ASSEMBLY BILL NO. 515–ASSEMBLYMEN DE BRAGA, SEGERBLOM, NEIGHBORS, COLLINS, MCCLAIN, CHOWNING, BUCKLEY, LEE, BERMAN, GIBBONS, PRICE, OHRENSCHALL, MORTENSON, CLABORN, FREEMAN, EVANS, PARNELL AND KOIVISTO

MARCH 12, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes concerning health insurance. (BDR 57-254)

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 **[**~~omitted material~~**]** is material to be omitted.

AN ACT relating to health insurance; requiring health insurers to provide certain information concerning payment for health care services to an insured or provider of health care upon request; requiring health insurers to reimburse certain specialists with whom they do not have a contract for health care services provided to certain insureds; providing that a policy of health insurance must include a provision allowing a woman who is covered by the policy to have direct access to certain health care services for women; providing that health insurance provided by the committee on benefits through a plan of self-insurance must comply with certain provisions concerning health insurance applicable to other insurers; and providing other matters properly relating thereto.

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

Section 1. NRS 679B.130 is hereby amended to read as follows:

679B.130 1. The commissioner may adopt reasonable regulations for the administration of any provision of this code ***,*** **[**~~or~~**]** chapters 616A to 617, inclusive, of NRS **[**~~.~~**]** ***and section 19 of this act.***

2. A person who willfully violates any regulation of the commissioner is subject to such suspension or revocation of a certificate of authority or license, or administrative fine in lieu of such suspension or revocation, as may be applicable under this code or chapter 616A, 616B, 616C, 616D or 617 of NRS for violation of the provision to which the regulation relates. No penalty applies to any act done or omitted in good faith in conformity

with any such regulation, notwithstanding that the regulation may, after the act or omission, be amended, rescinded or determined by a judicial or other authority to be invalid for any reason.

Sec. 1.5. NRS 687B.225 is hereby amended to read as follows:

687B.225 1. Except as otherwise provided in NRS 689A.0405, 689B.0374, 695B.1912, 695C.1735 and 695G.170, ***and sections 4.5, 7.5, 13.5 and 16.5 of this act,*** any contract for group, blanket or individual health insurance or any contract by a nonprofit hospital, medical or dental service corporation or organization for dental care which provides for payment of a certain part of medical or dental care may require the insured or member to obtain prior authorization for that care from the insurer or organization. The insurer or organization shall:

(a) File its procedure for obtaining approval of care pursuant to this section for approval by the commissioner; and

(b) Respond to any request for approval by the insured or member pursuant to this section within 20 days after it receives the request.

2. The procedure for prior authorization may not discriminate among persons licensed to provide the covered care.

Sec. 2. Chapter 689A of NRS is hereby amended by adding thereto the provisions set forth as sections 3, 4 and 4.5 of this act.

Sec. 3. ***An insurer shall, at the request of an insured or provider of health care with whom it has a contract for the provision of health care services, promptly provide the insured or provider of health care with an estimate of the rate at which the provider of health care will be reimbursed for providing a health care service to the insured and the amount of money for which the insured will be responsible for the health care service.***

Sec. 4. ***1. If an insured requires health care services that may be provided only by a specialist and his insurer does not have a contract for the provision of health care services with such a specialist who is located within 75 miles from the residence of the insured, the insurer shall reimburse a specialist who is located within 75 miles from the residence of the insured for specialized health care services that are provided to the insured by that specialist.***

2. An insurer shall reimburse a specialist pursuant to the provisions of this section in a reasonable amount that is not less than the amount the insurer would reimburse a specialist with whom it has a contract for the provision of health care services.

Sec. 4.5. ***1. A policy of health insurance must include a provision authorizing a woman covered by the policy to obtain covered health care services for women without first receiving authorization or a referral from her primary care physician.***

2. The provisions of this section do not authorize a woman covered by a policy of health insurance to designate an obstetrician or gynecologist as her primary care physician.

3. A policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 1999, has the legal effect of including the coverage required by this section, and any provision of the policy or the renewal which is in conflict with this section is void.

4. As used in this section:

(a) "Health care services for women" means gynecological or obstetrical services, including, without limitation, perinatal care, preventative gynecological care and reproductive health care services.

(b) "Primary care physician" has the meaning ascribed to it in NRS 695G.060.

Sec. 5. Chapter 689B of NRS is hereby amended by adding thereto the provisions set forth as sections 6, 7 and 7.5 of this act.

Sec. 6. ***An insurer that issues a policy of group health insurance shall, at the request of an insured or provider of health care with whom it has a contract for the provision of health care services, promptly provide the insured or provider of health care with an estimate of the rate at which the provider of health care will be reimbursed for providing a health care service to the insured and the amount of money for which the insured will be responsible for the health care service.***

Sec. 7. ***1. If an insured requires health care services that may be provided only by a specialist and his insurer that issues a policy of group health insurance does not have a contract for the provision of health care services with such a specialist who is located within 75 miles from the residence of the insured, the insurer shall reimburse a specialist who is located within 75 miles from the residence of the insured for specialized health care services that are provided to the insured by that specialist.***

2. An insurer that issues a policy of group health insurance shall reimburse a specialist pursuant to the provisions of this section in a reasonable amount that is not less than the amount the insurer would reimburse a specialist with whom it has a contract for the provision of health care services.

