

Amendment No. CA2

Conference Committee Amendment to (BDR 40-15)  
Senate Bill No. 264 Second Reprint

**Proposed by:** Conference Committee

**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

SLP



Date: 6/1/2011

S.B. No. 264—Revises provisions concerning the regulation of certain medical facilities. (BDR 40-15)



SENATE BILL NO. 264—SENATOR LESLIE

MARCH 17, 2011

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions concerning the regulation of certain medical facilities. (BDR 40-15)

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

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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 public health; revising requirements for various reports concerning the care provided by certain medical and related facilities; revising provisions relating to administrative fines collected by the Health Division of the Department of Health and Human Services; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law requires certain medical facilities to submit to the Health Division of the  
2 Department of Health and Human Services reports of sentinel events. (NRS 439.835) The  
3 term "sentinel event" is defined for the purposes of these reports to mean an unexpected  
4 occurrence at the facility which involves facility-acquired infection, death or serious physical  
5 or psychological injury or the risk thereof, including, without limitation, any process variation  
6 for which a recurrence would carry a significant chance of a serious adverse outcome. (NRS  
7 439.830) The Health Division is required to prepare annual reports concerning those reports  
8 which were submitted by medical facilities located in a county whose population is 100,000 or  
9 more (currently Clark and Washoe Counties). (NRS 439.840) **Section 5** of this bill requires  
10 the Health Division to prepare such annual reports for medical facilities in every county and to  
11 make those reports available on the Department's website. **Section 5** also requires the Health  
12 Division to report that information publicly in a format which allows for comparisons of  
13 medical facilities.

14 Existing law requires medical facilities which provide care to 25 or more patients per day  
15 to submit information to the Internet-based surveillance system established and maintained by  
16 the Centers for Disease Control and Prevention of the United States Department of Health and  
17 Human Services and requires the Health Division to analyze that information. (NRS 439.847)  
18 **Section 9** of this bill requires the Health Division to report that information publicly in a  
19 format which allows for comparisons of medical facilities.

20 **Sections 15.3-17** of this bill require hospitals to submit, as part of the program to increase  
21 public awareness of health care information concerning hospitals, data relating to the  
22 readmission of a patient if the readmission was potentially preventable and clinically related  
23 to the initial admission of the patient. **Section 20** of this bill requires the Department of Health  
24 and Human Services to post that information on an Internet website. **Section 16** also  
25 authorizes the Department to report certain information concerning the quality of care  
26 provided by hospitals if it can be determined from reports already submitted to the

27 Department. Existing law authorizes the Department to seek injunctive relief or civil penalties  
28 against facilities that violate the reporting requirements. (NRS 439A.300, 439A.310)

29 **Sections 21, 22, 24 and 25** of this bill authorize the Health Division to use money which  
30 is collected as administrative penalties to administer and carry out the provisions of chapter  
31 449 of NRS and to protect the health and property of the patients and residents of facilities.

32 **Section 35** of this bill repeals NRS 439.825 and 439.850.

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

1 **Section 1.** (Deleted by amendment.)

2 **Sec. 2.** (Deleted by amendment.)

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

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

5 **Sec. 5.** NRS 439.840 is hereby amended to read as follows:

6 439.840 1. The Health Division shall:

7 (a) Collect and maintain reports received pursuant to NRS 439.835 and  
8 439.843 and any additional information requested by the Health Division pursuant to  
9 NRS 439.841;

10 (b) Ensure that such reports, and any additional documents created from such  
11 reports, are protected adequately from fire, theft, loss, destruction and other hazards  
12 and from unauthorized access;

13 (c) Annually prepare a report of sentinel events reported pursuant to NRS  
14 439.835 by a medical facility, ~~located in a county whose population is 100,000 or~~  
15 ~~more,~~ including, without limitation, the type of event, the number of events, *the*  
16 *rate of occurrence of events*, and the medical facility which reported the event *{ }*,  
17 *and provide the report for inclusion on the Internet website maintained pursuant*  
18 *to NRS 439A.270;* and

19 (d) Annually prepare a summary of the reports received pursuant to NRS  
20 439.835 and provide a summary for inclusion on the Internet website maintained  
21 pursuant to NRS 439A.270. The Health Division shall maintain the confidentiality  
22 of the *patient, the provider of health care or other member of the staff of the*  
23 *medical facility identified in the* reports submitted pursuant to NRS 439.835 when  
24 preparing the annual summary pursuant to this paragraph.

