

SENATE BILL NO. 348—SENATORS DONATE AND OHRENSCHALL

MARCH 21, 2023

JOINT SPONSORS: ASSEMBLYMEN GONZÁLEZ; CARTER, DURAN,  
MOSCA, PETERS AND WATTS

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to health facilities.  
(BDR 40-51)

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 health care; requiring written approval to close certain hospitals or convert such a hospital into a different type of health facility; requiring certain facilities that provide emergency medical services to provide certain notice to patients; establishing certain civil penalties; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires a person to obtain the written approval of the: (1) Director  
2 of the Department of Health and Human Services before making certain capital  
3 expenditures for construction of a new health facility under certain circumstances;  
4 or (2) the Chief Medical Officer before operating or undertaking any expenditure  
5 for the operation of a new medical helicopter within 150 miles from the base of an  
6 existing medical helicopter. (NRS 439A.100, 439A.104) **Section 2** of this bill  
7 similarly requires a person to obtain the written approval of the Director before  
8 closing a hospital in a county whose population is 100,000 or more (currently Clark  
9 and Washoe Counties) or converting such a hospital into a different type of health  
10 facility. **Sections 2 and 7-9** of this bill provide that such approval is a condition to:  
11 (1) the issuance or renewal of a license for certain health facilities converted from a  
12 hospital; and (2) certain amendments to such a license. **Sections 5 and 10** of this  
13 bill authorize the Department and the Division of Public and Behavioral Health of  
14 the Department to impose certain civil penalties and take certain other disciplinary  
15 action against a person who closes a hospital in a county whose population is  
16 100,000 or more or converts a hospital in such a county to a different type of health  
17 facility without written approval in violation of **section 2**.



18 Existing law requires: (1) a hospital to notify the Department of any merger,  
 19 acquisition or similar transaction involving the hospital; and (2) a physician group  
 20 practice or a person who owns all or substantially all of a physician group practice  
 21 to notify the Department of certain similar transactions under certain circumstances.  
 22 (NRS 439A.126) **Section 4** of this bill authorizes the Department to impose an  
 23 administrative penalty against a hospital, physician group practice or person who  
 24 owns all or substantially all of a physician group practice that fails to provide  
 25 timely notice of the information required by existing law.

26 Existing law provides every patient of a medical facility, including an  
 27 independent center for emergency medical care or hospital, with the right to receive  
 28 certain information about the condition and care of the patient and the cost of such  
 29 care. (NRS 449A.106) **Section 10.5** of this bill requires an independent center for  
 30 emergency medical care to post conspicuous notice that the independent center  
 31 for emergency care is an emergency medical facility and will charge patients for an  
 32 emergency room visit. If an off-campus location of a hospital provides emergency  
 33 medical services, **section 10.5** requires the off-campus location to provide each  
 34 patient with: (1) certain notice concerning the rights of the patient upon  
 35 registration; and (2) a more detailed notice concerning billing and payment after the  
 36 patient is found not to have an emergency medical condition or after the emergency  
 37 medical condition of the patient has been stabilized, as applicable.

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

1 **Section 1.** Chapter 439A of NRS is hereby amended by  
 2 adding thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2. 1.** *Except as otherwise provided in this section, no*  
 4 *person may close a hospital in a county whose population is*  
 5 *100,000 or more or convert a hospital in such a county into a*  
 6 *different type of health facility without first applying for and*  
 7 *obtaining the written approval of the Director or the designee of*  
 8 *the Director. The Division of Public and Behavioral Health of the*  
 9 *Department shall not issue a new license or alter an existing*  
 10 *license for conversion to a different type of health facility unless*  
 11 *the Director or the designee of the Director has issued such an*  
 12 *approval.*

13 *2. The Director may adopt regulations which prescribe the*  
 14 *process to apply for written approval pursuant to this section.*

15 *3. An applicant must provide any information requested by*  
 16 *the Director or the designee of the Director for consideration of an*  
 17 *application, which must include, without limitation, information*  
 18 *related to:*

