

ASSEMBLY BILL NO. 60—ASSEMBLYWOMAN GIUNCHIGLIANI

PREFILED JANUARY 27, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes concerning health care services related to contraceptives and hormone replacement therapy. (BDR 57-181)

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 care; requiring health insurers to include in certain policies of health insurance coverage for services and prescription drugs and devices related to contraceptives and hormone replacement therapy; providing a religious exemption for certain insurers; prohibiting certain health insurers from committing certain acts concerning coverage for services related to contraceptives and hormone replacement therapy; 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 689A of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 and 3 of this act.
3 **Sec. 2. 1. *Except as otherwise provided in subsection 5, an insurer***
4 ***that offers or issues a policy of health insurance which provides coverage***
5 ***for prescription drugs or devices shall include in the policy coverage for:***
6 ***(a) Any type of drug or device for contraception; and***
7 ***(b) Any type of hormone replacement therapy,***
8 ***which is lawfully prescribed or ordered and which has been approved by***
9 ***the Food and Drug Administration.***
10 **2. An insurer that offers or issues a policy of health insurance that**
11 **provides coverage for prescription drugs shall not:**
12 ***(a) Require an insured to pay a higher deductible, copayment or***
13 ***coinsurance or require a longer waiting period or other condition for***
14 ***coverage for a prescription for a contraceptive or hormone replacement***

1 *therapy than is required for other prescription drugs covered by the*
2 *policy;*

3 *(b) Refuse to issue a policy of health insurance or cancel a policy of*
4 *health insurance solely because the person applying for or covered by the*
5 *policy uses or may use in the future any of the services listed in*
6 *subsection 1;*

7 *(c) Offer or pay any type of material inducement or financial*
8 *incentive to an insured to discourage the insured from accessing any of*
9 *the services listed in subsection 1;*

10 *(d) Penalize a provider of health care who provides any of the services*
11 *listed in subsection 1 to an insured, including, without limitation,*
12 *reducing the reimbursement of the provider of health care; or*

13 *(e) Offer or pay any type of material inducement, bonus or other*
14 *financial incentive to a provider of health care to deny, reduce, withhold,*
15 *limit or delay any of the services listed in subsection 1 to an insured.*

16 *3. Except as otherwise provided in subsection 5, a policy subject to*
17 *the provisions of this chapter that is delivered, issued for delivery or*
18 *renewed on or after October 1, 1999, has the legal effect of including the*
19 *coverage required by subsection 1, and any provision of the policy or the*
20 *renewal which is in conflict with this section is void.*

21 *4. The provisions of this section do not:*

22 *(a) Require an insurer to provide coverage for fertility drugs.*

23 *(b) Prohibit an insurer from requiring an insured to pay a deductible,*
24 *copayment or coinsurance for the coverage required by paragraphs (a)*
25 *and (b) of subsection 1 that is the same as the insured is required to pay*
26 *for other prescription drugs covered by the policy.*

27 *5. An insurer which offers or issues a policy of health insurance and*
28 *which is affiliated with a religious organization is not required to provide*
29 *the coverage required by paragraph (a) of subsection 1 if the insurer*
30 *objects on religious grounds. Such an insurer shall, before the issuance*
31 *of a policy of health insurance and before the renewal of such a policy,*
32 *provide to the prospective insured, written notice of the coverage that the*
33 *insurer refuses to provide pursuant to this subsection.*

34 *6. As used in this section, "provider of health care" has the meaning*
35 *ascribed to it in NRS 629.031.*

36 **Sec. 3. 1.** *Except as otherwise provided in subsection 5, an insurer*
37 *that offers or issues a policy of health insurance which provides coverage*
38 *for outpatient care shall include in the policy coverage for any health*
39 *care service related to contraceptives or hormone replacement therapy.*

40 **2.** *An insurer that offers or issues a policy of health insurance that*
41 *provides coverage for outpatient care shall not:*

42 *(a) Require an insured to pay a higher deductible, copayment or*
43 *coinsurance or require a longer waiting period or other condition for*

1 coverage for outpatient care related to contraceptives or hormone
2 replacement therapy than is required for other outpatient care covered by
3 the policy;

4 (b) Refuse to issue a policy of health insurance or cancel a policy of
5 health insurance solely because the person applying for or covered by the
6 policy uses or may use in the future any of the services listed in
7 subsection 1;

8 (c) Offer or pay any type of material inducement or financial
9 incentive to an insured to discourage the insured from accessing any of
10 the services listed in subsection 1;

11 (d) Penalize a provider of health care who provides any of the services
12 listed in subsection 1 to an insured, including, without limitation,
13 reducing the reimbursement of the provider of health care; or

14 (e) Offer or pay any type of material inducement, bonus or other
15 financial incentive to a provider of health care to deny, reduce, withhold,
16 limit or delay any of the services listed in subsection 1 to an insured.