25 2. Except as otherwise provided in this section and NRS 239.0115, reports  
26 received pursuant to NRS 439.835 and subsection 1 of NRS 439.843 and any  
27 additional information requested by the Health Division pursuant to NRS 439.841  
28 are confidential, not subject to subpoena or discovery and not subject to inspection  
29 by the general public.

30 3. *The report prepared pursuant to paragraph (c) of subsection 1 must*  
31 *provide to the public information concerning each medical facility which*  
32 *provided medical services and care in the immediately preceding calendar year*  
33 *and must:*

34 (a) *Be presented in a manner that allows a person to view and compare the*  
35 *information for the medical facilities;*

36 (b) *Be readily accessible and understandable by a member of the general*  
37 *public;*

38 (c) *Use standard statistical methodology, including without limitation, risk-*  
39 *adjusted methodology when applicable, and include the description of the*  
40 *methodology and data limitations contained in the report;*

1 *(d) Not identify a patient, provider of health care or other member of the*  
2 *staff of the medical facility; and*

3 *(e) Not be reported for a medical facility if reporting the data would risk*  
4 *identifying a patient.*

5 **Sec. 6.** (Deleted by amendment.)

6 **Sec. 7.** NRS 439.843 is hereby amended to read as follows:

7 439.843 1. On or before March 1 of each year, each medical facility shall  
8 provide to the Health Division, in the form prescribed by the State Board of Health,  
9 a summary of the reports submitted by the medical facility pursuant to NRS  
10 439.835 during the immediately preceding calendar year. The summary must  
11 include, without limitation:

12 (a) The total number and types of sentinel events reported by the medical  
13 facility, if any;

14 (b) A copy of the patient safety plan established pursuant to NRS 439.865;

15 (c) A summary of the membership and activities of the patient safety  
16 committee established pursuant to NRS 439.875; and

17 (d) Any other information required by the State Board of Health concerning the  
18 reports submitted by the medical facility pursuant to NRS 439.835.

19 2. On or before June 1 of each year, the Health Division shall submit to the  
20 State Board of Health an annual summary of the reports and information received  
21 by the Health Division pursuant to this section. The annual summary must include,  
22 without limitation, a compilation of the information submitted pursuant to  
23 subsection 1 and any other pertinent information deemed necessary by the State  
24 Board of Health concerning the reports submitted by the medical facility pursuant  
25 to NRS 439.835. The Health Division shall maintain the confidentiality of the  
26 *patient, the provider of health care or other member of the staff of the medical*  
27 *facility identified in the* reports submitted pursuant to NRS 439.835 and any other  
28 *identifying information of a person* requested by the State Board of Health  
29 concerning those reports when preparing the annual summary pursuant to this  
30 section.

31 **Sec. 8.** NRS 439.845 is hereby amended to read as follows:

32 439.845 1. The Health Division shall analyze and report trends regarding  
33 sentinel events.

34 2. When the Health Division receives notice from a medical facility that the  
35 medical facility has taken corrective action to remedy the causes or contributing  
36 factors, or both, of a sentinel event, the Health Division shall:

37 (a) Make a record of the information;

38 (b) Ensure that the information is ~~[aggregated]~~ *released in a manner* so as not  
39 to reveal the identity of a specific ~~[person or medical facility:]~~ *patient, provider of*  
40 *health care or member of the staff of the facility;* and

41 (c) At least quarterly, report its findings regarding the analysis of ~~[aggregated]~~  
42 trends of sentinel events ~~[to the Repository for Health Care Quality Assurance.]~~ *on*  
43 *the Internet website maintained pursuant to NRS 439A.270.*

44 **Sec. 9.** NRS 439.847 is hereby amended to read as follows:

45 439.847 1. Each medical facility which provided medical services and care  
46 to an average of 25 or more patients during each business day in the immediately  
47 preceding calendar year shall, within 120 days after becoming eligible, participate  
48 in the secure, Internet-based surveillance system established by the Division of  
49 Healthcare Quality Promotion of the Centers for Disease Control and Prevention of  
50 the United States Department of Health and Human Services that integrates patient  
51 and health care personnel safety surveillance systems. As part of that participation,  
52 the medical facility shall provide, at a minimum, the information required by the

1 Health Division pursuant to this subsection. The Health Division shall by regulation  
2 prescribe the information which must be provided by a medical facility, including,  
3 without limitation, information relating to infections and procedures.

4 2. Each medical facility which provided medical services and care to an  
5 average of less than 25 patients during each business day in the immediately  
6 preceding calendar year may participate in the secure, Internet-based surveillance  
7 system established by the Division of Healthcare Quality Promotion of the Centers  
8 for Disease Control and Prevention of the United States Department of Health and  
9 Human Services that integrates patient and health care personnel safety surveillance  
10 systems.

11 3. A medical facility that participates in the secure, Internet-based  
12 surveillance system established by the Division of Healthcare Quality Promotion  
13 shall ~~authorize~~ :

14 (a) *Authorize* the Health Division to access all information submitted to the  
15 system ~~[, and the Health Division shall enter into an agreement with the Division of  
16 Healthcare Quality Promotion to carry out the provisions of this section.] ; and~~

17 (b) *Provide consent for the Health Division to include information submitted*  
18 *to the system in the reports posted pursuant to paragraph (b) of subsection 4,*  
19 *including without limitation, permission to identify the medical facility that is the*  
20 *subject of each report.*

21 4. The Health Division shall ~~analyze~~ :

22 (a) *Analyze* the information submitted to the system by medical facilities  
23 pursuant to this section and recommend regulations and legislation relating to the  
24 reporting required pursuant to NRS 439.800 to 439.890, inclusive.

25 (b) *Annually prepare a report of the information submitted to the system by*  
26 *each medical facility pursuant to this section and provide the reports for*  
27 *inclusion on the Internet website maintained pursuant to NRS 439A.270. The*  
28 *information must be reported in a manner that allows a person to compare the*  
29 *information for the medical facilities and expressed as a total number and a rate*  
30 *of occurrence.*

31 (c) *Enter into an agreement with the Division of Healthcare Quality*  
32 *Promotion to carry out the provisions of this section.*

33 **Sec. 10.** (Deleted by amendment.)

34 **Sec. 11.** (Deleted by amendment.)

35 **Sec. 12.** (Deleted by amendment.)

36 **Sec. 13.** (Deleted by amendment.)

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

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

39 **Sec. 15.3.** Chapter 439A of NRS is hereby amended by adding thereto a new  
40 section to read as follows:

41 *“Potentially preventable readmission” means an unplanned readmission of a*  
42 *patient which:*

43 1. *Occurs not more than 30 days after the patient is discharged;*

44 2. *Is clinically related to the initial admission; and*

45 3. *Was preventable.*

46 **Sec. 15.7.** NRS 439A.200 is hereby amended to read as follows:

47 439A.200 As used in NRS 439A.200 to 439A.290, inclusive, *and section*  
48 *15.3 of this act*, unless the context otherwise requires, the words and terms defined  
49 in NRS 439A.205 and 439A.210 *and section 15.3 of this act* have the meanings  
50 ascribed to them in those sections.

1       **Sec. 16.** NRS 439A.220 is hereby amended to read as follows:

2       439A.220 1. The Department shall establish and maintain a program to  
3 increase public awareness of health care information concerning the hospitals in  
4 this State. The program must be designed to assist consumers with comparing the  
5 quality of care provided by the hospitals in this State and the charges for that care.