Sec. 7.5. ***1. A policy of group health insurance must include a provision authorizing a woman covered by the policy to obtain covered health care services for women without first receiving authorization or a referral from her primary care physician.***

2. The provisions of this section do not authorize a woman covered by a policy of group health insurance to designate an obstetrician or gynecologist as her primary care physician.

3. A policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 1999, has the legal effect of including the coverage required by this section, and any provision of the policy or the renewal which is in conflict with this section is void.

4. As used in this section:

(a) "Health care services for women" means gynecological or obstetrical services, including, without limitation, perinatal care, preventative gynecological care and reproductive health care services.

(b) "Primary care physician" has the meaning ascribed to it in NRS 695G.060.

Sec. 8. Chapter 695A of NRS is hereby amended by adding thereto the provisions set forth as sections 9 and 10 of this act.

Sec. 9. ***A society shall, at the request of an insured or provider of health care with whom it has a contract for the provision of health care services, promptly provide the insured or provider of health care with an estimate of the rate at which the provider of health care will be reimbursed for providing a health care service to the insured and the amount of money for which the insured will be responsible for the health care service.***

Sec. 10. ***1. If an insured requires health care services that may be provided only by a specialist and his society does not have a contract for the provision of health care services with such a specialist who is located within 75 miles from the residence of the insured, the society shall reimburse a specialist who is located within 75 miles from the residence of the insured for specialized health care services that are provided to the insured by that specialist.***

2. A society shall reimburse a specialist pursuant to the provisions of this section in a reasonable amount that is not less than the amount the society would reimburse a specialist with whom it has a contract for the provision of health care services.

Sec. 11. Chapter 695B of NRS is hereby amended by adding thereto the provisions set forth as sections 12, 13 and 13.5 of this act.

Sec. 12. ***A corporation subject to the provisions of this chapter shall, at the request of an insured or provider of health care with whom it has a contract for the provision of health care services, promptly provide the insured or provider of health care with an estimate of the rate at which the provider of health care will be reimbursed for providing a health care service to the insured and the amount of money for which the insured will be responsible for the health care service.***

Sec. 13. ***1. If an insured requires health care services that may be provided only by a specialist and his corporation, subject to the provisions of this chapter, does not have a contract for the provision of***

health care services with such a specialist who is located within 75 miles from the residence of the insured, the corporation shall reimburse a specialist who is located within 75 miles from the residence of the insured for specialized health care services that are provided to the insured by that specialist.

2. A corporation subject to the provisions of this chapter shall reimburse a specialist pursuant to the provisions of this section in a reasonable amount that is not less than the amount the corporation would reimburse a specialist with whom it has a contract for the provision of health care services.

Sec. 13.5. *1. A contract for hospital or medical service must include a provision authorizing a woman covered by the contract to obtain covered health care services for women without first receiving authorization or a referral from her primary care physician.*

2. The provisions of this section do not authorize a woman covered by a contract for hospital or medical service to designate an obstetrician or gynecologist as her primary care physician.

3. A contract subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 1999, has the legal effect of including the coverage required by this section, and any provision of the contract or the renewal which is in conflict with this section is void.

4. As used in this section:

(a) "Health care services for women" means gynecological or obstetrical services, including, without limitation, perinatal care, preventative gynecological care and reproductive health care services.

(b) "Primary care physician" has the meaning ascribed to it in NRS 695G.060.

Sec. 14. Chapter 695C of NRS is hereby amended by adding thereto the provisions set forth as sections 15, 16 and 16.5 of this act.

Sec. 15. *A health maintenance organization shall, at the request of an enrollee or provider of health care with whom it has a contract for the provision of health care services, promptly provide the enrollee or provider of health care with an estimate of the rate at which the provider of health care will be reimbursed for providing a health care service to the enrollee and the amount of money for which the enrollee will be responsible for the health care service.*

Sec. 16. *1. If an enrollee requires health care services that may be provided only by a specialist and his health maintenance organization does not have a contract for the provision of health care services with such a specialist who is located within 75 miles from the residence of the enrollee, the health maintenance organization shall reimburse a*

specialist who is located within 75 miles from the residence of the enrollee for specialized health care services that are provided to the enrollee by that specialist.

2. A health maintenance organization shall reimburse a specialist pursuant to the provisions of this section in a reasonable amount that is not less than the amount the health maintenance organization would reimburse a specialist with whom it has a contract for the provision of health care services.

Sec. 16.5. ***1. A health care plan must include a provision authorizing a woman covered by the plan to obtain covered health care services for women without first receiving authorization or a referral from her primary care physician.***

2. The provisions of this section do not authorize a woman covered by a health care plan to designate an obstetrician or gynecologist as her primary care physician.

3. An evidence of coverage subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 1999, has the legal effect of including the coverage required by this section, and any provision of the evidence of coverage or the renewal which is in conflict with this section is void.

