose of wholesale distribution.
- (h) Examine and register, upon application, pharmacists and other persons who dispense or distribute medications whom it deems qualified.
- (i) Charge and collect necessary and reasonable fees for its services, other than those specifically set forth in this chapter.
- (j) Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- (k) Employ an [attorney,] inspectors, investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.
- (1) Enforce the provisions of NRS 453.011 to 453.552, inclusive, and enforce the provisions of this chapter and chapter 454 of NRS.
- (m) Adopt regulations concerning the information required to be submitted in connection with an application for any license, certificate or permit required by this chapter or chapter 453 or 454 of NRS.
- (n) Adopt regulations concerning the education, experience and background of a person who is employed by the holder of a license or permit issued pursuant to this chapter and who has access to drugs and devices.



- (o) Adopt regulations concerning the use of computerized mechanical equipment for the filling of prescriptions.
- (p) Participate in and expend money for programs that enhance the practice of pharmacy.
- 2. This section does not authorize the Board to prohibit openmarket competition in the advertising and sale of prescription drugs and pharmaceutical services.

Sec. 48. NRS 640.050 is hereby amended to read as follows:

- 640.050 1. The Board shall examine and license qualified physical therapists and qualified physical therapist's assistants.
- 2. The Board may adopt reasonable regulations to carry this chapter into effect, including, but not limited to, regulations concerning the:
 - (a) Issuance and display of licenses.

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- (b) Supervision of physical therapist's assistants and physical therapist's technicians.
- (c) Treatments and other regulated procedures which may be performed by physical therapist's technicians.
- 3. The Board shall keep a record of its proceedings and a register of all persons licensed under the provisions of this chapter. The register must show:
 - (a) The name of every living licensee.
- (b) The last known place of business and residence of each licensee.
- (c) The date and number of each license issued as a physical therapist or physical therapist's assistant.
- 4. During September of every year in which renewal of a license is required, the Board shall compile a list of licensed physical therapists authorized to practice physical therapy and physical therapist's assistants licensed to assist in the practice of physical therapy in this state. Any interested person in the State may obtain a copy of the list upon application to the Board and the payment of such amount as may be fixed by the Board, which amount must not exceed the cost of the list so furnished.
 - 5. The Board may:
- (a) Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 38 (b) Employ [attorneys,] investigators and other professional 39 consultants and clerical personnel necessary to the discharge of its 40 duties.
 - (c) Adopt a seal of which a court may take judicial notice.
 - 6. Any member or agent of the Board may enter an office, clinic or hospital where physical therapy is practiced and inspect it to determine if the physical therapists are licensed.



7. Any member of the Board may administer an oath to a person testifying in a matter that relates to the duties of the Board.

- **Sec. 49.** NRS 641.115 is hereby amended to read as follows: 641.115 1. The Board may:
- (a) Maintain offices in as many localities in the State as it considers necessary to carry out the provisions of this chapter.
- (b) Employ [attorneys,] investigators, consultants, hearings officers and employees necessary to the discharge of its duties.
- 2. Any expense incurred by the Board may not be paid out of the State General Fund.
 - **Sec. 50.** NRS 641C.180 is hereby amended to read as follows: 641C.180 The Board may:
- 1. Maintain offices in as many locations in this state as it considers necessary to carry out the provisions of this chapter.
- 2. Employ [attorneys,] investigators and other persons necessary to carry out its duties.
 - **Sec. 51.** NRS 642.055 is hereby amended to read as follows: 642.055 The Board may:
- 1. Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.
- 2. Employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.
- **Sec. 52.** NRS 643.050 is hereby amended to read as follows: 643.050 1. The Board may:
- (a) Maintain offices in as many locations in this state as it finds necessary to carry out the provisions of this chapter.
- (b) Employ [attorneys,] investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.
- (c) Adopt regulations necessary to carry out the provisions of this chapter.
- 2. The Board shall prescribe, by regulation, sanitary requirements for barbershops and barber schools.
- 3. Any member of the Board or its agents or assistants may enter and inspect any barbershop or barber school at any time during business hours or at any time when the practice of barbering or instruction in that practice is being carried on.
- 4. The Board shall keep a record of its proceedings relating to the issuance, refusal, renewal, suspension and revocation of licenses. The record must contain the name, place of business and residence of each licensed barber, licensed apprentice and instructor, and the date and number of his license. The record must be open to public inspection at all reasonable times.



