

ASSEMBLY BILL NO. 85—ASSEMBLYMAN ORENTLICHER

PREFILED JANUARY 30, 2023

Referred to Committee on Health and Human Services

SUMMARY—Establishes procedures to fix rates for certain health care goods and services. (BDR 40-169)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§ 23)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

~

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

AN ACT relating to health care; creating the Independent Commission on Rates for Health Care Services; establishing procedures for fixing the rates charged by hospitals, independent centers for emergency medical care and surgical centers for ambulatory patients for certain goods and services provided to certain patients; authorizing the imposition of a civil penalty and initiation of disciplinary action against such a facility that fails to comply with provisions concerning rate fixing; creating certain causes of action to enforce those provisions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law prescribes a procedure to determine the amount that a third party
2 which provides health coverage to a person is required to pay to an out-of-network
3 hospital, independent center for emergency medical care or other provider of health
4 care for medically necessary emergency services rendered to that person. (NRS
5 439B.700-439B.760) Existing law also requires certain major hospitals to reduce
6 the total billed charge by at least 30 percent for hospital services provided to certain
7 patients who have no insurance or other contractual agreement for the payment of
8 the charges by a third party that provides health coverage. (NRS 439B.260)
9 **Sections 2-13** of this bill establish procedures to fix rates charged by hospitals,
10 independent centers for emergency medical care and surgical centers for
11 ambulatory patients for goods and services that are reimbursable through Medicare
12 when provided to a patient who is covered by the Public Employees’ Benefits
13 Program. **Section 27.5** of this bill additionally applies those fixed rates to such
14 goods and services when provided to a patient who is covered by the Public Option,



15 when the Public Option begins operating on January 1, 2026. **Sections 3-5** of this
16 bill define necessary terms. **Section 6** of this bill creates the Independent
17 Commission on Rates for Health Care Services, which consists of members who
18 are representatives of various health care and business entities. **Section 7** of this bill
19 establishes procedures governing the meetings and operations of the Independent
20 Commission.

21 **Section 8** of this bill generally prohibits hospitals, independent centers for
22 emergency medical care and surgical centers for ambulatory patients from charging
23 rates different from those fixed under **sections 2-13** for services provided to
24 patients to whom such fixed rates apply. **Section 9** of this bill requires the
25 Independent Commission to fix rates to ensure that each health care facility is able
26 to cover reasonable costs, earn a fair and reasonable profit and provide fair and
27 adequate compensation to its employees. **Section 9** requires the Independent
28 Commission to generally: (1) presume that the rates paid by Medicare allow a
29 health care facility to cover reasonable costs, earn a fair and reasonable profit and
30 provide fair and adequate compensation to employees; and (2) fix rates at that
31 amount. However, **section 9** authorizes a health care facility to request a different
32 rate if the health care facility determines the rates paid by Medicare do not allow
33 the health care facility to cover reasonable costs, earn a fair and reasonable profit
34 and provide fair and adequate compensation to employees. **Section 10** of this bill:
35 (1) requires the Division of Health Care Financing and Policy of the Department of
36 Health and Human Services to evaluate such requests; and (2) prescribes the
37 procedure for evaluating such a request and the criteria that the Division is required
38 to consider during the evaluation. **Section 11** of this bill: (1) requires the Division
39 to make a recommendation on the request to the Independent Commission; (2)
40 requires the Independent Commission to review that recommendation and issue an
41 order fixing rates for the health care facility that requested a different rate; and (3)
42 prescribes the procedure and requirements concerning such a recommendation and
43 order relating to such a request. **Section 11** provides that such an order is valid for 1
44 year and authorizes a health care facility to request to renew a rate. **Section 11.5** of
45 this bill requires the Independent Commission to annually submit to the Legislature
46 a report concerning the impacts of rate fixing in accordance with **sections 2-13**.

47 **Section 12** of this bill requires the Division to adopt certain regulations
48 governing rate fixing, including regulations establishing civil penalties to be
49 imposed against a health care facility that violates provisions governing rate fixing.
50 **Sections 13 and 21** of this bill provide for the imposition of disciplinary action
51 against a health care facility for such a violation. **Section 13** also authorizes: (1) the
52 Division or Attorney General to maintain a suit for an injunction against such a
53 violation; and (2) any person or entity injured by such a violation to maintain a suit
54 for damages. **Sections 15, 17 and 22-27.4** of this bill make conforming changes to
55 clarify the application of or remove existing provisions concerning the rates that a
56 health care facility may charge for certain services.

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

1 **Section 1.** Chapter 439B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 13, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 13, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*



1 *in sections 3, 4 and 5 of this act have the meanings ascribed to*
2 *them in those sections.*

3 **Sec. 3.** *“Division” means the Division of Health Care*
4 *Financing and Policy of the Department.*

5 **Sec. 4.** *“Health care facility” means:*

6 *1. A hospital, as defined in NRS 449.012, other than a*
7 *hospital which has been certified as a critical access hospital by*
8 *the Secretary of Health and Human Services pursuant to 42*
9 *U.S.C. § 1395i-4(e).*

10 *2. An independent center for emergency medical care, as*
11 *defined in NRS 449.013.*

12 *3. A surgical center for ambulatory patients, as defined in*
13 *NRS 449.019.*

14 **Sec. 5.** *“Independent Commission” means the Independent*
15 *Commission on Rates for Health Care Services created by section*
16 *6 of this act.*