- 19 *(a) The location of the hospital;*
- 20 *(b) The ownership structure of the hospital;*
- 21 *(c) Whether the closure or conversion is likely to benefit any*  
 22 *other health facility in the same geographic area as the hospital in*  
 23 *which any person with an ownership interest in the hospital also*  
 24 *has an ownership interest;*



- 1 (d) *An explanation of the need for the closure or conversion;*
- 2 (e) *Data regarding the population served by the hospital in the*
- 3 *24 months immediately preceding the application; and*
- 4 (f) *The manner in which and the locations where the*
- 5 *population served by the hospital will be able to obtain the health*
- 6 *services that were provided by the hospital during the 24 months*
- 7 *following the closure or conversion of the hospital.*

8 **4. The Director or the designee of the Director shall not**

9 **approve an application submitted pursuant to subsection 1 without**

10 **considering the information required to be submitted pursuant to**

11 **subsection 3.**

12 **5. The decision of the Director or the designee of the Director**

13 **pursuant to this section is a final decision for the purposes of**

14 **judicial review.**

15 **6. The provisions of this section do not apply to any person**

16 **who ceases to operate hospitals in this State.**

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

18 **Sec. 4.** NRS 439A.126 is hereby amended to read as follows:

19 439A.126 1. A hospital shall notify the Department of any

20 merger, acquisition or joint venture with any entity, including,

21 without limitation, a physician group practice, to which the hospital

22 is a party or any contract for the management of the hospital not

23 later than 60 days after the finalization of the transaction or

24 execution of the contract for management, as applicable.

25 2. A physician group practice or a person who owns all or

26 substantially all of a physician group practice shall notify the

27 Department of a transaction described in subsection 3 to which the

28 physician group practice or person, as applicable, is a party or any

29 contract for the management of the physician group practice not

30 later than 60 days after the finalization of the transaction or

31 execution of the contract for management, as applicable, if:

32 (a) The physician group practices that are parties to the

33 transaction or contract for management or that are owned by those

34 parties represent at least 20 percent of the physicians who practice

35 any specialty in a primary service area; and

36 (b) The physician group practice represents the largest number

37 of physicians of any physician group practice that is a party to or

38 owned by a party to the transaction or contract for management.

39 3. Notice must be provided pursuant to subsection 2 for any:

40 (a) Merger of, consolidation of or other affiliation between

41 physician group practices, persons who own physician group

42 practices or any combination thereof;

43 (b) The acquisition of all or substantially all of the properties

44 and assets of a physician group practice;



1 (c) The acquisition of all or substantially all of the capital stock,  
2 membership interests or other equity interests of a physician group  
3 practice;

4 (d) The employment of all or substantially all of the physicians  
5 in a physician group practice; or

6 (e) The acquisition of an insolvent physician group practice.

7 4. Notice pursuant to subsection 1 or 2 must be provided in the  
8 form prescribed by the Department and must include, without  
9 limitation:

10 (a) The name of each party to the transaction or contract for  
11 management, as applicable;

12 (b) A description of the nature of the proposed relationship of  
13 the parties to the transaction or contract for management, as  
14 applicable;

15 (c) The names and any specialties of each physician who is a  
16 party or employed by or affiliated with a physician group practice  
17 that is a party to or is owned by a party to the transaction or contract  
18 for management, as applicable;

19 (d) The name and address of each business entity that will  
20 provide health services after the transaction or contract for  
21 management, as applicable;

22 (e) A description of the health services to be provided at each  
23 location of a business entity described in paragraph (d); and

24 (f) The primary service area to be served by each location of a  
25 business entity described in paragraph (d).

26 5. The Department shall:

27 (a) Post the information contained in the notices provided  
28 pursuant to subsections 1 and 2 on an Internet website maintained  
29 by the Department; and

30 (b) Annually prepare a report regarding market transactions and  
31 concentration in health care based on the information in the notices  
32 and post the report on an Internet website maintained by the  
33 Department.