17 3. Except as otherwise provided in subsection 5, a policy subject to
18 the provisions of this chapter that is delivered, issued for delivery or
19 renewed on or after October 1, 1999, has the legal effect of including the
20 coverage required by subsection 1, and any provision of the policy or the
21 renewal which is in conflict with this section is void.

22 4. The provisions of this section do not prohibit an insurer from
23 requiring an insured to pay a deductible, copayment or coinsurance for
24 the coverage required by subsection 1 that is the same as the insured is
25 required to pay for other outpatient care covered by the policy.

26 5. An insurer which offers or issues such a policy of health
27 insurance and which is affiliated with a religious organization is not
28 required to provide the coverage for health care service related to
29 contraceptives required by this section if the insurer objects on religious
30 grounds. Such an insurer shall, before the issuance of a policy of health
31 insurance and before the renewal of such a policy, provide to the
32 prospective insured written notice of the coverage that the insurer refuses
33 to provide pursuant to this subsection.

34 6. As used in this section, "provider of health care" has the meaning
35 ascribed to it in NRS 629.031.

36 **Sec. 4.** NRS 689A.330 is hereby amended to read as follows:

37 689A.330 If any policy is issued by a domestic insurer for delivery to a
38 person residing in another state, and if the insurance commissioner or
39 corresponding public officer of that other state has informed the
40 commissioner that the policy is not subject to approval or disapproval by
41 that officer, the commissioner may by ruling require that the policy meet
42 the standards set forth in NRS 689A.030 to 689A.320, inclusive ~~and~~, and
43 sections 2 and 3 of this act.

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

3 **Sec. 6. 1.** *Except as otherwise provided in subsection 5, an insurer*
4 *that offers or issues a policy of group health insurance which provides*
5 *coverage for prescription drugs or devices shall include in the policy*
6 *coverage for:*

7 (a) *Any type of drug or device for contraception; and*

8 (b) *Any type of hormone replacement therapy,*
9 *which is lawfully prescribed or ordered and which has been approved by*
10 *the Food and Drug Administration.*

11 **2.** *An insurer that offers or issues a policy of group health insurance*
12 *that provides coverage for prescription drugs shall not:*

13 (a) *Require an insured to pay a higher deductible, copayment or*
14 *coinsurance or require a longer waiting period or other condition for*
15 *coverage for a prescription for a contraceptive or hormone replacement*
16 *therapy than is required for other prescription drugs covered by the*
17 *policy;*

18 (b) *Refuse to issue a policy of group health insurance or cancel a*
19 *policy of group health insurance solely because the person applying for*
20 *or covered by the policy uses or may use in the future any of the services*
21 *listed in subsection 1;*

22 (c) *Offer or pay any type of material inducement or financial*
23 *incentive to an insured to discourage the insured from accessing any of*
24 *the services listed in subsection 1;*

25 (d) *Penalize a provider of health care who provides any of the services*
26 *listed in subsection 1 to an insured, including, without limitation,*
27 *reducing the reimbursement of the provider of health care; or*

28 (e) *Offer or pay any type of material inducement, bonus or other*
29 *financial incentive to a provider of health care to deny, reduce, withhold,*
30 *limit or delay any of the services listed in subsection 1 to an insured.*

31 **3.** *Except as otherwise provided in subsection 5, a policy subject to*
32 *the provisions of this chapter that is delivered, issued for delivery or*
33 *renewed on or after October 1, 1999, has the legal effect of including the*
34 *coverage required by subsection 1, and any provision of the policy or the*
35 *renewal which is in conflict with this section is void.*

36 **4.** *The provisions of this section do not:*

37 (a) *Require an insurer to provide coverage for fertility drugs.*

38 (b) *Prohibit an insurer from requiring an insured to pay a deductible,*
39 *copayment or coinsurance for the coverage required by paragraphs (a)*
40 *and (b) of subsection 1 that is the same as the insured is required to pay*
41 *for other prescription drugs covered by the policy.*

42 **5.** *An insurer which offers or issues a policy of group health*
43 *insurance and which is affiliated with a religious organization is not*

1 required to provide the coverage required by paragraph (a) of subsection
2 1 if the insurer objects on religious grounds. Such an insurer shall,
3 before the issuance of a policy of group health insurance and before the
4 renewal of such a policy, provide to the group policyholder or prospective
5 insured, as applicable, written notice of the coverage that the insurer
6 refuses to provide pursuant to this subsection. The insurer shall provide
7 notice to each insured, at the time the insured receives his certificate of
8 coverage or evidence of coverage, that the insurer refused to provide
9 coverage pursuant to this subsection.