17 **Sec. 6.** *1. The Independent Commission on Rates for*
18 *Health Care Services is hereby created within the Division.*

19 *2. The Governor shall appoint nine members to the*
20 *Independent Commission.*

21 *3. Each member of the Independent Commission must:*

22 *(a) Be a citizen of the United States and resident of this State;*

23 *(b) Have demonstrated leadership skills in his or her*
24 *professional and civil life; and*

25 *(c) Offer expertise, knowledge and experience in consumer*
26 *advocacy, management of a company that offers health insurance*
27 *to its employees, public health, finance, organized labor, health*
28 *care or operation of a small business.*

29 *4. Not more than four members of the Independent*
30 *Commission may be persons whose household income, during the*
31 *tenure of the person on the Independent Commission or within the*
32 *12 months immediately preceding the appointment of the person to*
33 *the Independent Commission, is derived from health care or a*
34 *field related to health care.*

35 *5. At least one member of the Independent Commission must*
36 *be a representative of a hospital in this State or the Nevada*
37 *Hospital Association or its successor organization.*

38 *6. After the initial terms, each member of the Independent*
39 *Commission serves for a term of 4 years, and members serve at the*
40 *pleasure of the Governor. Each member of the Independent*
41 *Commission continues in office until his or her successor is*
42 *appointed. Any vacancy in the membership must be filled by the*
43 *Governor for the remainder of the unexpired term. Each member*
44 *may serve not more than two consecutive full terms.*



1 7. *Members of the Independent Commission serve without*
2 *compensation but are entitled to the per diem allowance and travel*
3 *expenses provided for state officers and employees generally.*

4 8. *A member of the Independent Commission who is an*
5 *officer or employee of this State or a political subdivision of this*
6 *State must be relieved from the duties of the member without loss*
7 *of regular compensation so that the member may prepare for and*
8 *attend meetings of the Independent Commission and perform any*
9 *work necessary to carry out the duties of the Independent*
10 *Commission in the most timely manner practicable. A state agency*
11 *or political subdivision of this State shall not require an officer or*
12 *employee who is a member of the Independent Commission to:*

13 (a) *Make up the time the member is absent from work to carry*
14 *out the duties required as a member of the Independent*
15 *Commission; or*

16 (b) *Take annual leave or compensatory time for the absence.*

17 9. *As used in this section, "provider of health care" means a*
18 *person who is licensed, certified or otherwise authorized by the*
19 *law of this State to administer health care in the ordinary course*
20 *of business or practice of a profession.*

21 **Sec. 7. 1.** *At its first meeting and annually thereafter, the*
22 *Independent Commission shall elect a Chair from its members.*

23 2. *The Independent Commission shall meet at the call of the*
24 *Chair or the Governor as is necessary to achieve its objectives and*
25 *carry out its duties.*

26 3. *A majority of the Independent Commission constitutes a*
27 *quorum for the transaction of business and a majority of a*
28 *quorum present at a meeting is sufficient for any official action*
29 *taken by the Independent Commission.*

30 4. *The Division shall provide any additional personnel,*
31 *facilities, equipment and supplies required by the Independent*
32 *Commission to carry out the provisions of sections 2 to 13,*
33 *inclusive, of this act.*

34 **Sec. 8. 1.** *A health care facility shall charge rates fixed in*
35 *accordance with sections 2 to 13, inclusive, of this act for any*
36 *goods or services described in subsection 2 that are provided to a*
37 *patient who is covered by the Public Employees' Benefits*
38 *Program.*

39 2. *The provisions of sections 2 to 13, inclusive, of this act*
40 *apply to goods and services that are reimbursable through*
41 *Medicare. As used in this subsection, "reimbursable" means that*
42 *Medicare provides reimbursement for a good or service when that*
43 *good or service is provided to a patient who is covered by*
44 *Medicare.*



1 3. A health care facility shall not provide any person with a
2 discount, incentive or price reduction or enter into any
3 arrangement where the effective amount paid to the health care
4 facility for goods or services is different from the rate established
5 for those goods or services pursuant to sections 2 to 13, inclusive,
6 of this act.

7 4. To the extent of their applicability, the provisions of
8 sections 2 to 13, inclusive, of this act supersede any other
9 provision of law relating to the rates charged by a health care
10 facility, including, without limitation, provisions requiring or
11 authorizing reduced or discounted rates.

12 **Sec. 9. 1.** The Independent Commission shall fix rates
13 pursuant to sections 2 to 13, inclusive, of this act to ensure that
14 each health care facility is able to cover reasonable costs, earn a
15 fair and reasonable profit and provide fair and adequate
16 compensation to employees. If a health care facility does not
17 request a different rate pursuant to subsection 2, the Independent
18 Commission shall:

19 (a) Presume that the rates at which Medicare provides
20 reimbursement for the goods and services provided by the health
21 care facility allow the health care facility to cover reasonable
22 costs, earn a fair and reasonable profit and provide fair and
23 adequate compensation to employees; and

24 (b) Fix the rates that the health care facility may charge for
25 goods or services at rates equal to the rates set forth in
26 paragraph (a).

