

(Reprinted with amendments adopted on May 24, 2019)

FIRST REPRINT

S.B. 77

SENATE BILL NO. 77—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF CLARK COUNTY)

PREFILED NOVEMBER 20, 2018

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing purchasing by a county hospital and a hospital in a county hospital district. (BDR 40-488)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to hospitals; revising provisions governing purchasing by a county hospital and a hospital in a county hospital district; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a county hospital or a hospital in a county hospital district to purchase supplies, materials and equipment through the purchasing contracts of the company that manages the hospital, if applicable, or through a purchasing group in which the hospital is a member without complying with the competitive bidding requirements in the Local Government Purchasing Act if: (1) the prices for the supplies, materials or equipment were obtained through a process of competitive bidding; and (2) the governing body of the county hospital or the board of trustees of the hospital district, as applicable, determines that the purchase price is lower than the lowest price that could be attained through the competitive bidding process set forth in the Local Government Purchasing Act. (NRS 450.191, 450.525, 450.530, 450.720, 450.725, 450.730)

With certain exceptions, this bill includes services in the types of purchases that a county hospital or district hospital is authorized to make through the purchasing contracts of the company that runs the hospital, if applicable, or through a purchasing group without complying with the competitive bidding requirements in the Local Government Purchasing Act.



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

1 **Section 1.** NRS 450.008 is hereby amended to read as follows:
2 450.008 “Purchasing group” means a cooperative organization
3 of hospitals and other health care organizations that affiliate for the
4 purpose of combining their purchasing power to secure a lower cost
5 for their purchases of supplies, materials , ~~and~~ equipment *and*
6 *services* than would be available to the members of the purchasing
7 group individually.

8 **Sec. 2.** NRS 450.191 is hereby amended to read as follows:

9 450.191 1. The governing body of a county hospital may
10 contract with a company which manages hospitals for the rendering
11 of management services in a county hospital under the ultimate
12 authority of the governing body.

13 2. The agreement may provide:

14 (a) That the administrator of the hospital must be an employee
15 of the company which manages the hospital; and

16 (b) ~~That~~ *Except as otherwise provided in this paragraph, that*
17 *the hospital may, in accordance with the requirements of NRS*
18 *450.530, purchase supplies, materials , ~~and~~ equipment *and**
19 *services* through the purchasing contracts of the company which
20 manages the hospital, or through a purchasing group, without
21 complying with the requirements for competitive bidding set forth in
22 chapter 332 of NRS. *The hospital may not purchase services or*
23 *otherwise enter into an agreement pursuant to this paragraph for:*

24 (1) *The hiring of temporary or permanent staff through a*
25 *vendor or employment agency to perform any medical or nursing*
26 *care.*

27 (2) *Any work for which a contractor’s license issued*
28 *pursuant to chapter 624 of NRS is required.*

29 ↳ *The provisions of this paragraph do not prohibit the hospital*
30 *from purchasing specialty equipment which requires installation*
31 *services that must be performed by a person who holds a*
32 *contractor’s license issued pursuant to chapter 624 of NRS and*
33 *which are specific to a particular project and are not commonly*
34 *used in public works projects.*

35 **Sec. 3.** NRS 450.525 is hereby amended to read as follows:

36 450.525 1. A county hospital may, with the approval of the
37 governing body of the hospital, become a member of a purchasing
38 group for the purpose of purchasing supplies, materials , ~~and~~
39 equipment *and services* used by the county hospital.

40 2. ~~A~~ *Except as otherwise provided in this subsection, a*
41 *county hospital that becomes a member of a purchasing group may,*
42 *in accordance with the requirements of NRS 450.530, purchase*



1 supplies, materials , ~~and~~ equipment *and services* through the
2 purchasing group without complying with the requirements for
3 competitive bidding set forth in chapter 332 of NRS. *A county*
4 *hospital may not purchase services or otherwise enter into an*
5 *agreement pursuant to this subsection for:*

6 (a) *The hiring of temporary or permanent staff through a*
7 *vendor or employment agency to perform any medical or nursing*
8 *care.*

9 (b) *Any work for which a contractor's license issued pursuant*
10 *to chapter 624 of NRS is required.*

11 *↳ The provisions of this subsection do not prohibit a county*
12 *hospital from purchasing specialty equipment which requires*
13 *installation services that must be performed by a person who holds*
14 *a contractor's license issued pursuant to chapter 624 of NRS and*
15 *which are specific to a particular project and are not commonly*
16 *used in public works projects.*

17 **Sec. 4.** NRS 450.530 is hereby amended to read as follows:

18 450.530 A county hospital that is authorized pursuant to NRS
19 450.191 or 450.525 to purchase supplies, materials , ~~and~~
20 equipment *and services* in accordance with this section through the
21 purchasing contracts of the company that manages the hospital or
22 through a purchasing group may purchase the supplies, materials ,
23 ~~and~~ equipment *and services* without complying with the
24 requirements for competitive bidding set forth in chapter 332 of
25 NRS if:

26 1. The documents pertaining to the proposed purchase,
27 including, without limitation, the prices available to the company or
28 purchasing group, are summarized in writing and, together with a
29 sworn statement by an officer or agent of the company or
30 purchasing group that the prices were obtained by the company or
31 purchasing group through a process of competitive bidding, are
32 presented to the governing body of the county hospital at its next
33 regularly scheduled meeting; and

34 2. The governing body, after reviewing the summary and
35 statement, finds that the proposed purchase will be made at a lower
36 price than the lowest price reasonably obtainable by the hospital
37 through competitive bidding pursuant to chapter 332 of NRS or
38 available to the hospital pursuant to NRS 333.470 and approves the
39 proposed purchase.

40 **Sec. 5.** NRS 450.720 is hereby amended to read as follows:

41 450.720 1. The board of trustees may contract with a
42 company which manages hospitals for the rendering of management
43 services in a district hospital.

44 2. The agreement may provide:



1 (a) That the chief executive officer of the hospital must be an
2 employee of the company which manages the hospital; and

3 (b) ~~That~~ *Except as otherwise provided in this paragraph, that*
4 *the hospital may, in accordance with the requirements of NRS*
5 *450.730, purchase supplies, materials , ~~and~~ equipment **and***
6 *services through the purchasing contracts of the company which*
7 *manages the hospital, or through a purchasing group, without*
8 *complying with the requirements for competitive bidding set forth in*
9 *chapter 332 of NRS. **The hospital may not purchase services or***
10 *otherwise enter into an agreement pursuant to this paragraph for:*

11 (1) *The hiring of temporary or permanent staff through a*
12 *vendor or employment agency to perform any medical or nursing*
13 *care.*

14 (2) *Any work for which a contractor's license issued*
15 *pursuant to chapter 624 of NRS is required.*

16 *↳ The provisions of this paragraph do not prohibit the hospital*
17 *from purchasing specialty equipment which requires installation*
18 *services that must be performed by a person who holds a*
19 *contractor's license issued pursuant to chapter 624 of NRS and*
20 *which are specific to a particular project and are not commonly*
21 *used in public works projects.*

22 **Sec. 6.** NRS 450.725 is hereby amended to read as follows:

23 450.725 1. A district hospital may, with the approval of the
24 board of trustees, become a member of a purchasing group for the
25 purpose of purchasing supplies, materials , ~~and~~ equipment **and**
26 **services** used by the district hospital.

27 2. ~~A~~ *Except as otherwise provided in this subsection, a*
28 *district hospital that becomes a member of a purchasing group may,*
29 *in accordance with the requirements of NRS 450.730, purchase*
30 *supplies, materials , ~~and~~ equipment **and services** through the*
31 *purchasing group without complying with the requirements for*
32 *competitive bidding set forth in chapter 332 of NRS. **A district***
33 *hospital may not purchase services or otherwise enter into an*
34 *agreement pursuant to this subsection for:*

35 (a) *The hiring of temporary or permanent staff through a*
36 *vendor or employment agency to perform any medical or nursing*
37 *care.*

38 (b) *Any work for which a contractor's license issued pursuant*
39 *to chapter 624 of NRS is required.*

40 *↳ The provisions of this subsection do not prohibit a district*
41 *hospital from purchasing specialty equipment which requires*
42 *installation services that must be performed by a person who holds a*
43 *contractor's license issued pursuant to chapter 624 of NRS and*
44 *which are specific to a particular project and are not commonly*
45 *used in public works projects.*



1 **Sec. 7.** NRS 450.730 is hereby amended to read as follows:
2 450.730 A district hospital that is authorized pursuant to NRS
3 450.720 or 450.725 to purchase supplies, materials , ~~and~~
4 equipment *and services* in accordance with this section through the
5 purchasing contracts of the company that manages the hospital or
6 through a purchasing group may purchase the supplies, materials ,
7 ~~and~~ equipment *and services* without complying with the
8 requirements for competitive bidding set forth in chapter 332 of
9 NRS if:

10 1. The documents pertaining to the proposed purchase,
11 including, without limitation, the prices available to the company or
12 purchasing group, are summarized in writing and, together with a
13 sworn statement by an officer or agent of the company or
14 purchasing group that the prices were obtained by the company or
15 purchasing group through a process of competitive bidding, are
16 presented to the board of trustees at its next regularly scheduled
17 meeting; and

18 2. The board of trustees, after reviewing the summary and
19 statement, finds that the proposed purchase will be made at a lower
20 price than the lowest price reasonably obtainable by the hospital
21 through competitive bidding pursuant to chapter 332 of NRS or
22 available to the hospital pursuant to NRS 333.470 and approves the
23 proposed purchase.

24 **Sec. 8.** This act becomes effective upon passage and approval.

