

SMALL BUSINESS IMPACT STATEMENT
PROPOSED AMENDMENTS TO NEVADA ADMINISTRATIVE CODE (NAC) 449

The Nevada Health Authority (NVHA), Health Care Purchasing and Compliance Division, has determined the proposed amendments will not have an adverse financial impact on existing business and may have a beneficial impact on existing business. It is anticipated the proposed regulations will not limit the formation of small businesses. The proposed regulations will not have direct negative financial impact on small businesses and they reduce the regulatory burden on the industry by modifying provisions of current regulations that are not necessary to effectively regulate certain providers.

A small business is defined in Nevada Revised Statutes (NRS) 233B as a "business conducted for profit which employs fewer than 150 full-time or part-time employees."

This small business impact statement is made pursuant to NRS 233B.0608 (3) and complies with the requirements of NRS 233B.0609. As required by NRS 233B.0608(3), this statement identifies the methods used by the agency in determining the impact of the proposed regulation on a small business in sections 1, 2, 3, and 4 below and provides the reasons for the conclusions of the agency in section 8 below followed by the certification by the person responsible for the agency.

Background

A. The three main reasons these proposed regulations are being moved forward are:

- 1) To establish language for implementation of AB514 of the 2025 Legislative Session. (Sections 2 – 35, and Section 37)
- 2) To make modifications in order to implement AB544 of the 2025 Legislative Session. (Section 36)
- 3) Making administrative modifications in order to implement SB260 of the 2023 Legislative Session. (Errata for modification of NAC 449.0061, NAC 449.27817, NAC 449.27829)

B. The major topics addressed by the proposed regulations include:

- Licensure standards for Rehabilitative Residential Mental Health Care (RRMHC) facilities
- Changes to the expiration/renewal dates for licensed health care facilities
- Administrative changes to the standards for Businesses that Provide Referrals to [Residential Facilities For Groups (RFFG)], eliminating that part of the referral agency definition that speaks specifically to RFFGs

1) A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

Pursuant to NRS 233B.0608 (2)(a), the Health Care Purchasing and Compliance Division requested input from small businesses that may be affected by the proposed regulations.

Notice was sent to all NRS and NAC Chapter 449 licensed health facilities that were licensed at the time of the notice distribution, to members of the public who have chosen to subscribe to the Division’s health facility specific ListSers. An email notice with a link to the small business impact questionnaire and proposed regulations was sent to those with an email address on file with DHCCPC/NVHA, members of the public subscribed to the Division’s health facility specific ListSers on January 13, 2026. The proposed regulations were also posted on DHCCPC’s website.

The questions on the questionnaire were:

- 1) How many employees are currently employed by your business?
- 2) Will a specific regulation have an adverse economic effect upon your business?
- 3) Will the regulation(s) have any beneficial effect upon your business?
- 4) Do you anticipate any indirect adverse effects upon your business?
- 5) Do you anticipate any indirect beneficial effects upon your business?

Summary of Responses

Summary of Comments Received (2 responses were received out of a minimum of 2,637 small business impact questionnaires distributed)			
Will a specific regulation have an adverse economic effect upon your business?	Will the regulation (s) have any beneficial effect upon your business?	Do you anticipate any indirect adverse effects upon your business?	Do you anticipate any indirect beneficial effects upon your business?
Yes- 0 No - 2	Yes –0 No - 2	Yes – 1 No – 1	Yes – 0 No – 0
Comments: None	Comments: None	Comments: The only comment was as follows: “We house mentally ill.”	Comments: None

2) Describe the manner in which the analysis was conducted.

An analysis of industry input collected was conducted by the Bureau of Health Care Quality and Compliance. The analysis involved analyzing feedback obtained from the small business impact questionnaire, review of the proposed regulations, review of

statutes and review of legislation to help determine the economic impact to small business. Please see number 4 for the methods the agency considered to reduce the impact of the proposed regulations on small businesses. This information was then used to complete this small business impact statement including the conclusion of the impact of the proposed regulation on a small business found in number 8.