27 2. A health care facility which determines that the rates set
28 forth in paragraph (a) of subsection 1 do not allow the health care
29 facility to cover reasonable costs, earn a fair and reasonable profit
30 and provide fair and adequate compensation to employees may, on
31 or before March 1 of any year, submit to the Independent
32 Commission a request for a rate different from the rate set forth in
33 paragraph (a) of subsection 1. A request for different rates must
34 include, without limitation:

35 (a) An explanation of why the health care facility is unable to
36 cover reasonable costs, earn a fair and reasonable profit and
37 provide fair and adequate compensation to employees charging
38 the rates set forth in paragraph (a) of subsection 1;

39 (b) The rates that the health care facility has determined are
40 necessary to cover reasonable costs, earn a fair and reasonable
41 profit and provide fair and adequate compensation to employees,
42 which must be in the form of:

43 (1) A multiplier of the rates at which Medicare provides
44 reimbursement which applies to all goods and services provided by
45 the health care facility; or



1 (2) *Two separate multipliers of the rates at which Medicare*
2 *provides reimbursement, one of which applies to goods and*
3 *services provided to inpatients by the health care facility and the*
4 *other of which applies to goods and services provided to*
5 *outpatients by the health care facility; and*

6 (c) *Any other information required by the regulations adopted*
7 *pursuant to section 12 of this act.*

8 **Sec. 10. 1.** *The Independent Commission shall refer*
9 *requests submitted pursuant to subsection 2 of section 9 of this act*
10 *to the Division for evaluation pursuant to this section.*

11 **2.** *When evaluating requests submitted pursuant to*
12 *subsection 2 of section 9 of this act, the Division shall ensure that*
13 *each health care facility is able to cover reasonable costs and earn*
14 *a fair and reasonable profit and that the employees of the facility*
15 *are able to receive fair and adequate compensation. The health*
16 *care facility that submitted the request has the burden of*
17 *demonstrating that the health care facility will not cover*
18 *reasonable costs, earn a fair and reasonable profit or provide fair*
19 *and adequate compensation to employees charging the rates set*
20 *forth in paragraph (a) of subsection 1 of section 9 of this act.*
21 *When determining whether a health care facility has met that*
22 *burden and, if so, the appropriate rate, the Division shall consider,*
23 *without limitation:*

24 (a) *The relative populations of persons and entities who pay*
25 *for goods and services provided by the health care facility and the*
26 *relative amounts of reimbursement paid by those persons and*
27 *entities;*

28 (b) *Where applicable, the disparities in compensation between*
29 *providers of primary care and specialty services or between*
30 *providers of different types of specialty services;*

31 (c) *The effectiveness and efficiency of the services provided by*
32 *the health care facility;*

33 (d) *Any financial hardship that rapidly reducing the rates that*
34 *a health care facility is authorized to charge would impose upon*
35 *the health care facility;*

36 (e) *The extent to which the health care facility provides care to*
37 *patients who are more vulnerable or who suffer from*
38 *comorbidities that make treatment more difficult;*

39 (f) *The emphasis placed by the health care facility on*
40 *promoting population health;*

41 (g) *Issues relating to the health care workforce and quality of*
42 *jobs in health care; and*

43 (h) *Any other criteria prescribed by the regulations adopted*
44 *pursuant to section 12 of this act.*



1 3. When evaluating a request submitted pursuant to
2 subsection 2 of section 9 of this act, the Division:

3 (a) May request from the health care facility any information
4 that the Division determines to be necessary to make its
5 recommendation; and

6 (b) Shall solicit input on the request from affected persons and
7 entities, including, without limitation, insurers and patients.

8 **Sec. 11.** 1. After evaluating a request pursuant to section
9 10 of this act, the Division shall issue a recommendation to the
10 Independent Commission to:

11 (a) Deny the request and fix rates for the health care facility in
12 the amount set forth in paragraph (a) of subsection 1 of section 9
13 of this act, which recommendation must state the reasons therefor;

14 (b) Fix the rates as requested by the health care facility
15 pursuant to subsection 2 of section 9 of this act; or

16 (c) Fix specified rates for the health care facility that are
17 different from the rates requested by the health care facility
18 pursuant to subsection 2 of section 9 of this act.

19 2. A recommendation issued pursuant to subsection 1
20 concerning a request submitted pursuant to subsection 2 of section
21 9 of this act must be made on or before April 1 of the year in
22 which the request was filed.

23 3. The Independent Commission shall review the
24 recommendation issued by the Division pursuant to subsection 1
25 and the record underlying the recommendation, including,
26 without limitation, all documents the Division reviewed in making
27 its decision and arguments made, and issue an order on or before
28 May 1 of the year, which:

29 (a) Denies the request and fixes rates for the health care
30 facility in the amount set forth in paragraph (a) of subsection 1 of
31 section 9 of this act and states the reasons therefor;

32 (b) Fixes the rates as requested by the health care facility
33 pursuant to subsection 2 of section 9 of this act;

34 (c) Fixes specified rates for the health care facility that are
35 different from the rates requested by the health care facility
36 pursuant to subsection 2 of section 9 of this act; or

37 (d) Requests the Division to evaluate the request again under
38 conditions specified by the Independent Commission and issue a
39 new recommendation to the Independent Commission.