6       2. The program must include, without limitation, the collection, maintenance  
7 and provision of information concerning:

8       (a) Inpatients and outpatients of each hospital in this State as reported in the  
9 forms submitted pursuant to NRS 449.485;

10       (b) The quality of care provided by each hospital in this State as determined by  
11 applying ~~uniform~~ measures of quality ~~prescribed by the Department pursuant to~~  
12 ~~NRS 439A.230;~~

13       ~~—(e) endorsed by the entities described in subparagraph (1) of paragraph (b)~~  
14 ~~of subsection 1 of NRS 439A.230, expressed as a number of events and rate of~~  
15 ~~occurrence, if such measures can be applied to the information reported in the~~  
16 ~~forms submitted pursuant to NRS 449.485;~~

17       (c) How consistently each hospital follows recognized practices to prevent the  
18 infection of patients, to speed the recovery of patients and to avoid medical  
19 complications of patients;

20       (d) For each hospital, the total number of patients discharged, the average  
21 length of stay and the average billed charges, reported ~~for the 50 most frequent~~ by  
22 diagnosis-related groups for inpatients and *for the 50* medical treatments for  
23 outpatients that the Department determines are most useful for consumers; ~~and~~

24       (e) *The total number of patients discharged from the hospital and the total*  
25 *number of potentially preventable readmissions, which must be expressed as a*  
26 *total number and a rate of occurrence of potentially preventable readmissions,*  
27 *and the average length of stay and the average billed charges for those potentially*  
28 *preventable readmissions; and*

29       (f) Any other information relating to the charges imposed and the quality of the  
30 services provided by the hospitals in this State which the Department determines is:

31       (1) Useful to consumers;

32       (2) Nationally recognized; and

33       (3) Reported in a standard and reliable manner.

34       3. As used in this section, “diagnosis-related group” means groupings of  
35 medical diagnostic categories used as a basis for hospital payment schedules by  
36 Medicare and other third-party health care plans.

37       **Sec. 17.** NRS 439A.230 is hereby amended to read as follows:

38       439A.230 1. The Department shall, by regulation:

39       (a) Prescribe the information that each hospital in this State must submit to the  
40 Department for the program established pursuant to NRS 439A.220.

41       (b) Prescribe the measures of quality for hospitals that are required pursuant to  
42 paragraph (b) of subsection 2 of NRS 439A.220. In adopting the regulations, the  
43 Department shall:

44       (1) Use the measures of quality endorsed by the Agency for Healthcare  
45 Research and Quality, the National Quality Forum, Centers for Medicare and  
46 Medicaid Services of the United States Department of Health and Human Services,  
47 a quality improvement organization of the Centers for Medicare and Medicaid  
48 Services and the Joint Commission ; ~~for Accreditation of Healthcare~~  
49 ~~Organizations;~~

50       (2) Prescribe a reasonable number of measures of quality which must not  
51 be unduly burdensome on the hospitals; and

1 (3) Take into consideration the financial burden placed on the hospitals to  
2 comply with the regulations.

3 ↪ The measures prescribed pursuant to this paragraph must report health outcomes  
4 of hospitals, which do not necessarily correlate with the inpatient diagnosis-related  
5 groups or the outpatient treatments that are posted on the Internet website pursuant  
6 to NRS 439A.270.

7 (c) *Prescribe the manner in which a hospital must determine whether the*  
8 *readmission of a patient must be reported pursuant to NRS 439A.220 as a*  
9 *potentially preventable readmission and the form for submission of such*  
10 *information.*

11 (d) Require each hospital to:

12 (1) Provide the information prescribed in paragraphs (a) , ~~and~~ (b) *and* (c)  
13 in the format required by the Department; and

14 (2) Report the information separately for inpatients and outpatients.

15 2. The information required pursuant to this section and NRS 439A.220 must  
16 be submitted to the Department not later than 45 days after the last day of each  
17 calendar month.

18 3. If a hospital fails to submit the information required pursuant to this section  
19 or NRS 439A.220 or submits information that is incomplete or inaccurate, the  
20 Department shall send a notice of such failure to the hospital and to the Health  
21 Division of the Department.