3) The estimated economic effect of the proposed regulation on the small business which it is to regulate including, without limitation both adverse and beneficial effects and both direct and indirect effects.

Direct Beneficial Effects:

- There may be direct beneficial effects, for example, a new applicant for a health facility license will receive the initial license valid for an entire year and would not be required to renew until the anniversary date the following year. Previously, applicants would receive an initial license valid only until December 31st of the year in which the license was issued (partial year validity), thus requiring the licensee to renew their license in December of the year in which the license was issued.

Indirect Beneficial Effects: Indirect beneficial effects (some of which may produce direct beneficial effects) include:

- Establishing standards for Rehabilitative Residential Mental Health Care facilities will allow licensure and enrollment with Medicaid such that entities may legitimately operate and provide these services within the industry.
- Changes to NAC 449.0061, NAC 449.27817 and NAC 449.27829, should remove barriers for referral agencies and allow them to perform services with more options for reimbursement.

Direct Adverse Effects:

- There are no anticipated direct adverse effects on the industry or small businesses.

Indirect Adverse Effects:

- With the establishment of any new fees, there's a potential that prospective small business operators will be discouraged from opening those businesses. However, the fees are necessary to assure the regulatory agency can perform its responsibilities to properly regulate facilities.

4) Provide a description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Health Care Purchasing and Compliance Division has identified and used methods to reduce the impact of the proposed regulations on small businesses including making modifications to the proposed regulations to accommodate changes based on legislation. Based on changes made by SB260 of the 2023 Legislative Session, regulatory restrictions that present a burden to referral agencies have been removed. The standards established

in these regulations for Rehabilitative Residential Mental Health Care facilities were generated as minimal standards, in an effort to encourage growth in the industry for facilities providing this type of care and services.

5) The estimated cost to the agency for enforcement of the proposed regulation.

The estimated cost for the agency to enforce the proposed regulations is anticipated to be offset by the fees being established in Section 37.

6) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the Division expects to collect and the manner in which the money will be used.

There is a new fee being established pursuant to Section 37. There's insufficient data available at this time to determine the total amount of revenue that will be generated based on the application fees, however, these fees were determined based on the fees for similar facility types currently found in the fee structure. As new facility types are added by new statutes or in accordance with statutory authority, the Board may authorize the Division to collect fees in accordance with NRS 449.050.

The fees collected would be used to cover the Division's operating and inspection costs related to the work associated with the addition of the new facility type, Rehabilitative Residential Mental Health Care, to ensure oversight of this new facility type and implementation of these regulations.

7) An explanation of why any duplicative or more stringent provisions than federal, state or local standards regulating the same activity are necessary.

There are no federal standards for Rehabilitative Residential Mental Health Care facilities (RRMHC). However, these regulations are designed to accommodate licensure of services very similar to those provided in Psychiatric Residential Treatment Facilities (PRTF), wherein there are federal regulations. To obtain certification, PRTF facilities must comply with federal standards as this assures national standards. Whereas RRMHCs will not adopt federal standards since certification isn't an option for this new facility type and certain populations (21 years or older) would be prohibited by the federal regulations. Medicaid does plan to offer enrollment for RRMHCs and in such case compliance with these state licensure standards are a necessity.

8) Provide a summary of the reasons for the conclusions of the agency regarding the impact of a regulation on small businesses.

The reason for this conclusion is based on the analysis conducted pursuant to number two of this document. After review of statutes, the proposed regulations and feedback from the industry, a conclusion could be drawn regarding the impact of the regulations on small businesses.

Certification by Person Responsible for the Agency

I, Cythia Leech, Administrator of the Health Care Purchasing and Compliance Division certify to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and the information contained in this statement was properly prepared and is accurate.

Signature Cythia Leech Date: 3/24/2024