40 4. If the Independent Commission requests the Division to
41 reevaluate a request and issue a new recommendation, the
42 Division shall issue its new recommendation not later than 15 days
43 after the issuance of the order by the Independent Commission
44 pursuant to paragraph (d) of subsection 3. The Independent
45 Commission shall issue a new order not later than 15 days after



1 *receiving the new recommendation. Such an order may take any*
2 *action described in paragraph (a), (b) or (c) of subsection 3.*

3 *5. All rates fixed by the Independent Commission:*

4 *(a) Must be in a form described in paragraph (b) of subsection*
5 *2 of section 9 of this act; and*

6 *(b) Are in force, and are prima facie lawful, from the date of*
7 *the order until 1 year after that date.*

8 *6. The Division shall publish all rates fixed by the*
9 *Independent Commission pursuant to this section or section 9 of*
10 *this act on an Internet website maintained by the Division.*

11 *7. A health care facility may request to renew a fixed rate on*
12 *or before March 1 of the year in which the rate is set to expire.*
13 *The health care facility has the burden of demonstrating that the*
14 *health care facility will not cover reasonable costs, earn a fair and*
15 *reasonable profit or provide fair and adequate compensation to*
16 *employees charging the rates set forth in paragraph (a) of*
17 *subsection 1 of section 9 of this act.*

18 **Sec. 11.5.** *On or before July 30 of each even-numbered year,*
19 *the Independent Commission shall:*

20 *1. Review and study the impacts of the provisions of sections*
21 *2 to 13, inclusive, of this act;*

22 *2. Compile a report with a summary of such information and*
23 *any recommendations of the Independent Commission relating to*
24 *the provisions of sections 2 to 13, inclusive, of this act; and*

25 *3. Submit the report compiled pursuant to subsection 2 to the*
26 *Director of the Legislative Counsel Bureau for transmittal to the*
27 *Joint Interim Standing Committee on Health and Human*
28 *Services.*

29 **Sec. 12.** *The Division shall adopt any regulations necessary*
30 *to carry out the provisions of sections 2 to 13, inclusive, of this act.*
31 *Those regulations must include, without limitation, regulations*
32 *prescribing:*

33 *1. Any information that must be included in a request made*
34 *pursuant to subsection 2 of section 9 of this act;*

35 *2. The procedure and specific criteria, in addition to those*
36 *prescribed by section 10 of this act, that the Division will and the*
37 *Independent Commission must use when considering such a*
38 *request;*

39 *3. A streamlined process for making and considering a*
40 *request pursuant to subsection 7 of section 11 of this act to renew*
41 *a rate established by the Independent Commission; and*

42 *4. Civil penalties that may be imposed against a health care*
43 *facility that charges a rate different from those established for the*
44 *health care facility pursuant to sections 2 to 13, inclusive, of this*
45 *act.*



1 **Sec. 13. 1.** *The Division may report any failure by a health*
2 *care facility to comply with the provisions of sections 2 to 13,*
3 *inclusive, of this act to the Division of Public and Behavioral*
4 *Health of the Department for the initiation of disciplinary*
5 *proceedings.*

6 **2.** *The Division or the Attorney General may maintain in any*
7 *court of competent jurisdiction a suit to enjoin any person from*
8 *charging rates different from those established for the health care*
9 *facility under the provisions of sections 2 to 13, inclusive, of this*
10 *act. Such an injunction:*

11 **(a)** *May be issued without proof of actual damage sustained by*
12 *any person as a preventive or punitive measure.*

13 **(b)** *Does not relieve any person or business entity from any*
14 *other legal action.*

15 **3.** *Any person or entity injured by the failure of a health care*
16 *facility to charge rates in accordance with the provisions of*
17 *sections 2 to 13, inclusive, of this act may maintain in any court of*
18 *competent jurisdiction a suit to recover:*

19 **(a)** *Damages resulting from such failure; and*

20 **(b)** *Attorney's fees and costs.*

21 **Sec. 14.** (Deleted by amendment.)

22 **Sec. 15.** NRS 439B.400 is hereby amended to read as follows:

23 439B.400 Each hospital in this State shall maintain and use a
24 uniform list of billed charges for that hospital for units of service or
25 goods provided to all inpatients. A hospital may not use a billed
26 charge for an inpatient that is different than the billed charge used
27 for another inpatient for the same service or goods provided. This
28 section does not restrict the ability of a hospital or other person to
29 negotiate a discounted rate from the hospital's billed charges or to
30 contract for a different rate or mechanism for payment of the
31 hospital ~~§~~ *for services and goods that are not subject to the*
32 *provisions of sections 2 to 13, inclusive, of this act.*

33 **Sec. 16.** (Deleted by amendment.)

34 **Sec. 17.** NRS 439B.742 is hereby amended to read as follows:

35 439B.742 The provisions of NRS 439B.745 and 439B.748 do
36 not apply to :

37 1. A hospital which has been certified as a critical access
38 hospital by the Secretary of Health and Human Services pursuant to
39 42 U.S.C. § 1395i-4(e) or any medically necessary emergency
40 services provided at such a hospital;

41 2. A person who is covered by a policy of health insurance that
42 was sold outside this State; ~~§~~

43 3. Any health care services provided more than 24 hours after
44 notification is provided pursuant to NRS 439B.745 that a person has
45 been stabilized ~~§~~; *or*



1 **4. Any goods or services subject to the provisions of sections 2**
2 **to 13, inclusive, of this act.**

3 **Sec. 18.** (Deleted by amendment.)

4 **Sec. 19.** (Deleted by amendment.)

5 **Sec. 20.** (Deleted by amendment.)

6 **Sec. 21.** NRS 449.160 is hereby amended to read as follows:

7 449.160 1. The Division may deny an application for a
8 license or may suspend or revoke any license issued under the
9 provisions of NRS 449.029 to 449.2428, inclusive, upon any of the
10 following grounds:

11 (a) Violation by the applicant or the licensee of any of the
12 provisions of NRS 439B.410 or 449.029 to 449.245, inclusive, or of
13 any other law of this State or of the standards, rules and regulations
14 adopted thereunder.