34 6. *If a hospital, a physician group practice or a person who*  
35 *owns all or substantially all of a physician group practice fails to*  
36 *provide timely notice to the Department pursuant to subsection 1*  
37 *or 2, as applicable, and the failure was not caused by excusable*  
38 *neglect, technical problems or other extenuating circumstances,*  
39 *the Department may impose against the hospital, physician group*  
40 *practice or person who owns all or substantially all of a physician*  
41 *group practice an administrative penalty of not more than \$5,000*  
42 *for each day of such failure.*

43 7. *Any money collected as administrative penalties pursuant*  
44 *to this section must be accounted for separately and used by the*  
45 *Department to carry out the provisions of NRS 439A.111 to*



1 **439A.126, inclusive, or for any other purpose authorized by the**  
2 **Legislature.**

3 8. As used in this section:

4 (a) "Physician group practice" means any business entity  
5 organized for the purpose of the practice of medicine or osteopathic  
6 medicine by more than one physician.

7 (b) "Primary service area" means an area comprising the  
8 smallest number of zip codes from which the hospital or physician  
9 group practice draws at least 75 percent of patients.

10 **Sec. 5.** NRS 439A.310 is hereby amended to read as follows:

11 439A.310 1. Except as otherwise provided in subsection 2,  
12 any person who violates any of the provisions of this chapter is  
13 liable to the State for a civil penalty of:

14 (a) Where the provision violated governs the licensing of a  
15 project which is required to be approved pursuant to NRS 439A.100  
16 **or section 2 of this act**, not more than 10 percent of the proposed  
17 expenditure for the project.

18 (b) Where any other provision is violated, not more than  
19 \$20,000 for each violation.

20 2. The Department shall not impose a penalty under this  
21 section if it applies for injunctive relief to prevent the same  
22 violation.

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

24 **Sec. 7.** NRS 449.080 is hereby amended to read as follows:

25 449.080 1. If, after investigation, the Division finds that the:

26 (a) Applicant is in full compliance with the provisions of NRS  
27 449.029 to 449.2428, inclusive;

28 (b) Applicant is in substantial compliance with the standards and  
29 regulations adopted by the Board;

30 (c) Applicant, if he or she has undertaken a project for which  
31 approval is required pursuant to NRS 439A.100 **or section 2 of**  
32 **this act**, has obtained the approval of the Director of the Department  
33 of Health and Human Services; and

34 (d) Facility conforms to the applicable zoning regulations,  
35 **↳** the Division shall issue the license to the applicant.

36 2. Any investigation of an applicant for a license to provide  
37 community-based living arrangement services conducted pursuant  
38 to subsection 1 must include, without limitation, an inspection of  
39 any building operated by the applicant in which the applicant  
40 proposes to provide community-based living arrangement services.

41 3. A license applies only to the person to whom it is issued, is  
42 valid only for the premises described in the license and is not  
43 transferable.



**Sec. 8.** NRS 449.087 is hereby amended to read as follows:

449.087 1. A licensee must obtain the approval of the Division to amend his or her license to operate a facility before the addition of any of the following services:

- (a) The intensive care of newborn babies.
- (b) The treatment of burns.
- (c) The transplant of organs.
- (d) The performance of open-heart surgery.
- (e) A center for the treatment of trauma.

2. The Division shall approve an application to amend a license to allow a facility to provide any of the services described in subsection 1 if:

(a) The applicant satisfies the requirements contained in NRS 449.080;

(b) The Division determines on the basis of the standards adopted by the Board pursuant to subsection 4 that there are an adequate number of cases in the community to be served to support amending the license to add the service; and

(c) The Division determines that the applicant satisfies any other standards adopted by the Board pursuant to subsection 4.

3. The Division may revoke its approval if the licensee fails to maintain substantial compliance with the standards adopted by the Board pursuant to subsection 4 for the provision of such services, or with any conditions included in the written approval of the Director issued pursuant to the provisions of NRS 439A.100 ~~§~~ *or section 2 of this act.*

4. The Board shall:

(a) Adopt standards which have been adopted by appropriate national organizations to be used by the Division in determining whether there are an adequate number of cases in the community to be served to support amending the license of a licensee to add a service pursuant to this section; and

(b) Adopt such other standards as it deems necessary for determining whether to approve the provision of services pursuant to this section.