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

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

24 **Sec. 20.** NRS 439A.270 is hereby amended to read as follows:

25 439A.270 1. The Department shall establish and maintain an Internet  
26 website that includes the information concerning the charges imposed and the  
27 quality of the services provided by the hospitals and surgical centers for ambulatory  
28 patients in this State as required by the programs established pursuant to NRS  
29 439A.220 and 439A.240. The information must:

30 (a) Include, for each hospital in this State, the ~~total~~ :

31 (1) *Total* number of patients discharged, the average length of stay and the  
32 average billed charges, reported for the ~~[50 most frequent]~~ diagnosis-related groups  
33 for inpatients and *the* 50 ~~[most frequent]~~ medical treatments for outpatients that the  
34 Department determines are most useful for consumers; *and*

35 (2) *Total number of potentially preventable readmissions reported*  
36 *pursuant to NRS 439A.220, the rate of occurrence of potentially preventable*  
37 *readmissions, and the average length of stay and average billed charges of those*  
38 *potentially preventable readmissions, reported by the diagnosis-related group for*  
39 *inpatients for which the patient originally received treatment at a hospital;*

40 (b) Include, for each surgical center for ambulatory patients in this State, the  
41 total number of patients discharged and the average billed charges, reported for 50  
42 medical treatments for outpatients that the Department determines are most useful  
43 for consumers;

44 (c) Be presented in a manner that allows a person to view and compare the  
45 information for the hospitals by:

46 (1) Geographic location of each hospital;

47 (2) Type of medical diagnosis; and

48 (3) Type of medical treatment;

49 (d) Be presented in a manner that allows a person to view and compare the  
50 information for the surgical centers for ambulatory patients by:

51 (1) Geographic location of each surgical center for ambulatory patients;

52 (2) Type of medical diagnosis; and

1 (3) Type of medical treatment;  
2 (e) Be presented in a manner that allows a person to view and compare the  
3 information separately for:

4 (1) The inpatients and outpatients of each hospital; and

5 (2) The outpatients of each surgical center for ambulatory patients;

6 (f) Be readily accessible and understandable by a member of the general  
7 public;

8 (g) *Include the annual summary of reports of sentinel events prepared*  
9 *pursuant to paragraph (c) of subsection 1 of NRS 439.840;*

10 (h) Include the annual summary of reports of sentinel events prepared pursuant  
11 to paragraph (d) of subsection 1 of NRS 439.840; ~~and~~

12 ~~—(h)—~~ (i) *Include the reports of information prepared for each medical facility*  
13 *pursuant to paragraph (b) of subsection 4 of NRS 439.847; and*

14 (j) Provide any other information relating to the charges imposed and the  
15 quality of the services provided by the hospitals and surgical centers for ambulatory  
16 patients in this State which the Department determines is:

17 (1) Useful to consumers;

18 (2) Nationally recognized; and

19 (3) Reported in a standard and reliable manner.

20 2. The Department shall:

21 (a) Publicize the availability of the Internet website;

22 (b) Update the information contained on the Internet website at least quarterly;

23 (c) Ensure that the information contained on the Internet website is accurate  
24 and reliable;

25 (d) Ensure that the information contained on the Internet website is aggregated  
26 so as not to reveal the identity of a specific inpatient or outpatient of a hospital;

27 (e) Post a disclaimer on the Internet website indicating that the information  
28 contained on the website is provided to assist with the comparison of hospitals and  
29 is not a guarantee by the Department or its employees as to the charges imposed by  
30 the hospitals in this State or the quality of the services provided by the hospitals in  
31 this State, including, without limitation, an explanation that the actual amount  
32 charged to a person by a particular hospital may not be the same charge as posted  
33 on the website for that hospital;

34 (f) Provide on the Internet website established pursuant to this section a link to  
35 the Internet website of the Centers for Medicare and Medicaid Services of the  
36 United States Department of Health and Human Services; and

37 (g) Upon request, make the information that is contained on the Internet  
38 website available in printed form.

39 3. As used in this section, “diagnosis-related group” means groupings of  
40 medical diagnostic categories used as a basis for hospital payment schedules by  
41 Medicare and other third-party health care plans.

42 **Sec. 21.** NRS 449.0305 is hereby amended to read as follows:

43 449.0305 1. Except as otherwise provided in subsection 5, a person must  
44 obtain a license from the Board to operate a business that provides referrals to  
45 residential facilities for groups.