15 (b) Aiding, abetting or permitting the commission of any illegal
16 act.

17 (c) Conduct inimical to the public health, morals, welfare and
18 safety of the people of the State of Nevada in the maintenance and
19 operation of the premises for which a license is issued.

20 (d) Conduct or practice detrimental to the health or safety of the
21 occupants or employees of the facility.

22 (e) Failure of the applicant to obtain written approval from the
23 Director of the Department of Health and Human Services as
24 required by NRS 439A.100 or as provided in any regulation adopted
25 pursuant to NRS 449.001 to 449.430, inclusive, and 449.435 to
26 449.531, inclusive, and chapter 449A of NRS if such approval is
27 required.

28 (f) Failure to comply with the provisions of NRS 441A.315 and
29 any regulations adopted pursuant thereto or NRS 449.2486.

30 (g) Violation of the provisions of NRS 458.112.

31 **(h) Failure to comply with the provisions of sections 2 to 13,**
32 **inclusive, of this act, any regulations adopted pursuant thereto or**
33 **any order issued pursuant thereto.**

34 2. In addition to the provisions of subsection 1, the Division
35 may revoke a license to operate a facility for the dependent if, with
36 respect to that facility, the licensee that operates the facility, or an
37 agent or employee of the licensee:

38 (a) Is convicted of violating any of the provisions of
39 NRS 202.470;

40 (b) Is ordered to but fails to abate a nuisance pursuant to NRS
41 244.360, 244.3603 or 268.4124; or

42 (c) Is ordered by the appropriate governmental agency to correct
43 a violation of a building, safety or health code or regulation but fails
44 to correct the violation.



1 3. The Division shall maintain a log of any complaints that it
2 receives relating to activities for which the Division may revoke the
3 license to operate a facility for the dependent pursuant to subsection
4 2. The Division shall provide to a facility for the care of adults
5 during the day:

6 (a) A summary of a complaint against the facility if the
7 investigation of the complaint by the Division either substantiates
8 the complaint or is inconclusive;

9 (b) A report of any investigation conducted with respect to the
10 complaint; and

11 (c) A report of any disciplinary action taken against the facility.

12 ➤ The facility shall make the information available to the public
13 pursuant to NRS 449.2486.

14 4. On or before February 1 of each odd-numbered year, the
15 Division shall submit to the Director of the Legislative Counsel
16 Bureau a written report setting forth, for the previous biennium:

17 (a) Any complaints included in the log maintained by the
18 Division pursuant to subsection 3; and

19 (b) Any disciplinary actions taken by the Division pursuant to
20 subsection 2.

21 **Sec. 22.** NRS 449A.118 is hereby amended to read as follows:

22 449A.118 1. Every medical facility and facility for the
23 dependent shall inform each patient or the patient's legal
24 representative, upon the admission of the patient to the facility, of
25 the patient's rights as listed in NRS 449A.100 and 449A.106 to
26 449A.115, inclusive.

27 2. In addition to the requirements of subsection 1, if a person
28 with a disability is a patient at a facility, as that term is defined in
29 NRS 449A.218, the facility shall inform the patient of his or her
30 rights pursuant to NRS 449A.200 to 449A.263, inclusive.

31 3. In addition to the requirements of subsections 1 and 2, every
32 hospital shall, upon the admission of a patient to the hospital,
33 provide to the patient or the patient's legal representative:

34 (a) Notice of the right of the patient to:

35 (1) Designate a caregiver pursuant to NRS 449A.300 to
36 449A.330, inclusive; and

37 (2) Express complaints and grievances as described in
38 paragraphs (b) to (f), inclusive;

39 (b) The name and contact information for persons to whom such
40 complaints and grievances may be expressed, including, without
41 limitation, a patient representative or hospital social worker;

42 (c) Instructions for filing a complaint with the Division;

43 (d) The name and contact information of any entity responsible
44 for accrediting the hospital;



1 (e) A written disclosure approved by the Director of the
2 Department of Health and Human Services, which written
3 disclosure must set forth:

4 (1) Notice of the existence of the Bureau for Hospital
5 Patients created pursuant to NRS 232.462;

6 (2) The address and telephone number of the Bureau; and

7 (3) An explanation of the services provided by the Bureau,
8 including, without limitation, the services for dispute resolution
9 described in subsection 3 of NRS 232.462; and

10 (f) Contact information for any other state or local entity that
11 investigates complaints concerning the abuse or neglect of patients.

12 4. In addition to the requirements of subsections 1, 2 and 3,
13 every hospital shall, upon the discharge of a patient from the
14 hospital, provide to the patient or the patient's legal representative a
15 written disclosure approved by the Director, which written
16 disclosure must set forth:

17 (a) If the hospital is a major hospital:

18 (1) Notice of ~~the~~ *any* reduction or discount available
19 pursuant to NRS 439B.260, including, without limitation, notice of
20 the criteria a patient must satisfy to qualify for a reduction or
21 discount under that section; and

22 (2) Notice of any policies and procedures the hospital may
23 have adopted to reduce charges for services provided to persons or
24 to provide ~~discounted~~ *discounts for* services *that are not subject*
25 *to the provisions of sections 2 to 13, inclusive, of this act* to
26 persons, which policies and procedures are in addition to any
27 reduction or discount required to be provided pursuant to NRS
28 439B.260. The notice required by this subparagraph must describe
29 the criteria a patient must satisfy to qualify for the additional
30 reduction or discount, including, without limitation, any relevant
31 limitations on income and any relevant requirements as to the period
32 within which the patient must arrange to make payment.