10 6. If an insurer refuses, pursuant to subsection 5, to provide the
11 coverage required by paragraph (a) of subsection 1, an employer may
12 otherwise provide for the coverage for his employees.

13 7. As used in this section, "provider of health care" has the meaning
14 ascribed to it in NRS 629.031.

15 **Sec. 7. 1.** Except as otherwise provided in subsection 5, an insurer
16 that offers or issues a policy of group health insurance which provides
17 coverage for outpatient care shall include in the policy coverage for any
18 health care service related to contraceptives or hormone replacement
19 therapy.

20 2. An insurer that offers or issues a policy of group health insurance
21 that provides coverage for outpatient care shall not:

22 (a) Require an insured to pay a higher deductible, copayment or
23 coinsurance or require a longer waiting period or other condition for
24 coverage for outpatient care related to contraceptives or hormone
25 replacement therapy than is required for other outpatient care covered by
26 the policy;

27 (b) Refuse to issue a policy of group health insurance or cancel a
28 policy of group health insurance solely because the person applying for
29 or covered by the policy uses or may use in the future any of the services
30 listed in subsection 1;

31 (c) Offer or pay any type of material inducement or financial
32 incentive to an insured to discourage the insured from accessing any of
33 the services listed in subsection 1;

34 (d) Penalize a provider of health care who provides any of the services
35 listed in subsection 1 to an insured, including, without limitation,
36 reducing the reimbursement of the provider of health care; or

37 (e) Offer or pay any type of material inducement, bonus or other
38 financial incentive to a provider of health care to deny, reduce, withhold,
39 limit or delay any of the services listed in subsection 1 to an insured.

40 3. Except as otherwise provided in subsection 5, a policy subject to
41 the provisions of this chapter that is delivered, issued for delivery or
42 renewed on or after October 1, 1999, has the legal effect of including the

1 coverage required by subsection 1, and any provision of the policy or the
2 renewal which is in conflict with this section is void.

3 4. The provisions of this section do not prohibit an insurer from
4 requiring an insured to pay a deductible, copayment or coinsurance for
5 the coverage required by subsection 1 that is the same as the insured is
6 required to pay for other outpatient care covered by the policy.

7 5. An insurer which offers or issues a policy of group health
8 insurance and which is affiliated with a religious organization is not
9 required to provide the coverage for health care service related to
10 contraceptives required by this section if the insurer objects on religious
11 grounds. Such an insurer shall, before the issuance of a policy of group
12 health insurance and before the renewal of such a policy, provide to the
13 group policyholder or prospective insured, as applicable, written notice of
14 the coverage that the insurer refuses to provide pursuant to this
15 subsection. The insurer shall provide notice to each insured, at the time
16 the insured receives his certificate of coverage or evidence of coverage,
17 that the insurer refused to provide coverage pursuant to this subsection.

18 6. If an insurer refuses, pursuant to subsection 5, to provide the
19 coverage required by paragraph (a) of subsection 1, an employer may
20 otherwise provide for the coverage for his employees.

21 7. As used in this section, "provider of health care" has the meaning
22 ascribed to it in NRS 629.031.

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

25 Sec. 9. 1. Except as otherwise provided in subsection 5, an insurer
26 that offers or issues a contract for hospital or medical service which
27 provides coverage for prescription drugs or devices shall include in the
28 contract coverage for:

29 (a) Any type of drug or device for contraception; and

30 (b) Any type of hormone replacement therapy,
31 which is lawfully prescribed or ordered and which has been approved by
32 the Food and Drug Administration.

33 2. An insurer that offers or issues a contract for hospital or medical
34 service that provides coverage for prescription drugs shall not:

35 (a) Require an insured to pay a higher deductible, copayment or
36 coinsurance or require a longer waiting period or other condition for
37 coverage for a prescription for a contraceptive or hormone replacement
38 therapy than is required for other prescription drugs covered by the
39 contract;

40 (b) Refuse to issue a contract for hospital or medical service or cancel
41 a contract for hospital or medical service solely because the person
42 applying for or covered by the contract uses or may use in the future any
43 of the services listed in subsection 1;

1 (c) Offer or pay any type of material inducement or financial
2 incentive to an insured to discourage the insured from accessing any of
3 the services listed in subsection 1;

4 (d) Penalize a provider of health care who provides any of the services
5 listed in subsection 1 to an insured, including, without limitation,
6 reducing the reimbursement of the provider of health care; or

7 (e) Offer or pay any type of material inducement, bonus or other
8 financial incentive to a provider of health care to deny, reduce, withhold,
9 limit or delay any of the services listed in subsection 1 to an insured.

