

SUMMARY—Revises provisions relating to billing for health care. (BDR 40-785)

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

Effect on the State: Yes.

AN ACT relating to health care; requiring a medical facility or a provider of health care who receives notice of or otherwise discovers a potential error in a medical bill to review the potential error and refund any overpayment; authorizing disciplinary action for the failure to comply with such requirements; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides every patient of a medical facility with the right to examine the bill for his or her care and receive an explanation of the bill. (NRS 449A.106) Existing law also requires each provider of health care to timely provide a patient with an itemized bill at no additional cost to the patient. (NRS 629.071) **Sections 2 and 3** of this bill, respectively, require a medical facility or provider of health care that determines or receives notice that a medical bill may contain one or more billing errors to: (1) review the potential billing errors; (2) notify the patient of the review and the results of the review; and (3) refund any overpayment by the patient. **Sections 1 and 4** of this bill, respectively, authorize the suspension or revocation of the license of a medical facility that violates **section 2**, and the imposition of disciplinary action against and administrator of certain facilities who aids or abets a violation of **section 2**. **Section 3** authorizes the imposition of



disciplinary action against a provider of health care who fails to comply with the requirements of **section 3**.

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

**Section 1.** NRS 449.160 is hereby amended to read as follows:

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

(a) Violation by the applicant or the licensee of any of the provisions of NRS 439B.410, 449.029 to 449.245, inclusive, or 449A.100 to 449A.124, inclusive, *and section 2 of this act* and 449A.270 to 449A.286, inclusive, or of any other law of this State or of the standards, rules and regulations adopted thereunder.

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

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

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



(e) Failure of the applicant to obtain written approval from the Director of the Department of Health and Human Services as required by NRS 439A.100 or 439A.102 or as provided in any regulation adopted pursuant to NRS 449.001 to 449.430, inclusive, and 449.435 to 449.531, inclusive, and chapter 449A of NRS if such approval is required, including, without limitation, the closure or conversion of any hospital in a county whose population is 100,000 or more that is owned by the licensee without approval pursuant to NRS 439A.102.

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

(g) Violation of the provisions of NRS 458.112.

(h) Failure to comply with the provisions of NRS 449A.170 to 449A.192, inclusive, and any regulation adopted pursuant thereto.

(i) Violation of the provisions of NRS 629.260.

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

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

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

or

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



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

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

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

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

↳ The facility shall make the information available to the public pursuant to NRS 449.2486.

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

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

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

**Sec. 2.** Chapter 449A of NRS is hereby amended by adding thereto a new section to read as follows:

***1. Not later than 30 days after determining or receiving notice from a patient or any other source that a bill may contain one or more billing errors, a medical facility shall:***

***(a) Notify in writing the patient to whom the bill relates:***

***(1) Of each potential billing error;***

***(2) That the medical facility will conduct a review pursuant to paragraph (b); and***



*(3) That during a review conducted pursuant to paragraph (b) the medical facility will not bill the patient for any care that is subject to the review.*

*(b) Review the potential billing errors. During such a review, the medical facility shall not bill the patient for any care that is subject to the review.*

*2. Not later than 30 days after completing a review pursuant to paragraph (b) of subsection 1, a medical facility shall:*

*(a) Notify the patient in writing of the completion and results of the review. The notice must include, without limitation:*

*(I) Notice of whether the review resulted in the discovery of any billing errors and:*

*(I) If the review resulted in the discovery of any billing errors, an explanation of each billing error and the manner in which the billing error was corrected; or*

*(II) If the review did not result in the discovery of any billing errors, an explanation of the reasons why the potential errors identified pursuant to subsection 1 are not actual billing errors; and*

*(2) Applicable coding guidelines, references to medical records and other information relevant to the explanation provided pursuant to subparagraph (1).*

*(b) If the review resulted in the discovery of a billing error which resulted in the patient overpaying for care, refund to the patient the amount of the overpayment.*

**Sec. 3.** Chapter 629 of NRS is hereby amended by adding thereto a new section to read as follows:



*1. Not later than 30 days after determining or receiving notice from a patient or any other source that a bill may contain one or more billing errors, a provider of health care shall:*

*(a) Notify in writing the patient to whom the bill relates:*

- (1) Of each potential billing error;*
- (2) That the provider of health care will conduct a review pursuant to paragraph (b); and*
- (3) That during a review conducted pursuant to paragraph (b) the provider of health care will not bill the patient for any care that is subject to the review.*

*(b) Review the potential billing errors. During such a review, the provider of health care shall not bill the patient for any care that is subject to the review.*

*2. Not later than 30 days after completing a review pursuant to paragraph (b) of subsection 1, a provider of health care shall:*

*(a) Notify the patient in writing of the completion and results of the review. The notice must include, without limitation:*

- (1) Notice of whether the review resulted in the discovery of any billing errors and:
  - (I) If the review resulted in the discovery of any billing errors, an explanation of each billing error and the manner in which the billing error was corrected; or*
  - (II) If the review did not result in the discovery of any billing errors, an explanation of the reasons why the potential errors identified pursuant to subsection 1 are not actual billing errors; and**
- (2) Applicable coding guidelines, references to medical records and other information relevant to the explanation provided pursuant to subparagraph (1).*



*(b) If the review resulted in the discovery of a billing error which resulted in the patient overpaying for care, refund to the patient the amount of the overpayment.*

*3. A provider of health care who violates any provision of this section is guilty of unprofessional conduct and is subject to disciplinary action by the board, agency or other entity in this State by which he or she is licensed, certified or regulated.*

**Sec. 4.** NRS 654.190 is hereby amended to read as follows:

654.190 1. The Board may, after notice and an opportunity for a hearing as required by law, impose an administrative fine of not more than \$10,000 for each violation on, recover reasonable investigative fees and costs incurred from, suspend, revoke, deny the issuance or renewal of or place conditions on the license of, and place on probation or impose any combination of the foregoing on any licensee who:

(a) Is convicted of a felony relating to the practice of administering a facility for skilled nursing or facility for intermediate care or residential facility for groups or of any offense involving moral turpitude.

(b) Has obtained his or her license by the use of fraud or deceit.

(c) Violates any of the provisions of this chapter.

(d) Aids or abets any person in the violation of any of the provisions of NRS 449.029 to 449.2428, inclusive, or 449A.100 to 449A.124, inclusive, *and section 2 of this act* and 449A.270 to 449A.286, inclusive, as those provisions pertain to a facility for skilled nursing, facility for intermediate care or residential facility for groups.



(e) Violates any regulation of the Board prescribing additional standards of conduct for licensees, including, without limitation, a code of ethics.

(f) Engages in conduct that violates the trust of a patient or resident or exploits the relationship between the licensee and the patient or resident for the financial or other gain of the licensee.

2. If a licensee requests a hearing pursuant to subsection 1, the Board shall give the licensee written notice of a hearing pursuant to NRS 233B.121 and 241.0333. A licensee may waive, in writing, his or her right to attend the hearing.

3. The Board may compel the attendance of witnesses or the production of documents or objects by subpoena. The Board may adopt regulations that set forth a procedure pursuant to which the Chair of the Board may issue subpoenas on behalf of the Board. Any person who is subpoenaed pursuant to this subsection may request the Board to modify the terms of the subpoena or grant additional time for compliance.

4. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

5. The expiration of a license by operation of law or by order or decision of the Board or a court, or the voluntary surrender of a license, does not deprive the Board of jurisdiction to proceed with any investigation of, or action or disciplinary proceeding against, the licensee or to render a decision suspending or revoking the license.

