

55th NEVADA LEGISLATIVE ASSEMBLY - COMMITTEE ON HEALTH AND WELFARE,
CHAIRMAN WOODROW WILSON PRESIDING February 28, 1969

Members Present: Wilson, Hafen, Frazzini, Swallow, Brookman, May, Foote, Espinoza and Homer.

Absent: None.

The meeting was called to order at 2:30 P.M. The following interested persons were introduced to the committee by the Chairman.

Robert E. Adams, Executive Director, Southern Nevada Memorial Hospital; Robert L. Petroni, Attorney, Southern Nevada Memorial Hospital; Charles Waterman, Attorney, Nevada State Osteopathic Association; Nelson B. Neff, Nevada State Medical Association; Ed Oncken, Development Director, Southern Nevada Memorial Hospital, George G. Brookman, Citizen, Las Vegas, Harry Reid, Attorney and Assemblyman, Clark County, Nevada.

Mr. Wilson announced that Harry Reid had requested permission to speak on S.B. 96, which enables transfer of county hospital to nonprofit corporation.

Mr. Reid: "I was a member of the Hospital Board, and Chairman of the Board of Trustees. (Southern Nevada Memorial Hospital). The hospital was developed in 1931 as a result of Boulder Dam being built and the depression. The hospital was formed to take care of indigent patients. However, a trend has been developing in the past 10 years, a lessening of indigent patients. Southern Nevada Memorial Hospital has approximately 300 beds, 5 trustees and 7 elected county commissioners. The trustees, commissioners and medical staff all agree on what should be done in order for the hospital to bound forward medically. The bed situation is critical."

Mr. Reid presented copies of a Motion passed unanimously by the Hospital Board of Trustees of the Southern Nevada Memorial Hospital on 18 December 1968, "On a motion by Commissioner Lamb, unanimous action was taken to proceed with the Herman Smith recommendation that Southern Nevada Memorial Hospital be converted to a voluntary, nonprofit organization, and that the County Commissioners proceed with necessary moves to obtain needed legislation. No further action will be required by this Board on this motion."

He also presented copies of the Resolution to approve the conversion of Southern Nevada Memorial Hospital from a governmental entity to that of a voluntary non-profit hospital as recommended by the Hospital Consultant and also requested to support legislation necessary to enable such transition, and

A Resolution from the Board of Trustees of the Nevada Hospital Association enabling legislation to allow a county hospital to become a private, non-profit institution."

Assembly

Page 2 - Health & Welfare Hearing

February 28, 1969

Aforementioned documents are attached hereto as "Exhibit A" to the Minutes of February 28, 1969.

Mr. Swallow (referring to the changeover of the hospital to a non-profit organization). "Would the people be admitted more readily?"

Reid: "No, they wouldn't be admitted any more readily."

Swallow: "Indigent patients?"

Reid: "The same thing that happens now. If he needs hospitalization, he is admitted and then the finances are worked out later."

Swallow: "Awhile back, there was a young man shot in the brain, and they tried to get a neuro-surgeon --"

Reid: "The man (neuro-surgeon) was out of town, and didn't come back. There were Doctors there that treated him, but they were not neuro-surgeons. The general practitioners did the best they could."

Swallow: "Would it make any difference under the new situation if the hospital would have cases like this?"

Petrini: "If we become this type of hospital, we could be a little more strict in choosing our Doctors. We could have a better quality medical staff. We are governed now by Nevada Revised Statutes, and they say we have to take on any physician unless we can prove he is just no good. This neuro-surgeon you have reference to was past 65, and our rules say at that age, a Doctor is not on call all of the time."

Dr. Homer: "Can't you hire and fire, just like anybody else? A physician's rights are much the same in a governmental agency."

Petrini: "A private hospital has the right to do so, but not a non-profit or governmental."

Homer: "How much out of politics do you remove this type of system?"

Mrs. Brookman objected to the manner in which they planned to set up their hospital boards. ie "You said that the people who were elected to serve on the Board really wanted to serve, but weren't really qualified to serve? The broad scope you are going to choose from are lay people; bankers, for instance, but not knowing that much about running a hospital."

Assembly

Page 3 - Health & Welfare Hearing

February 28, 1969

Reid: "While I was at the hospital, we had to build many things, and we needed someone who knew something about reading a blue print, so we put an architect on the board."

Swallow: "On boards of this nature, it would be my opinion that the turnover would be much less. "

Reid: (In reply to Mrs. Brookman's objection to the manner in which the boards would be set up) "If you can think of something better, we have no objection".

Wilson: "It would rule out an electorate type board if it is to be a non-profit organization".

May to Petrini: "The word 'indigent' is used in here, but the definition of 'indigent' is not in here. I have one here taken from a non-profit hospital in Wisconsin, another from Ohio, and this one was taken right out of the California District laws. The County decides who are the indigents."

This bill has traveled along a treacherous road, and I am in accord with it".