46 2. The Board shall adopt:

47 (a) Standards for the licensing of businesses that provide referrals to residential  
48 facilities for groups;

49 (b) Standards relating to the fees charged by such businesses;

50 (c) Regulations governing the licensing of such businesses; and

51 (d) Regulations establishing requirements for training the employees of such  
52 businesses.



1 3. A licensed nurse, social worker, physician or hospital, or a provider of  
2 geriatric care who is licensed as a nurse or social worker, may provide referrals to  
3 residential facilities for groups through a business that is licensed pursuant to this  
4 section. The Board may, by regulation, authorize a public guardian or any other  
5 person it determines appropriate to provide referrals to residential facilities for  
6 groups through a business that is licensed pursuant to this section.

7 4. A business that is licensed pursuant to this section or an employee of such a  
8 business shall not:

9 (a) Refer a person to a residential facility for groups that is not licensed.

10 (b) Refer a person to a residential facility for groups that is owned by the same  
11 person who owns the business.

12 ~~➤~~ A person who violates the provisions of this subsection is liable for a civil  
13 penalty to be recovered by the Attorney General in the name of the State Board of  
14 Health for the first offense of not more than \$10,000 and for a second or subsequent  
15 offense of not less than \$10,000 nor more than \$20,000. Unless otherwise required  
16 by federal law, the State Board of Health shall deposit all civil penalties collected  
17 pursuant to this section into a separate account in the State General Fund to be used  
18 ~~for the enforcement of this section and the protection of~~ *to administer and carry*  
19 *out the provisions of this chapter and to protect* the health, safety, well-being and  
20 property of *the patients and* residents of ~~residential~~ facilities ~~for groups.~~ *in*  
21 *accordance with applicable state and federal standards.*

22 5. This section does not apply to a medical facility that is licensed pursuant to  
23 NRS 449.001 to 449.240, inclusive, on October 1, 1999.

24 **Sec. 22.** NRS 449.163 is hereby amended to read as follows:

25 449.163 1. If a medical facility or facility for the dependent violates any  
26 provision related to its licensure, including any provision of NRS 439B.410 or  
27 449.001 to 449.240, inclusive, or any condition, standard or regulation adopted by  
28 the Board, the Health Division, in accordance with the regulations adopted pursuant  
29 to NRS 449.165, may:

30 (a) Prohibit the facility from admitting any patient until it determines that the  
31 facility has corrected the violation;

32 (b) Limit the occupancy of the facility to the number of beds occupied when  
33 the violation occurred, until it determines that the facility has corrected the  
34 violation;

35 (c) Impose an administrative penalty of not more than \$1,000 per day for each  
36 violation, together with interest thereon at a rate not to exceed 10 percent per  
37 annum; and

38 (d) Appoint temporary management to oversee the operation of the facility and  
39 to ensure the health and safety of the patients of the facility, until:

40 (1) It determines that the facility has corrected the violation and has  
41 management which is capable of ensuring continued compliance with the  
42 applicable statutes, conditions, standards and regulations; or

43 (2) Improvements are made to correct the violation.

44 2. If a violation by a medical facility or facility for the dependent relates to  
45 the health or safety of a patient, an administrative penalty imposed pursuant to  
46 paragraph (c) of subsection 1 must be in a total amount of not less than \$1,000 and  
47 not more than \$10,000 for each patient who was harmed or at risk of harm as a  
48 result of the violation.

49 3. If the facility fails to pay any administrative penalty imposed pursuant to  
50 paragraph (c) of subsection 1, the Health Division may:

51 (a) Suspend the license of the facility until the administrative penalty is paid;  
52 and

1 (b) Collect court costs, reasonable attorney's fees and other costs incurred to  
2 collect the administrative penalty.

3 4. The Health Division may require any facility that violates any provision of  
4 NRS 439B.410 or 449.001 to 449.240, inclusive, or any condition, standard or  
5 regulation adopted by the Board to make any improvements necessary to correct the  
6 violation.

7 5. Any money collected as administrative penalties pursuant to this section  
8 must be accounted for separately and used to *administer and carry out the*  
9 *provisions of this chapter and to protect* the health ~~of~~, *safety, well-being and*  
10 property of the *patients and* residents of ~~the facility~~, *facilities* in accordance with  
11 applicable *state and* federal standards.