33 (b) If the hospital is not a major hospital, notice of any policies
34 and procedures the hospital may have adopted to reduce charges for
35 services *that are not subject to the provisions of sections 2 to 13,*
36 *inclusive, of this act* provided to persons or to provide ~~discounted~~
37 *discounts on such* services to persons. The notice required by this
38 paragraph must describe the criteria a patient must satisfy to qualify
39 for the reduction or discount, including, without limitation, any
40 relevant limitations on income and any relevant requirements as to
41 the period within which the patient must arrange to make payment.

42 ➤ As used in this subsection, "major hospital" has the meaning
43 ascribed to it in NRS 439B.115.

44 5. In addition to the requirements of subsections 1 to 4,
45 inclusive, every hospital shall post in a conspicuous place in each



1 public waiting room in the hospital a legible sign or notice in 14-
2 point type or larger, which sign or notice must:

3 (a) Provide a brief description of any policies and procedures the
4 hospital may have adopted to reduce charges for services provided
5 to persons or to provide discounted services to persons, including,
6 without limitation:

7 (1) Instructions for receiving additional information
8 regarding such policies and procedures; and

9 (2) Instructions for arranging to make payment;

10 (b) Be written in language that is easy to understand; and

11 (c) Be written in English and Spanish.

12 **Sec. 23.** NRS 450.420 is hereby amended to read as follows:

13 450.420 1. The board of county commissioners of the county
14 in which a public hospital is located may determine whether patients
15 presented to the public hospital for treatment are subjects of charity.
16 Except as otherwise provided in NRS 439B.330, the board of county
17 commissioners shall establish by ordinance criteria and procedures
18 to be used in the determination of eligibility for medical care as
19 medical indigents or subjects of charity.

20 2. The board of hospital trustees shall fix the charges for
21 ~~treatment of~~ *the provision of goods and services that are not*
22 *subject to the provisions of sections 2 to 13, inclusive, of this act to*
23 those persons able to pay for the charges, as the board deems just
24 and proper. The board of hospital trustees may impose an interest
25 charge of not more than 12 percent per annum on unpaid accounts.
26 The receipts must be paid to the county treasurer and credited to the
27 hospital fund. In fixing charges pursuant to this subsection the board
28 of hospital trustees shall not include, or seek to recover from paying
29 patients, any portion of the expense of the hospital which is properly
30 attributable to the care of indigent patients.

31 3. Except as provided in subsection 4 of this section and
32 subsection 3 of NRS 439B.320, the county is chargeable with the
33 entire cost of services rendered by the hospital and any salaried staff
34 physician or employee to any person admitted for emergency
35 treatment, including all reasonably necessary recovery, convalescent
36 and follow-up inpatient care required for any such person as
37 determined by the board of trustees of the hospital, but the hospital
38 shall use reasonable diligence to collect the charges from the
39 emergency patient or any other person responsible for the support of
40 the patient. Any amount collected must be reimbursed or credited to
41 the county.

42 4. The county is not chargeable with the cost of services
43 rendered by the hospital or any attending staff physician or surgeon
44 to the extent the hospital is reimbursed for those services pursuant to
45 NRS 428.115 to 428.255, inclusive.



1 **Sec. 23.5.** NRS 287.0434 is hereby amended to read as
2 follows:

3 287.0434 The Board may:

4 1. Use its assets only to pay the expenses of health care for its
5 members and covered dependents, to pay its employees' salaries and
6 to pay administrative and other expenses.

7 2. Enter into contracts relating to the administration of the
8 Program, including, without limitation, contracts with licensed
9 administrators and qualified actuaries. Each such contract with a
10 licensed administrator:

11 (a) Must be submitted to the Commissioner of Insurance not less
12 than 30 days before the date on which the contract is to become
13 effective for approval as to the licensing and fiscal status of the
14 licensed administrator and status of any legal or administrative
15 actions in this State against the licensed administrator that may
16 impair his or her ability to provide the services in the contract.

17 (b) Does not become effective unless approved by the
18 Commissioner.

19 (c) Shall be deemed to be approved if not disapproved by the
20 Commissioner within 30 days after its submission.

21 3. Enter into contracts with physicians, surgeons, hospitals,
22 health maintenance organizations and rehabilitative facilities for
23 medical, surgical and rehabilitative care and the evaluation,
24 treatment and nursing care of members and covered dependents.
25 The Board shall not enter into a contract pursuant to this subsection
26 unless:

27 (a) Provision is made by the Board to offer all the services
28 specified in the request for proposals, either by a health maintenance
29 organization or through separate action of the Board.

30 (b) The rates set forth in the contract *for goods and services not*
31 *subject to the provisions of sections 2 to 13, inclusive, of this act*
32 are based on:

33 (1) For active and retired state officers and employees and
34 their dependents, the commingled claims experience of such active
35 and retired officers and employees and their dependents for whom
36 the Program provides primary health insurance coverage in a single
37 risk pool; and

38 (2) For active and retired officers and employees of public
39 agencies enumerated in NRS 287.010 that contract with the Program
40 to obtain group insurance by participation in the Program and their
41 dependents, the commingled claims experience of such active and
42 retired officers and employees and their dependents for whom the
43 Program provides primary health insurance coverage in a single risk
44 pool.



1 4. Enter into contracts for the services of other experts and
2 specialists as required by the Program.