Petrini: "I can go one step further and refer to a Long Beach contract. The city of Long Beach went out and passed a bond issue and built their hospital new, and then set it up as a non-profit corporation. In Ohio, they have what they call a Hoffman Account, whereby they set up a bonding committee. The county releases responsibility on the bonds. Southern Nevada Memorial as only \$60,000 indebtedness outstanding in bond issues now. We are not really behind. We are just trying to change over the operation."

Chairman Wilson announced that there is a conflict between SB 96 and AB 106, which has now passed the Senate and the Assembly and has been signed before the Governor. He said he would like to see a copy of AB 106 and consult with the Legislative Counsel Bureau before any action can be taken by this committee on SB 96.

Mr. Petrini said that NRS 81.290 is the Statute which amends the definition of a non-profit corporation. NRS 81.310 is what SB 96 amends.

Chairman Wilson: "Let us continue with the testimony, and I will resolve this matter after I have discussed it with Mr. McDonald"

"If you are going to expand what do you have in mind?"

Petrini: "We have already starting picking up some property. We would like to have a bigger location. Most of the old buildings could be torn down."

Assembly

Page 4 - Health & Welfare Hearing

February 28, 1969

Brookman: "The laundry has been condemned for 5 years".

Wilson: "The hospital could never be expanded on the existing ground unless you go up. The cost of going up would be possibly \$30,000."

Petrini: "They recommended picking up the property directly behind, knocking down the round wing and building from there."

Brookman: "I think I asked at the meeting that night where you proposed to float any bonds?"

Petrini: No. If it were on a long-term lease. Since the failure of the last bond issue, the way the tax structure is down there -----"

Dr. Adams: "We are certainly in touch with the big picture, because we paid \$30,000 to have the consultation done. Twelve of our Nevada hospitals are county sponsored. Fortunately, we had Mr. Frank Daykin, who had served as a secretary-treasurer of a non-profit hospital much the same type of operation as we have here. He said that only 5 to 10% of the cases now days are indigents. All other patients have Medicare, Title 19, Blue Cross, etc. The penalties have now begun to occur, for continuing as a county hospital, and they are extremely serious. Clark County is estimated at 3.9 general hospital beds per population. By 1975, we will have to have 2,000 beds to accommodate probably 500,000 people. We will never make it. The 3 million dollar bond issue failed. The temper of the times in Clark County, where we have only the bonding money, tells me we will never make it, and that is why we need to go the non-profit route. Hillburg funds have only resulted in 10% of the hospital funds in the Nation, even though they are highly touted. The core of this Nation is the City-County sponsorship of a hospital. Politics and patient care do not mix any more than alcohol and gasoline mix. Seventy percent of the beds in our nation's hospitals are under voluntary non-profit organization hospitals."

Petrini: "We have found, being a Governmental hospital, some of these big foundations, such as the Ford Foundation, do not want to give us grants."

George Brookman: "The hospital, as I understand it, is operating in the black? The only object of what you are trying to do here is to expand for the future? To have proper facilities to take care of the expansion of the future?"

Dr. Adams: "It is quite obvious that this has been found to be the best way to run a hospital as a public service. We are spending \$11,000 and don't have a single banker or contractor on our Board. We are looking for operational freedom and leadership."

George Brookman: "If you were non-profit, would these funds be readily available?"

Adams: "Eighty percent of the hospitals are funded by bond issue. We know we will have to borrow money from insurance companies, and possibly some kind of Governmental funds like the H.U.D. program."

George Brookman: "Are you saying the county program was a \$3 million dollar bond issue in 1960? What would happen if this were not chosen, if you just kept on like you are going now?"

Adams: "We have about 1,100 admissions to our hospital each month, and 400 to 450 are emergency cases. The Doctors say they can't get their patients in at all."

May: "For the information of the members of the committee and visitors from Clark County, the hospital has operated in the red until just recently".

Petrini: "That is correct."

Adams: "The voluntary non-profit hospitals have been the ones moving ahead. The others, the County-City ones, are embroiled in the labor problems, etc. Voluntary hospitals are probably still more expensive, but the reason for that is that they are the first-rate institutions."

Chairman Wilson: This, as it is proposed, would take the facility out of the political arena? What recourse would a patient have that felt he wasn't getting proper treatment and care? Where would they go? How would they reach this Board?"

Adams: "I can tell you what happens in a political-type hospital. If there is a complaint, he tries to find a politician to put the screws on somebody. In a voluntary institute, they come to the Administrators' office to get to the problem. This is the way I am trying to do, and more and more people are coming to me. "

May: "Right now, you are an equal rights employer? That will not change?"

Adams: "Our policy is to hire the best men for the jobs".

Charles Waterman, Attorney for Nevada State Osteopathic Physicians - Re: S.B. 96.

"Things are not the bed of roses as they have been explained here. NRS 633.140 says that Osteopathic Physicians have the same rights as Allopathic Physicians (as far as practicing in a hospital).

You will notice that the practitioners are limited to public hospitals. I think this committee can easily define in this bill. Certain Title 19 funds are to be used, and therefore this hospital --there is presently pending a trial to get osteopaths their rights to practice in public hospitals.