12 **Sec. 23.** (Deleted by amendment.)

13 **Sec. 24.** NRS 449.210 is hereby amended to read as follows:

14 449.210 1. Except as otherwise provided in subsection 2 and NRS  
15 449.24897, a person who operates a medical facility or facility for the dependent  
16 without a license issued by the Health Division is guilty of a misdemeanor.

17 2. A person who operates a residential facility for groups without a license  
18 issued by the Health Division:

19 (a) Is liable for a civil penalty to be recovered by the Attorney General in the  
20 name of the Health Division for the first offense of not more than \$10,000 and for a  
21 second or subsequent offense of not less than \$10,000 or more than \$20,000;

22 (b) Shall move all of the persons who are receiving services in the residential  
23 facility for groups to a residential facility for groups that is licensed at his or her  
24 own expense; and

25 (c) May not apply for a license to operate a residential facility for groups for a  
26 period of 6 months after the person is punished pursuant to this section.

27 3. Unless otherwise required by federal law, the Health Division shall deposit  
28 all civil penalties collected pursuant to this section into a separate account in the  
29 State General Fund to be used ~~for the protection of~~ *to administer and carry out*  
30 *the provisions of this chapter and to protect* the health, safety, ~~and~~ *well-being*  
31 *and property of the patients* ~~including~~ *and* residents of ~~residential~~ *facilities* ~~for~~  
32 ~~groups~~ *in accordance with applicable state and federal standards.*

33 **Sec. 25.** NRS 449.2496 is hereby amended to read as follows:

34 449.2496 1. A person who operates or maintains a home for individual  
35 residential care without a license issued by the Health Division pursuant to NRS  
36 449.249 is liable for a civil penalty, to be recovered by the Attorney General in the  
37 name of the Health Division, for the first offense of \$10,000 and for a second or  
38 subsequent offense of not less than \$10,000 nor more than \$20,000.

39 2. Unless otherwise required by federal law, the Health Division shall deposit  
40 civil penalties collected pursuant to this section into a separate account in the State  
41 General Fund ~~in the State Treasury~~ to be used ~~for the protection of~~ *to administer*  
42 *and carry out the provisions of this chapter and to protect* the health, safety, well-  
43 being and property of the patients ~~including~~ *and* residents of facilities ~~found~~  
44 ~~deficient by the Health Division~~ *in accordance with applicable state and federal*  
45 *standards.*

46 3. A person against whom a civil penalty is assessed by the court pursuant to  
47 subsection 1:

48 (a) Shall move, at that person's own expense, all persons receiving services in  
49 the home for individual residential care to a licensed home for individual residential  
50 care.

51 (b) May not apply for a license to operate a home for individual residential care  
52 until 6 months have elapsed since the penalty was assessed.

- 1       **Sec. 26.** (Deleted by amendment.)  
2       **Sec. 27.** (Deleted by amendment.)  
3       **Sec. 28.** (Deleted by amendment.)  
4       **Sec. 29.** (Deleted by amendment.)  
5       **Sec. 30.** (Deleted by amendment.)  
6       **Sec. 31.** (Deleted by amendment.)  
7       **Sec. 32.** (Deleted by amendment.)  
8       **Sec. 33.** (Deleted by amendment.)  
9       **Sec. 34.** (Deleted by amendment.)  
10      **Sec. 35.** NRS 439.825 and 439.850 are hereby repealed.  
11      **Sec. 36.** (Deleted by amendment.)  
12      **Sec. 37.** This act becomes effective on July 1, 2011.

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**TEXT OF REPEALED SECTIONS**

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**439.825 “Repository” defined.** “Repository” means the Repository for Health Care Quality Assurance created by NRS 439.850.

**439.850 Repository for Health Care Quality Assurance: Creation; function.**

1. The Repository for Health Care Quality Assurance is hereby created within the Health Division.

2. The Repository shall, to the extent of legislative appropriation and authorization, function as a clearinghouse of information relating to aggregated trends of sentinel events.