



PROVIDING THE VITAL CARE NEVADANS NEED

Nevada Hospitals: Concerned for Patient Care

The Situation

Micro hospitals have become increasingly common in several states. There are two types:

1. A stand-alone hospital that is aligned with and managed and operated by a full-service hospital or an integrated healthcare system to expand healthcare delivery and to ensure continuity of care for patients. It is certified by the Centers for Medicare and Medicaid Services (CMS) and participates in the Medicare and Medicaid programs.
2. A stand-alone hospital that is independent and not aligned with a full-service hospital or an integrated healthcare delivery system, deliberately remaining out of network with commercial insurance plans as well as does not participate in Medicare and Medicaid programs. The operators of these “shadow” hospitals are attempting to enter Nevada with a business model that is detrimental to patients.

Shadow hospitals will intentionally offer limited services and are designed to target walk-in business, including tourists, and those who only pay cash. By not participating in the Medicare program, they are not required to follow the Emergency Medical Treatment and Active Labor Act (EMTALA), a federal law that requires anyone coming to an emergency department be triaged and medically screened, and if the patient has an emergent condition, the patient must be stabilized and treated, regardless of their insurance status or ability to pay.

It is vital for the health and safety of Nevadans, and our visitors, that shadow hospitals are licensed to the same rigorous standards as all Nevada hospitals. As a condition of licensure, all Nevada hospitals should be required to participate in the Medicare and Medicaid programs.

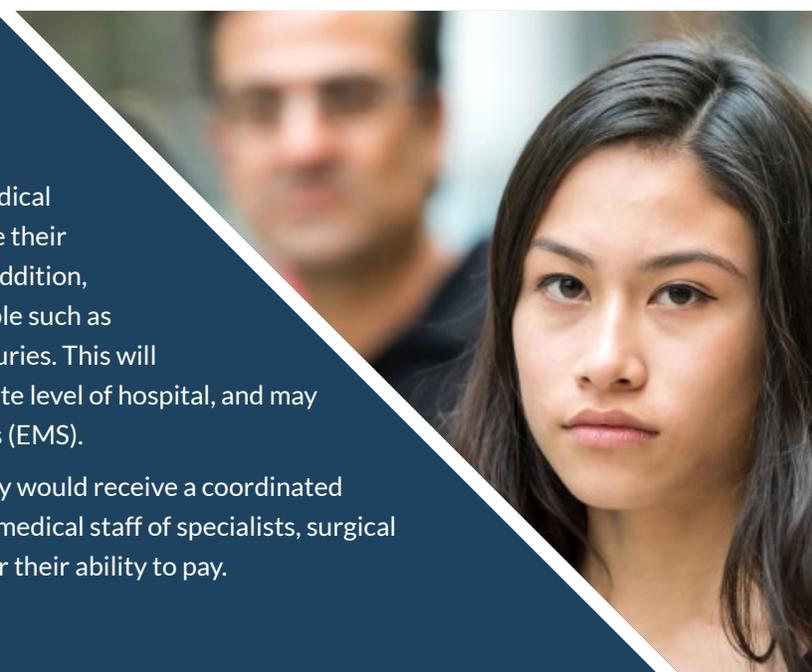
Shadow hospitals will not accept payment from payers covering 70% of the population – Medicaid and Medicare.

These facilities will be unwilling to accept insurance from Medicaid and Medicare and require cash payment for services.

Patient Experience

If a patient arrives at a shadow hospital with an emergency medical condition, it is possible that they could be turned away because their insurance isn't accepted, or they cannot pay for treatment. In addition, treatment could be delayed because the services aren't available such as cardiology, surgery, O/B complications, and trauma-related injuries. This will potentially require a time-consuming transfer to the appropriate level of hospital, and may include calling 911 and using emergency management services (EMS).

If this same patient arrived at an integrated micro hospital, they would receive a coordinated approach to care and access to full hospital services (i.e., large medical staff of specialists, surgical capabilities, catherization labs), regardless of their insurance or their ability to pay.



Shadow Hospitals in Other States



Texas leads the nation in freestanding emergency departments that are not recognized by the federal Centers for Medicare & Medicaid Services as emergency departments and are therefore not bound by federal emergency department regulations and do not have to comply with the federal EMTALA law. They do not bill Medicare, Medicaid or TRICARE and are not subject to Medicare Conditions of Participation or Joint Commission standards leaving patients responsible for full-billed charges.



Utah has limited freestanding emergency departments and shadow hospitals due to provisions that require them to be tied to a hospital or trauma center. Utah also has more regulations regarding the services a hospital must provide. Currently, if they are unaffiliated they can't accept Medicare or Medicaid which means they don't have to follow EMTALA.

Nevada Hospital Association's Stance

The Nevada Hospital Association (NHA) supports micro hospitals that are integrated with a hospital or healthcare system. Dignity Health has opened several micro hospitals in southern Nevada that are integrated with their acute care hospitals. These micro hospitals are fully accredited and certified with CMS and participating in the Medicare and Medicaid programs. They also maintain a fully integrated electronic medical record with the Dignity Health system. In a recent article in *Healthcare Finance*, they outlined the success of this model and the positive impact on patients.

The NHA opposes the shadow hospital concept. In Nevada, these facilities would:

- Compromise the safety and continuity of care for patients
- Not treat Medicare, Medicaid or self-pay patients unless they pay cash at the time of service
- Place a further financial burden on the hospitals that take care of the patients who are uninsured, are on Medicaid or who suffer from mental health conditions
- Strain the EMS delivery system
- Mislead patients into believing that their care is "in network" with his or her insurance plan, and that the insurer will pay their claims
- Inflare an already difficult balance billing situation, one that is been before the Nevada State Legislature for nearly two decades
- Provide a poor impression on those visiting our state by burdening them with a large out of pocket healthcare expense

Impact on Other Critical Health Issues

Shadow hospitals that do not contract with commercial payers are not covered by insurance in the same manner as general acute care hospitals that do contract. This can result in patients being surprised by bills that their insurance company did not pay.

The NHA is working with the State to ensure that shadow hospitals help Nevada patients and those visiting our state and that these facilities are integrated into our community. We have provided draft regulations to the Nevada Division of Public and Behavioral Health on patient care, transfer agreements and mandatory base-level services for all facilities (including NHA members). We are also pursuing legislation. New facilities must follow the same rules and regulations set forth by CMS and the State to adequately care for those in Nevada seeking health care.

For additional information about this topic and more, please visit our site

nvha.net/micro-hospitals