5. The Board may approve and, by official order, establish the days and hours when barbershops may remain open for business whenever agreements fixing such opening and closing hours have been signed and submitted to the Board by any organized and representative group of licensed barbers of at least 70 percent of the licensed barbers of any county. The Board may investigate the reasonableness and propriety of the hours fixed by such an agreement, as is conferred by the provisions of this chapter, and the Board may fix hours for any portion of a county.

- 6. The Board may adopt regulations governing the conduct of barber schools and the course of study of barber schools.
- **Sec. 53.** NRS 644.150 is hereby amended to read as follows: 644.150 The Board may employ inspectors, investigators, advisers, examiners and clerks and secure the services of **[attorneys and]** other professional consultants, but no part of the compensation

and other professional consultants, but no part of the compensation of those persons or reasonable expenses incurred by the Board may be paid by the State.

Sec. 54. NRS 228.110 is hereby amended to read as follows: 228.110 1. The Attorney General and his duly appointed deputies [shall be]:

- (a) Are the legal advisers on all state matters arising in the Executive Department of the State Government.
- (b) Are the exclusive attorneys and counselors at law who may represent, within the State, each board or commission created by title 54 of NRS, unless the Attorney General and his deputies are disqualified to act in the particular matter.
- 2. [No] A board, commission, agency, officer, commissioner or appointee of the Executive Department of the Government of the State of Nevada shall not employ or contract with any attorney at law or counselor at law to represent the State of Nevada within the State [.] or to be compensated by state [funds,] money, directly or indirectly, as an attorney acting within the State for the State of Nevada or any agency in the Executive Department thereof, unless [the]:
- (a) The Attorney General and his deputies are disqualified to act in [such matter or unless an] the particular matter; or
- (b) An act of the Legislature specifically authorizes the employment of or the contracting with other attorneys or counselors at law. For the purposes of this paragraph, no provision in title 54 of NRS authorizes a board or commission created by that title to employ or contract with other attorneys or counselors at law to represent the board or commission within the State.
- 3. All claims for legal services rendered in violation of this section [shall be] are void.



Sec. 55. Chapter 449 of NRS is hereby amended by adding thereto a new section to read as follows:

- 1. Not later than 15 days after the end of each month, a hospital shall report to the Health Division the number of live births that occurred at the hospital during that month.
- 2. In addition to any fees collected pursuant to NRS 449.050, the Health Division shall charge and collect from each hospital a monthly fee of \$50 for each live birth that occurred at the hospital during each month.
- 3. If a hospital violates any provision of this section, the Health Division shall, after notice and opportunity for a hearing, assess the hospital an administrative fine of not more than \$2,000 for each such violation, in addition to any other fines or penalties permitted by law.
- 4. On a monthly basis, the Division shall deposit the fees and fines collected pursuant to this section with the State Treasurer for credit to the Critically Impacted Medical Specialties Subsidy Fund created by section 62 of this act.
- Sec. 56. Chapter 690B of NRS is hereby amended by adding thereto the provisions set forth as sections 57 to 65, inclusive, of this act.
 - Sec. 57. As used in sections 57 to 65, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 58 to 61, inclusive, of this act have the meanings ascribed to them in those sections.
 - Sec. 58. "Malpractice insurance" means a policy of insurance covering the liability of a physician for a breach of his professional duty toward a patient.
 - Sec. 59. "Physician" means a person who has been issued a license in this state to practice medicine pursuant to the provisions of chapter 630 of NRS or osteopathic medicine pursuant to the provisions of chapter 633 of NRS.
 - Sec. 60. "Subsidy" means money paid by the Commissioner from the Subsidy Fund.
 - Sec. 61. "Šubsidy Fund" means the Critically Impacted Medical Specialties Subsidy Fund created by section 62 of this act.
 - Sec. 62. 1. The Critically Impacted Medical Specialties Subsidy Fund is hereby created in the State Treasury as a special revenue fund, to be administered by the Commissioner.
 - 2. The money in the Subsidy Fund must be used to provide subsidies to pay or defray the cost of malpractice insurance for physicians who are practicing in specific branches of medicine or osteopathic medicine that have been critically impacted by the cost of malpractice insurance in this state.