**Sec. 9.** NRS 449.089 is hereby amended to read as follows:

449.089 1. Each license issued pursuant to NRS 449.029 to 449.2428, inclusive, expires on December 31 following its issuance and is renewable for 1 year upon reapplication and payment of all fees required pursuant to subsection 4 and NRS 449.050, as applicable, unless the Division finds, after an investigation, that the facility has not:

(a) Satisfactorily complied with the provisions of NRS 449.029 to 449.2428, inclusive, or the standards and regulations adopted by the Board;



1 (b) Obtained the approval of the Director of the Department of  
2 Health and Human Services before undertaking a project, if such  
3 approval is required by NRS 439A.100 ~~§~~ *or section 2 of this act;*  
4 or

5 (c) Conformed to all applicable local zoning regulations.

6 2. Each reapplication for an agency to provide personal care  
7 services in the home, an agency to provide nursing in the home, a  
8 community health worker pool, a facility for intermediate care, a  
9 facility for skilled nursing, a provider of community-based living  
10 arrangement services, a hospital described in 42 U.S.C. §  
11 1395ww(d)(1)(B)(iv), a psychiatric hospital that provides inpatient  
12 services to children, a psychiatric residential treatment facility, a  
13 residential facility for groups, a program of hospice care, a home for  
14 individual residential care, a facility for the care of adults during the  
15 day, a facility for hospice care, a nursing pool, the distinct part of a  
16 hospital which meets the requirements of a skilled nursing facility or  
17 nursing facility pursuant to 42 C.F.R. § 483.5, a hospital that  
18 provides swing-bed services as described in 42 C.F.R. § 482.58 or,  
19 if residential services are provided to children, a medical facility or  
20 facility for the treatment of alcohol or other substance use disorders  
21 must include, without limitation, a statement that the facility,  
22 hospital, agency, program, pool or home is in compliance with the  
23 provisions of NRS 449.115 to 449.125, inclusive, and 449.174.

24 3. Each reapplication for an agency to provide personal care  
25 services in the home, a community health worker pool, a facility for  
26 intermediate care, a facility for skilled nursing, a facility for the care  
27 of adults during the day, a residential facility for groups or a home  
28 for individual residential care must include, without limitation, a  
29 statement that the holder of the license to operate, and the  
30 administrator or other person in charge and employees of, the  
31 facility, agency, pool or home are in compliance with the provisions  
32 of NRS 449.093.

33 4. Each reapplication for a surgical center for ambulatory  
34 patients, facility for the treatment of irreversible renal disease,  
35 facility for hospice care, program of hospice care, hospital, facility  
36 for intermediate care, facility for skilled nursing, agency to provide  
37 personal care services in the home or rural clinic must be  
38 accompanied by the fee prescribed by the State Board of Health  
39 pursuant to NRS 457.240, in addition to the fees imposed pursuant  
40 to NRS 449.050.

41 **Sec. 10.** NRS 449.160 is hereby amended to read as follows:

42 449.160 1. The Division may deny an application for a  
43 license or may suspend or revoke any license issued under the  
44 provisions of NRS 449.029 to 449.2428, inclusive, upon any of the  
45 following grounds:



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

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

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

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

12 (e) Failure of the applicant to obtain written approval from the  
13 Director of the Department of Health and Human Services as  
14 required by NRS 439A.100 *or section 2 of this act* or as provided in  
15 any regulation adopted pursuant to NRS 449.001 to 449.430,  
16 inclusive, and 449.435 to 449.531, inclusive, and chapter 449A of  
17 NRS if such approval is required ~~[ ]~~, *including, without limitation,*  
18 *the closure or conversion of any hospital in a county whose*  
19 *population is 100,000 or more that is owned by the licensee*  
20 *without approval pursuant to section 2 of this act.*

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

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

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

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

30 (b) Is ordered to but fails to abate a nuisance pursuant to NRS  
31 244.360, 244.3603 or 268.4124; or

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

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

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

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

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





1 ↪ The facility shall make the information available to the public  
2 pursuant to NRS 449.2486.

