

ASSEMBLY BILL NO. 143—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF LEGISLATIVE COMMITTEE ON HEALTH CARE)

FEBRUARY 5, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Creates office of ombudsman for consumers of health insurance within bureau of consumer protection in office of attorney general. (BDR 18-492)

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

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~for omitted material~~ is material to be omitted.

AN ACT relating to health insurance; creating the office of ombudsman for consumers of health insurance within the bureau of consumer protection in the office of the attorney general; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 228 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 10, inclusive, of this act.
- 3 **Sec. 2.** *As used in sections 2 to 10, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 3 and*
5 *4 of this act have the meanings ascribed to them in those sections.*
- 6 **Sec. 3.** *“Health insurance” has the meaning ascribed to it in NRS*
7 *681A.030.*
- 8 **Sec. 4.** *“Insurer” has the meaning ascribed to it in NRS 679A.100.*
- 9 **Sec. 5.** *1. The office of ombudsman for consumers of health*
10 *insurance is hereby created within the office of the attorney general.*
11 *2. The attorney general shall appoint a person to serve in the position*
12 *of ombudsman for consumers of health insurance. The person so*
13 *appointed:*
14 *(a) Must be knowledgeable in the field of health care;*
15 *(b) Must be qualified by training and experience to perform the duties*
16 *and functions of his office; and*
17 *(c) Is in the unclassified service of the state.*

1 3. *The attorney general may remove the ombudsman for consumers*
2 *of health insurance from office for inefficiency, neglect of duty or*
3 *malfeasance in office.*

4 **Sec. 6.** *The ombudsman for consumers of health insurance shall:*

5 1. *Assist consumers of health insurance in selecting a plan of health*
6 *insurance by providing information, referrals and assistance concerning*
7 *health insurance coverage and services to consumers;*

8 2. *Assist consumers of health insurance to understand their rights*
9 *and responsibilities as set forth in their plans of health insurance;*

10 3. *Disseminate information to the public, state and local agencies,*
11 *legislators and other interested persons concerning the problems related*
12 *to health care encountered by consumers of health insurance and*
13 *solutions for resolving such problems;*

14 4. *Analyze and monitor the development, execution and enforcement*
15 *of federal, state and local laws, regulations and policies that affect*
16 *consumers of health insurance and make recommendations to any*
17 *responsible entity he deems appropriate;*

18 5. *Facilitate public comment during hearings concerning laws,*
19 *regulations and policies which affect consumers of health insurance,*
20 *including, without limitation, comments about the practices of insurers*
21 *that issue policies of health insurance;*

22 6. *Promote the development of organizations of citizens and*
23 *consumers of health insurance to address issues concerning health*
24 *insurance;*

25 7. *Ensure that the services provided by the office of ombudsman for*
26 *consumers of health insurance are easily accessible to consumers;*

27 8. *At the request of the interim finance committee or the legislative*
28 *committee on health care, report to either of those committees*
29 *concerning the activities of the office of ombudsman for consumers of*
30 *health insurance; and*

31 9. *On or before January 1 of each year, submit a report to the*
32 *governor and the director of the legislative counsel bureau for*
33 *transmittal to the legislature, or, if the legislature is not in session, to the*
34 *legislative commission. The report must include, without limitation, a*
35 *summary of the activities, fiscal accounts and recommendations of the*
36 *office of ombudsman for consumers of health insurance.*

37 **Sec. 7.** *The ombudsman for consumers of health insurance may:*

38 1. *Employ the staff necessary to carry out his duties and the*
39 *functions of his office in accordance with the practices and procedures*
40 *for personnel established for the office of the attorney general.*

41 2. *Prescribe the duties of the staff of the office of ombudsman for*
42 *consumers of health insurance.*

1 **3. Establish procedures and policies for the management of the**
2 **office of ombudsman for consumers of health insurance.**

3 **4. Assist consumers of health insurance in the pursuit of**
4 **administrative, judicial and other remedies concerning problems with**
5 **their health care insurance, including, without limitation, assisting**
6 **consumers in the investigation and resolution of complaints.**

7 **5. Examine any books, accounts, minutes, records or other papers or**
8 **property of an insurer that issues a policy of health insurance in this**
9 **state in the same manner and to the same extent as authorized by law for**
10 **the commissioner of insurance and the state board of health. An insurer**
11 **that issues a policy of health insurance shall, upon request, provide such**
12 **information to the ombudsman for consumers of health insurance within**
13 **30 days after receipt of the request. Any information obtained pursuant**
14 **to this subsection must be given the same level of confidentiality that**
15 **would be required if the information had been obtained by the**
16 **commissioner of insurance or the state board of health.**

17 **6. Delegate the performance of any of his powers or duties to any**
18 **person employed by his office.**

19 **7. Perform such other functions and make such other arrangements**
20 **as may be necessary to carry out his duties and the functions of his**
21 **office.**

22 **Sec. 8. Except as otherwise provided in this section, information**
23 **collected by the office of ombudsman for consumers of health insurance**
24 **concerning a consumer of health insurance is confidential and must not**
25 **be disclosed to any person under any circumstances other than with the**
26 **written consent of the consumer or his legal guardian, or pursuant to a**
27 **court order. Such information may be used for statistical purposes if the**
28 **identity of the consumer is not discernible from the information**
29 **disclosed.**

30 **Sec. 9. Each state agency or division having functions relating to**
31 **Title 57 of NRS shall cooperate with the ombudsman for consumers of**
32 **health insurance in the performance of his duties and shall provide the**
33 **ombudsman for consumers of health insurance with any information,**
34 **statistics or data in its records that he requires.**

35 **Sec. 10. 1. The ombudsman for consumers of health insurance**
36 **and a person employed by the office of ombudsman for consumers of**
37 **health insurance shall not:**

38 **(a) Participate directly in the licensing, certification or accreditation**
39 **of a health care facility, an insurer that issues policies of health**
40 **insurance or a provider of health care;**

41 **(b) Have a direct ownership interest or interest through an investment**
42 **in a health care facility, an insurer that issues policies of health**
43 **insurance or a provider of health care;**

1 (c) *Be employed by or participate in the management of a health care*
2 *facility, an insurer that issues policies of health insurance or a provider*
3 *of health care; or*

4 (d) *Receive or be entitled to receive, directly or indirectly,*
5 *remuneration pursuant to an agreement for compensation entered into*
6 *with a health care facility, an insurer that issues policies of health*
7 *insurance or a provider of health care.*

8 2. *As used in this section:*

9 (a) *“Health care facility” has the meaning ascribed to it in NRS*
10 *449.800.*

11 (b) *“Provider of health care” has the meaning ascribed to it in NRS*
12 *629.031.*

13 **Sec. 11.** On or before September 15, 1999, the ombudsman for
14 consumers of health insurance shall submit a report to the interim finance
15 committee and the legislative committee on health care. The report must
16 include, without limitation, an update on the status of the office of
17 ombudsman for consumers of health insurance and a description of the
18 manner in which the activities of the office of ombudsman for consumers
19 of health insurance are being coordinated.

20 **Sec. 12.** This act becomes effective on July 1, 1999.