



5190 Neil Rd. • Ste. 400 • Reno, NV 89502  
775-827-0184 • Fax 775-827-0190

---

December 22<sup>nd</sup>, 2015

Deonne Contine  
Executive Director  
Department of Taxation  
1550 College Parkway, Suite 115  
Carson City, NV 89706-7937

Dear Ms. Contine:

This letter is in follow up to the Department of Taxation's December 7<sup>th</sup> workshop. First I want to thank you for willingness to work with all stakeholders to develop these important clarifying regulations. We were please to see some of the issues that we raised included in the draft regulations - we understand several of the issues we raised would have required changes to the statute which will not be possible until the 2017 legislative session.

Having reviewed the latest draft of the Proposed Regulations LCB File No. R123-15 we do have a few remaining recommendations for consideration:

1. In the health care industry hospitals/providers are required to have a uniform price list which is generally very different than what they must accept (government payers) or what they may agree to accept (via negotiated contracts with commercial insurance) as payment in full. Our **recommendation is to add to the Definition section:** "Gross Revenue" is the amount the business entity has agreed to accept as payment in full for services/goods provided.
2. Section 6: We appreciate the addition of subsection 2 to your previous draft and provide the following **recommendation:** clearly state in the introduction to Section 6 that the tax payer has the option to calculate their uncompensated care ratio using the method outlined in either subsection 1 OR subsection 2 if they are otherwise required to meet the requirements of NRS 449.490 section 3.
3. Previously we asked that regulations be developed to address the following concern with Section 21 Subsection (j) of SB 483 - Issue: This subsection only allows health care institutions to deduct 50% of the amount quantified in subsection (i) – institutions may also in certain circumstances employ/bill/collect for physician services and should be treated the same as independent physicians when doing so. **Recommendation:** Regulations should clarify that the 50% reduced deduction applies to health care "gross revenue" related to institutional services only. In other words, the limitation applies to the revenue stream(s) and not the entity itself.

Once you have reviewed the recommendations above, we would appreciate an opportunity to answer any questions and understand the Department's intended next steps.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill M. Welch". The signature is fluid and cursive, with a large initial "B" and "W".

Bill M. Welch  
President & CEO  
Nevada Hospital Association