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

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

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

10 **Sec. 10.5.** Chapter 449A of NRS is hereby amended by adding  
11 thereto a new section to read as follows:

12 *1. An independent center for emergency medical care shall*  
13 *post conspicuously in each location where patients are admitted*  
14 *and registered a sign, in not less than 24 point boldface type,*  
15 *which states in English and Spanish:*

16  
17 **NOTICE**

18  
19 *This is an emergency medical facility that treats emergency*  
20 *medical conditions. You will be charged for a visit to an*  
21 *emergency room and not for a visit to an urgent care center.*

22  
23 *2. An off-campus location shall provide to each patient of the*  
24 *emergency department of the off-campus location and any adult*  
25 *accompanying such a patient who is less than 18 years of age*  
26 *immediately upon registration a written statement in the following*  
27 *form:*

28  
29 **PATIENT INFORMATION**

30  
31 *This is an emergency medical facility that treats emergency*  
32 *medical conditions.*

33  
34 *We will screen and treat you regardless of your ability to*  
35 *pay.*

36  
37 *You have the right to ask questions regarding your*  
38 *treatment options and costs.*

39  
40 *You have the right to receive prompt and reasonable*  
41 *responses to such questions and requests.*

42  
43 *You have the right to reject treatment.*



1 *However, we encourage you to defer your questions until*  
2 *after we screen you for an emergency medical condition.*  
3

4 *This is not a complete statement of patient information or*  
5 *rights. You will receive a more comprehensive statement*  
6 *after the completion of a medical screening examination*  
7 *that does not reveal an emergency medical condition or*  
8 *after your emergency medical condition has been stabilized.*  
9

10 3. *After the completion of an appropriate medical screening*  
11 *examination of a patient of the emergency department of the off-*  
12 *campus location that does not reveal an emergency medical*  
13 *condition or after stabilizing the emergency medical condition of*  
14 *such a patient, an off-campus location shall provide the patient*  
15 *and, if the patient, is less than 18 years of age, any adult*  
16 *accompanying the patient, with written notice of:*

17 (a) *The policies of the off-campus location concerning the*  
18 *acceptance of patients enrolled in Medicaid and Medicare;*

19 (b) *The networks of third parties in which the off-campus*  
20 *location participates;*

21 (c) *The possibility that the patient may be billed separately by*  
22 *providers of health care at the off-campus location;*

23 (d) *The maximum price for emergency medical services that*  
24 *the off-campus location commonly provides; and*

25 (e) *Any additional fees that the off-campus location charges.*

26 4. *As used in this section:*

27 (a) *“Independent center for emergency medical care” has the*  
28 *meaning ascribed to it in NRS 449.013.*

29 (b) *“Network” means a defined set of providers of health care*  
30 *who are under contract with a third party to provide health care*  
31 *services to persons covered by the third party.*

32 (c) *“Off-campus location” means a facility:*

33 (1) *With operations that are directly or indirectly owned or*  
34 *controlled by, in whole or in part, a hospital or which is affiliated*  
35 *with a hospital, regardless of whether it is operated by the same*  
36 *governing body as the hospital;*

37 (2) *That is located more than 250 yards from the main*  
38 *campus of the hospital;*

39 (3) *That provides services which are organizationally and*  
40 *functionally integrated with the hospital; and*

41 (4) *That is an outpatient facility providing emergency room*  
42 *services.*

43 (d) *“Third party” means any insurer, governmental entity or*  
44 *other organization providing health coverage or benefits in*  
45 *accordance with state or federal law.*



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

2     **Sec. 12.** 1. This section becomes effective upon passage and  
3 approval.

4     2. Sections 1 to 11, inclusive, of this act become effective:

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

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