3 5. Charge and collect from an insurer, health maintenance
4 organization, organization for dental care or nonprofit medical
5 service corporation, a fee for the actual expenses incurred by the
6 Board or a participating public agency in administering a plan of
7 insurance offered by that insurer, organization or corporation.

8 6. Charge and collect the amount due from local governments
9 pursuant to paragraph (b) of subsection 4 of NRS 287.023. If the
10 payment of a local government pursuant to that provision is
11 delinquent by more than 90 days, the Board shall notify the
12 Executive Director of the Department of Taxation pursuant to
13 NRS 354.671.

14 **Sec. 24.** (Deleted by amendment.)

15 **Sec. 25.** (Deleted by amendment.)

16 **Sec. 26.** (Deleted by amendment.)

17 **Sec. 27.** (Deleted by amendment.)

18 **Sec. 27.3.** NRS 695K.200 is hereby amended to read as
19 follows:

20 695K.200 1. The Director, in consultation with the
21 Commissioner and the Executive Director of the Exchange, shall
22 design, establish and operate a health benefit plan known as the
23 Public Option.

24 2. The Director:

25 (a) Shall make the Public Option available:

26 (1) As a qualified health plan through the Exchange to
27 natural persons who reside in this State and are eligible to enroll in
28 such a plan through the Exchange under the provisions of 45 C.F.R.
29 § 155.305; and

30 (2) For direct purchase as a policy of individual health
31 insurance by any natural person who resides in this State. The
32 provisions of chapter 689A of NRS and other applicable provisions
33 of this title , *except for any provisions authorizing an insurer to*
34 *negotiate with providers of goods and services subject to the*
35 *provisions of sections 2 to 13, inclusive, of this act*, apply to the
36 Public Option when offered as a policy of individual health
37 insurance.

38 (b) May make the Public Option available to small employers in
39 this State or their employees to the extent authorized by federal law.
40 The provisions of chapter 689C of NRS and other applicable
41 provisions of this title , *except for any provisions authorizing a*
42 *carrier to negotiate with providers of goods and services subject to*
43 *the provisions of sections 2 to 13, inclusive, of this act*, apply to the
44 Public Option when it is offered as a policy of health insurance for
45 small employers.



1 (c) Shall comply with all state and federal laws and regulations
2 applicable to insurers when carrying out the provisions of this
3 chapter, to the extent that such laws and regulations are not waived.

4 3. The Public Option must:

5 (a) Be a qualified health plan, as defined in 42 U.S.C. § 18021;
6 and

7 (b) Provide at least levels of coverage consistent with the
8 actuarial value of one silver plan and one gold plan.

9 4. Except as otherwise provided in this section, the premiums
10 for the Public Option:

11 (a) Must be at least 5 percent lower than the reference premium
12 for that zip code; and

13 (b) Must not increase in any year by a percentage greater than
14 the increase in the Medicare Economic Index for that year.

15 5. The Director, in consultation with the Commissioner and the
16 Executive Director of the Exchange, may revise the requirements of
17 subsection 4, provided that the average premiums for the Public
18 Option must be at least 15 percent lower than the average reference
19 premium in this State over the first 4 years in which the Public
20 Option is in operation.

21 6. As used in this section:

22 (a) *“Carrier” has the meaning ascribed to it in NRS 689C.025.*

23 (b) “Gold plan” means a qualified health plan that meets the
24 requirements established by 42 U.S.C. § 18022 for a gold level plan.

25 ~~(c)~~ (c) “Health benefit plan” means a policy, contract,
26 certificate or agreement to provide, deliver, arrange for, pay for or
27 reimburse any of the costs of health care services.

28 ~~(d)~~ (d) “Medicare Economic Index” means the Medicare
29 Economic Index, as designated by the Centers for Medicare and
30 Medicaid Services of the United States Department of Health and
31 Human Services pursuant to 42 C.F.R. § 405.504.

32 ~~(e)~~ (e) “Reference premium” means, for any zip code, the
33 lower of:

34 (1) The premium for the second-lowest cost silver level plan
35 available through the Exchange in the zip code during the 2024 plan
36 year, adjusted by the percentage change in the Medicare Economic
37 Index between January 1, 2024, and January 1 of the year to which a
38 premium applies; or

39 (2) The premium for the second-lowest cost silver level plan
40 available through the Exchange in the zip code during the year
41 immediately preceding the year to which a premium applies.

42 ~~(f)~~ (f) “Silver plan” means a qualified health plan that meets
43 the requirements established by 42 U.S.C. § 18022 for a silver level
44 plan.



1 ~~(H)~~ (g) "Small employer" has the meaning ascribed to it in 42
2 U.S.C. § 18024(b)(2).

3 **Sec. 27.4.** NRS 695K.240 is hereby amended to read as
4 follows:

5 695K.240 1. In establishing networks for the Public Option
6 and reimbursing providers of health care that participate in the
7 Public Option, the Director shall, to the extent practicable:

8 (a) Ensure that care for persons who were previously covered by
9 Medicaid or the Children's Health Insurance Program and enroll in
10 the Public Option is minimally disrupted;

11 (b) Encourage the use of payment models that increase value for
12 persons enrolled in the Public Option and the State;

13 (c) Improve health outcomes for persons enrolled in the Public
14 Option;

15 (d) Reward providers of health care and medical facilities for
16 delivering high-quality services; and

17 (e) Lower the cost of care in both urban and rural areas of this
18 State.