4. As used in this section:

(a) "Health care services for women" means gynecological or obstetrical services, including, without limitation, perinatal care, preventative gynecological care and reproductive health care services.

(b) "Primary care physician" has the meaning ascribed to it in NRS 695G.060.

Sec. 17. NRS 695C.050 is hereby amended to read as follows:

695C.050 1. Except as otherwise provided in this chapter or in specific provisions of this Title, the provisions of this Title are not applicable to any health maintenance organization granted a certificate of authority under this chapter. This provision does not apply to an insurer licensed and regulated pursuant to this Title except with respect to its activities as a health maintenance organization authorized and regulated pursuant to this chapter.

2. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, must not be construed to violate any provision of law relating to solicitation or advertising by practitioners of a healing art.

3. Any health maintenance organization authorized under this chapter shall not be deemed to be practicing medicine and is exempt from the provisions of chapter 630 of NRS.

4. The provisions of NRS 695C.110, 695C.170 to 695C.200, inclusive, 695C.250 and 695C.265 ***and sections 15, 16 and 16.5 of this act*** do not apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid pursuant to a contract with the welfare division of the department of human resources. This subsection does not exempt a health maintenance organization from any provision of this chapter for services provided pursuant to any other contract.

Sec. 18. NRS 695F.090 is hereby amended to read as follows:

695F.090 Prepaid limited health service organizations are subject to the provisions of this chapter and to the following provisions, to the extent reasonably applicable:

1. NRS 687B.310 to 687B.420, inclusive, concerning cancellation and nonrenewal of policies.
2. NRS 687B.122 to 687B.128, inclusive, concerning readability of policies.
3. The requirements of NRS 679B.152.
4. The fees imposed pursuant to NRS 449.465.
5. NRS 686A.010 to 686A.310, inclusive, concerning trade practices and frauds.
6. The assessment imposed pursuant to subsection 3 of NRS 679B.158.
7. Chapter 683A of NRS.
8. To the extent applicable, the provisions of NRS 689B.340 to 689B.600, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance.
9. NRS 689A.413 ~~[.]~~ ***and sections 3 and 4 of this act.***
10. NRS 680B.025 to 680B.039, inclusive, concerning premium tax, premium tax rate, annual report and estimated quarterly tax payments. For the purposes of this subsection, unless the context otherwise requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "prepaid limited health service organization."
11. Chapter 692C of NRS, concerning holding companies.

Sec. 19. Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

Any health insurance provided by the committee on benefits through a plan of self-insurance must comply with the provisions of NRS 689B.255, 695G.150, 695G.160, 695G.170, 695G.200 to 695G.230, inclusive, and sections 6 and 7 of this act in the same manner as an insurer subject to the provisions of Title 57 of NRS.

Sec. 20. NRS 287.043 is hereby amended to read as follows:

287.043 The committee on benefits shall:

1. Act as an advisory body on matters relating to group life, accident or health insurance, or any combination of these, a program to reduce taxable compensation or other forms of compensation other than deferred compensation, for the benefit of all state officers and employees and other persons who participate in the state's program of group insurance.

2. Except as otherwise provided in this subsection, negotiate and contract with the governing body of any public agency enumerated in NRS 287.010 which is desirous of obtaining group insurance for its officers, employees and retired employees by participation in the state's program of group insurance. The committee shall establish separate rates and coverage for those officers, employees and retired employees based on actuarial reports.

3. Give public notice in writing of proposed changes in rates or coverage to each participating public employer who may be affected by the changes. Notice must be provided at least 30 days before the effective date of the changes.

4. Purchase policies of life, accident or health insurance, or any combination of these, or a program to reduce the amount of taxable compensation pursuant to 26 U.S.C. § 125, from any company qualified to do business in this state or provide similar coverage through a plan of self-insurance for the benefit of all eligible public officers, employees and retired employees who participate in the state's program.

5. Consult the state risk manager and obtain his advice in the performance of the duties set forth in this section.

6. Except as otherwise provided in this Title, develop and establish other employee benefits as necessary.

7. Adopt such regulations and perform such other duties as are necessary to carry out the provisions of NRS 287.041 to 287.049, inclusive, ***and section 19 of this act,*** including the establishment of:

(a) Fees for applications for participation in the state's program and for the late payment of premiums;

(b) Conditions for entry and reentry into the state's program by public agencies enumerated in NRS 287.010; and

(c) The levels of participation in the state's program required for employees of participating public agencies.

8. Appoint an independent certified public accountant. The accountant shall provide an annual audit of the plan and report to the committee and the legislative commission.

For the purposes of this section, "employee benefits" includes any form of compensation provided to a state employee pursuant to this Title except federal benefits, wages earned, legal holidays, deferred compensation and benefits available pursuant to chapter 286 of NRS.

Sec. 21. NRS 287.0432 is hereby amended to read as follows:

287.0432 The committee on benefits shall by regulation provide for specific procedures for the determination of contested claims. ***The provisions of this section do not apply to a contested claim to which NRS 695G.200 to 695G.230, inclusive, apply.***

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