

ASSEMBLY BILL NO. 516—ASSEMBLYMEN FREEMAN, KOIVISTO, PARNELL,
BACHE, MCCLAIN, ANDERSON, ARBERRY, OHRENSCHALL, WILLIAMS,
PARKS, MANENDO, GIBBONS AND PRICE

MARCH 12, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes concerning managed care organizations. (BDR 57-837)

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

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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 insurance; requiring a managed care organization to authorize a woman to select an obstetrician or gynecologist as her primary care physician; providing that a managed care organization is liable for damages for harm to an insured under certain circumstances; 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.** NRS 689C.950 is hereby amended to read as follows:
2 689C.950 ~~[Notwithstanding]~~ ***Except as otherwise provided in NRS***
3 ***695G.090, notwithstanding*** any specific statute to the contrary, a statute
4 that requires the coverage of a specific health care service or benefit, or the
5 reimbursement, utilization or inclusion of a specific category of licensed
6 health care practitioner, is not applicable to a basic health benefit plan
7 delivered or issued for delivery to small employers or eligible persons in
8 this state pursuant to this chapter or chapter 689A of NRS.
9 **Sec. 2.** NRS 695C.055 is hereby amended to read as follows:
10 695C.055 1. The provisions of NRS 449.465, 679B.158, subsections
11 2, 4, 18, 19 and 32 of NRS 680B.010, NRS 680B.025 to 680B.060,
12 inclusive, and ~~[695G.010 to 695G.260, inclusive,]~~ ***chapter 695G of NRS***
13 apply to a health maintenance organization.

1 2. For the purposes of subsection 1, unless the context requires that a
2 provision apply only to insurers, any reference in those sections to
3 “insurer” must be replaced by “health maintenance organization.”

4 **Sec. 3.** Chapter 695G of NRS is hereby amended by adding thereto
5 the provisions set forth as sections 4 and 5 of this act.

6 **Sec. 4. 1.** *A managed care organization shall include in any health
7 care plan it offers that requires the selection of a primary care physician
8 a provision authorizing a woman covered by the plan to designate an
9 obstetrician or gynecologist as her primary care physician.*

10 **2.** *A health care plan subject to the provisions of this section that is
11 delivered, issued for delivery or renewed on or after October 1, 1999, has
12 the legal effect of including the coverage required by this section, and
13 any provision of the health care plan or the renewal which is in conflict
14 with this section is void.*

15 **Sec. 5. 1.** *A managed care organization shall exercise ordinary
16 care when making a decision concerning health care services.*

17 **2.** *A managed care organization is liable for damages for harm to an
18 insured that is proximately caused by:*

19 **(a)** *The failure of the managed care organization to exercise ordinary
20 care when making a decision concerning health care services.*

21 **(b)** *A decision concerning health care services made by:*

22 **(1)** *An employee of the managed care organization;*

23 **(2)** *An agent or ostensible agent of the managed care organization;*

24 **or**

25 **(3)** *A representative who is acting on behalf of the managed care
26 organization over whom the managed care organization has the right to
27 exercise influence or control or has actually exercised influence or
28 control,*

29 *that results in the failure to exercise ordinary care.*

30 **3.** *As used in this section, “decision concerning health care services”
31 means a determination made when health care services are actually
32 provided pursuant to the benefits offered under the health care plan or a
33 decision which affects the quality of the diagnosis, care or treatment
34 provided to an insured.*