- Sec. 63. 1. If a physician wants to receive a subsidy from the Subsidy Fund to pay or defray the cost of malpractice insurance, the physician must file with the Commissioner an application for a subsidy.
 - 2. An application for a subsidy must include:

- (a) Information establishing the gross revenue that the physician derives from practicing medicine or osteopathic medicine in this state and elsewhere;
- (b) Information establishing the amount of the premiums that the physician pays for malpractice insurance;
- (c) Information establishing each specific branch of medicine or osteopathic medicine in which the physician practices; and
 - (d) Any other information requested by the Commissioner.
- Sec. 64. 1. A physician is eligible to receive a subsidy from the Subsidy Fund if:
- (a) Of the gross revenue that the physician derives from practicing medicine or osteopathic medicine in this state and elsewhere, a majority of that gross revenue is derived in this state;
- (b) The physician practices medicine or osteopathic medicine in this state predominately in a specific branch of medicine or osteopathic medicine that has been critically impacted by the cost of malpractice insurance in this state;
- (c) The amount of the premiums paid by the physician for malpractice insurance exceeds 15 percent of the gross revenue that the physician derives from practicing medicine or osteopathic medicine in this state and elsewhere; and
- (d) The physician has not received a subsidy from the Subsidy Fund during the previous 12 months.
- 2. If the Commissioner determines that a physician is eligible for a subsidy, the Commissioner may pay to the physician a subsidy to be used by the physician to pay or defray the cost of his malpractice insurance. The amount of the subsidy must equal the amount that is necessary to reduce the cost of the physician's malpractice insurance to 15 percent of the gross revenue that the physician derives from practicing medicine or osteopathic medicine in this state, provided that the amount of the subsidy must not exceed \$30,000 for any period of 12 months.
- 3. When the Commissioner renders a decision regarding the eligibility of a physician for a subsidy, the amount of a subsidy or any other issue relating to a subsidy, the decision of the Commissioner is final and binding on the physician and is not subject to judicial review.
- 4. If a physician is receiving assistance to pay the cost of his malpractice insurance from sources other than the Subsidy Fund, the Commissioner shall deduct the amount received from the other



1 sources from the amount payable to the physician from the 2 Subsidy Fund.

- Sec. 65. The Commissioner shall adopt regulations to carry out the provisions of sections 57 to 65, inclusive, of this act, including, without limitation, regulations:
- 1. Establishing the manner in which an application for a subsidy must be filed with the Commissioner and specifying the information that must be filed with the application; and
- 2. Identifying the specific branches of medicine or osteopathic medicine that have been critically impacted by the cost of malpractice insurance in this state.
- **Sec. 66.** Notwithstanding the amendatory provisions of this act, if an attorney, on July 1, 2003, is an employee of or has a contract with a board or commission created pursuant to title 54 of NRS, the attorney may continue to represent the board or commission within the State until the attorney's position of employment or contract with the board or commission is relinquished or terminated pursuant to law or by operation of the contract.
- **Sec. 67.** Notwithstanding any other provision of law, on and after July 1, 2003, and before January 1, 2005:
- 1. The Board of Medical Examiners shall not charge and collect from a licensee any fee prescribed by NRS 630.268 in an amount that the exceeds the amount that was charged and collected for the fee on January 1, 2002.
- 2. The State Board of Osteopathic Medicine shall not charge and collect from a licensee any fee prescribed by NRS 633.501 in an amount that the exceeds the amount that was charged and collected for the fee on January 1, 2002.
- **Sec. 68.** 1. Not later than July 15, 2003, the Board of Medical Examiners shall:
- (a) Transfer the sum of \$2,500,000 from its accounts to the State Treasurer for credit to the Critically Impacted Medical Specialties Subsidy Fund; and
- (b) Charge and collect the annual fee prescribed by section 17 of this act.
- 2. Not later than July 15, 2003, the State Board of Osteopathic Medicine shall:
- (a) Transfer the sum of \$100,000 from its accounts to the State Treasurer for credit to the Critically Impacted Medical Specialties Subsidy Fund; and
- 42 (b) Charge and collect the annual fee established pursuant to 43 section 36 of this act.
- 3. If, on June 1, 2005, there is any money remaining in the Critically Impacted Medical Specialties Subsidy Fund:



(a) The remaining money must not be committed for expenditure; and

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- (b) The Commissioner of Insurance shall transfer the remaining money to the Nevada Health Professionals Assistance Foundation as soon as all payments of money committed for expenditure from the Critically Impacted Medical Specialties Subsidy Fund have been made.
- 8 4. As used in this section, "Critically Impacted Medical 9 Specialties Subsidy Fund" means the Fund created by section 62 of 10 this act.
- Sec. 69. 1. This act becomes effective upon passage and approval for the purpose of adopting regulations and on July 1, 2003, for all other purposes.
- 2003, for all other purposes.
 2. Sections 17, 22, 36, 37, 55 and 57 to 65, inclusive, of this act expire by limitation on July 1, 2005.