19 2. Except as otherwise provided in subsections 3 to 6,
20 inclusive, reimbursement rates under the Public Option must be, in
21 the aggregate, comparable to or better than reimbursement rates
22 available under Medicare. For the purposes of this section, the
23 aggregate reimbursement rate under Medicare:

24 (a) Includes any add-on payments or other subsidies that a
25 provider receives under Medicare; and

26 (b) Does not include payments under Medicare for a patient
27 encounter or a cost-based payment rate under Medicare.

28 3. If a provider of health care currently receives reimbursement
29 under Medicare at rates that are cost-based, the reimbursement rates
30 for that provider of health care under the Public Option must be
31 comparable to or better than the cost-based reimbursement rates
32 provided for that provider of health care by Medicare.

33 4. The reimbursement rates for a federally-qualified health
34 center or a rural health clinic under the Public Option must be
35 comparable to or better than the reimbursement rates established for
36 patient encounters under the applicable Prospective Payment System
37 established for Medicare by the Centers for Medicare and Medicaid
38 Services of the United States Department of Health and Human
39 Services.

40 5. The reimbursement rates for a certified community
41 behavioral health clinic under the Public Option must be comparable
42 to or better than the reimbursement rates established for community
43 behavioral health clinics under the State Plan for Medicaid.



1 6. The requirements of subsections 2 to 5, inclusive, do not
2 apply to a payment model described in paragraph (b) of
3 subsection 1.

4 7. *The requirements of this section do not apply to the extent*
5 *that they conflict with the provisions of sections 2 to 13, inclusive,*
6 *of this act.*

7 8. As used in this section, “Medicare” means the program of
8 health insurance for aged persons and persons with disabilities
9 established pursuant to Title XVIII of the Social Security Act, 42
10 U.S.C. §§ 1395 et seq.

11 **Sec. 27.5.** Section 8 of this act is hereby amended to read as
12 follows:

13 Sec. 8. 1. A health care facility shall charge rates
14 fixed in accordance with sections 2 to 13, inclusive, of this
15 act for any goods or services described in subsection 2 that
16 are provided to a patient who is covered by the Public
17 Employees’ Benefits Program ~~or~~ *or the Public Option*
18 *established pursuant to NRS 695K.200.*

19 2. The provisions of sections 2 to 13, inclusive, of this
20 act apply to goods and services that are reimbursable through
21 Medicare. As used in this subsection, “reimbursable” means
22 that Medicare provides reimbursement for a good or service
23 when that good or service is provided to a patient who is
24 covered by Medicare.

25 3. A health care facility shall not provide any person
26 with a discount, incentive or price reduction or enter into any
27 arrangement where the effective amount paid to the health
28 care facility for goods or services is different from the rate
29 established for those goods or services pursuant to sections 2
30 to 13, inclusive, of this act.

31 4. To the extent of their applicability, the provisions of
32 sections 2 to 13, inclusive, of this act supersede any other
33 provision of law relating to the rates charged by a health care
34 facility, including, without limitation, provisions requiring or
35 authorizing reduced or discounted rates.

36 **Sec. 28.** 1. On or before January 1, 2024, the Governor shall
37 appoint to the Independent Commission on Rates for Health Care
38 Services created by section 6 of this act:

39 (a) Four members to initial terms that expire on January 1, 2026;
40 and

41 (b) Five members to initial terms that expire on January 2, 2028.

42 2. Notwithstanding the amendatory provisions of this act, a
43 health care facility is not required to comply with the provisions of
44 sections 2 to 13, inclusive, of this act until the later of:

45 (a) January 1, 2025; or



1 (b) One year after the date on which the regulations adopted
2 pursuant to section 12 of this act become effective.

3 3. The amendatory provisions of this act do not affect any
4 contract or other agreement that establishes the rates paid to a health
5 care facility which is entered into on or before the effective date of
6 this section. A health care facility shall not enter into a contract or
7 other agreement after the effective date of this section that provides
8 for the payment of rates for services to which sections 2 to 13,
9 inclusive, of this act apply that differ from the rates fixed pursuant
10 to those sections after the later of:

11 (a) January 1, 2025; or

12 (b) One year after the date on which the regulations adopted
13 pursuant to section 12 of this act become effective.

14 4. As used in this section, "health care facility" has the
15 meaning ascribed to it in section 4 of this act.

16 **Sec. 28.5.** The provisions of subsection 1 of NRS 218D.380
17 do not apply to any provision of this act which adds or revises a
18 requirement to submit a report to the Legislature.

19 **Sec. 29.** The provisions of NRS 354.599 do not apply to any
20 additional expenses of a local government that are related to the
21 provisions of this act.

22 **Sec. 30.** (Deleted by amendment.)

23 **Sec. 31.** 1. This section and section 28 of this act become
24 effective upon passage and approval.

25 2. Sections 1 to 12, inclusive, 28.5 and 29 of this act become
26 effective:

27 (a) Upon passage and approval for the purpose of adopting any
28 regulations and performing any other preparatory administrative
29 tasks that are necessary to carry out the provisions of this act; and

30 (b) On January 1, 2024, for all other purposes.

31 3. Sections 13 to 27, inclusive, and 30 of this act become
32 effective on the later of:

33 (a) January 1, 2025; or

34 (b) One year after the date on which the regulations adopted
35 pursuant to section 12 of this act become effective.

36 4. Sections 27.3, 27.4 and 27.5 of this act becomes effective on
37 January 1, 2026.