NRS 633.140 - Rights and duties of osteopathic physicians

and surgeons.

1. Osteopathic physicians licensed under this chapter shall have the same rights as physicians and surgeons of other schools of medicine with respect to the treatment of cases or the holding of offices in public institutions.

2. Osteopathic physicians shall observe and be subject to all state and municipal regulations relative to reporting all births and deaths in all matters pertaining to the public health, with equal right and obligations as physicians of other schools of medicine. The reports shall be accepted by the officers of the department to which the same are made.

3. Osteopathic physicians and surgeons licensed under this chapter shall have the same rights as physicians and surgeons of other schools of medicine."

A hospital is a public piece of equipment and renders a public service, whether or not it is a non-profit organization. At Lake Tahoe, in a community of approximately 3,000 people, such as we have at Glenwood, those people are served by one physician, an osteopathic physician. Douglas County has the same situation, but that osteopath cannot admit his patients to the hospital in Minden-Gardnerville. The County Hospital at Battle Mountain is manned solely by Dr. Bannister, an osteopathic physician. We feel that NRS 450 - 430 and the succeeding chapters would not be protected under the present bill. Please keep in mind that a hospital is public, not private, and should afford practitioners the same privileges."

Chairman Wilson: "Under your proposed amendment, what you are trying to do is to make sure that osteopaths will have an opportunity to practice in this hospital (Southern Nevada Memorial)? Don't we have State laws that set up qualifications for people, the osteopathic provision, that would grant them the right to practice?"

Mr. Waterman: "I thoroughly agree with what you say. We do have equal practice law in this State for osteopaths and allopaths; they have equal rights in this State. However, we believe sometimes they abuse their discretionary rights and deny osteopaths the right to practice in public hospitals. It is our belief that since we are going from the public domaine into a non-profit organization, our rights of practice will not be recognized. We want to make sure we will be recognized."

Petrini: "I don't really see any objections to that. Any physician is always subject to the rules and regulations of the Board of trustees. In changing over, I would like to make sure also that any physician applying for admission to practice would meet the standards of rules and regulations laid down by the Board of Trustees".

Mr. Petrini quoted from NRS 450.440 which reads:

"Staff of physicians: Organization; rotation of service; compensation.

1. The board of hospital trustees shall organize a staff of physicians composed of every regular practicing physician in the county in which the hospital is located who meets the standards fixed by the rules and regulations laid down by the board of hospital trustees.

2. The staff shall organize in a manner prescribed by the board so that there shall be a rotation of service among the members of the staff to give proper medical and surgical attention and service to the indigent sick, injured or maimed who may be admitted to the hospital for treatment.

3. No member of the staff nor any other physician who attends an indigent patient shall receive any compensation for his services except as otherwise provided in NRS 450.180 or to the extent that medical care is paid for by any governmental authority or any private medical care program".

(He referred to the Darling case in Illinois).

Waterman: Numerous people whom I represent have run against the problem that the physicians on the Board just don't feel they can judge whether or not an osteopath is qualified. This could foster a great deal of litigation, taking this thing from the public domaine and putting it into the private domaine."

Petrini: "Include Sec. 1, NRS 450.440."

Waterman: "My clients could certainly have no objection to that. That is the law. They are only asking for the right to be admitted."

Adams: "One thing the committee should know. Nationally, there is a concerted effort on the part of physicians to get closer to D.O.'s. Some D.O.'s are a little suspicious of this. I have seen a lot of fine quality medicine practiced by D.O.'s. However, at this time, when we are trying to take the hospital out of the political milieu in order to operate for the community's good, I foresee here what is a political means to introduce a group to the hospital that aren't there now. We are a little reluctant to accept this now. There is no question that D.O.'s will be accepted in time."

Waterman: "We are not asking for blanket admission for osteopaths. We are not trying to push our way into admission anywhere. All this amendment would do, in my opinion, is to give all physicians the equal right to practice in that hospital if they are properly qualified. The law is there to allow for these qualifications, as counsel just pointed out."

Assembly

Page 8 - Health & Welfare Hearing

February 28, 1969

Swallow: "Didn't California -----"

Waterman: "In California, they merged by referendum the two provisions. They allowed the osteopaths to go to the College of the City of Los Angeles and thereby become licensed to practice in California hospitals."

Swallow: "I was really not saying I objected, but merely making an observation of what we are trying to establish".

Nelson Neff: (Nevada State Medical Association).

"I am associated with the Medical Association, and the House of Delegates. The trend is to encourage the osteopaths to associate with the Medical Doctor "predicated on his training". I don't think it wise to muddy the picture any further. It is apparent that there are problems here."

Waterman: "On the basis of that statement, I feel that his statement was non sequitor. We will allow the Board to thoroughly look into a man's background and training. There are several other counties involved here other than Clark County, and we don't want to see their rights taken away."

Wilson: "Before we can act on S.B. 96, I must contact Mr. Russell McDonald and the Legislative Counsel Bureau."

Swallow made a motion the meeting be adjourned. Frazzini Seconded. Unanimously carried.