10 3. Except as otherwise provided in subsection 5, a contract subject to
11 the provisions of this chapter that is delivered, issued for delivery or
12 renewed on or after October 1, 1999, has the legal effect of including the
13 coverage required by subsection 1, and any provision of the contract or
14 the renewal which is in conflict with this section is void.

15 4. The provisions of this section do not:

16 (a) Require an insurer to provide coverage for fertility drugs.

17 (b) Prohibit an insurer from requiring an insured to pay a deductible,
18 copayment or coinsurance for the coverage required by paragraphs (a)
19 and (b) of subsection 1 that is the same as the insured is required to pay
20 for other prescription drugs covered by the contract.

21 5. An insurer which offers or issues a contract for hospital or
22 medical service and which is affiliated with a religious organization is
23 not required to provide the coverage required by paragraph (a) of
24 subsection 1 if the insurer objects on religious grounds. Such an insurer
25 shall, before the issuance of a contract for hospital or medical service
26 and before the renewal of such a contract, provide to the group
27 policyholder or prospective insured, as applicable, written notice of the
28 coverage that the insurer refuses to provide pursuant to this subsection.
29 The insurer shall provide notice to each insured, at the time the insured
30 receives his certificate of coverage or evidence of coverage, that the
31 insurer refused to provide coverage pursuant to this subsection.

32 6. If an insurer refuses, pursuant to subsection 5, to provide the
33 coverage required by paragraph (a) of subsection 1, an employer may
34 otherwise provide for the coverage for his employees.

35 7. As used in this section, "provider of health care" has the meaning
36 ascribed to it in NRS 629.031.

37 **Sec. 10. 1.** Except as otherwise provided in subsection 5, an
38 insurer that offers or issues a contract for hospital or medical service
39 which provides coverage for outpatient care shall include in the contract
40 coverage for any health care service related to contraceptives or hormone
41 replacement therapy.

42 2. An insurer that offers or issues a contract for hospital or medical
43 service that provides coverage for outpatient care shall not:

1 (a) *Require an insured to pay a higher deductible, copayment or*
2 *coinsurance or require a longer waiting period or other condition for*
3 *coverage for outpatient care related to contraceptives or hormone*
4 *replacement therapy than is required for other outpatient care covered by*
5 *the contract;*

6 (b) *Refuse to issue a contract for hospital or medical service or cancel*
7 *a contract for hospital or medical service solely because the person*
8 *applying for or covered by the contract uses or may use in the future any*
9 *of the services listed in subsection 1;*

10 (c) *Offer or pay any type of material inducement or financial*
11 *incentive to an insured to discourage the insured from accessing any of*
12 *the services listed in subsection 1;*

13 (d) *Penalize a provider of health care who provides any of the services*
14 *listed in subsection 1 to an insured, including, without limitation,*
15 *reducing the reimbursement of the provider of health care; or*

16 (e) *Offer or pay any type of material inducement, bonus or other*
17 *financial incentive to a provider of health care to deny, reduce, withhold,*
18 *limit or delay any of the services listed in subsection 1 to an insured.*

19 3. *Except as otherwise provided in subsection 5, a contract subject to*
20 *the provisions of this chapter that is delivered, issued for delivery or*
21 *renewed on or after October 1, 1999, has the legal effect of including the*
22 *coverage required by subsection 1, and any provision of the contract or*
23 *the renewal which is in conflict with this section is void.*

24 4. *The provisions of this section do not prohibit an insurer from*
25 *requiring an insured to pay a deductible, copayment or coinsurance for*
26 *the coverage required by subsection 1 that is the same as the insured is*
27 *required to pay for other outpatient care covered by the contract.*

28 5. *An insurer which offers or issues a contract for hospital or*
29 *medical service and which is affiliated with a religious organization is*
30 *not required to provide the coverage for health care service related to*
31 *contraceptives required by this section if the insurer objects on religious*
32 *grounds. Such an insurer shall, before the issuance of a contract for*
33 *hospital or medical service and before the renewal of such a contract,*
34 *provide to the group policyholder or prospective insured, as applicable,*
35 *written notice of the coverage that the insurer refuses to provide pursuant*
36 *to this subsection. The insurer shall provide notice to each insured, at the*
37 *time the insured receives his certificate of coverage or evidence of*
38 *coverage, that the insurer refused to provide coverage pursuant to this*
39 *subsection.*

40 6. *If an insurer refuses, pursuant to subsection 5, to provide the*
41 *coverage required by paragraph (a) of subsection 1, an employer may*
42 *otherwise provide for the coverage for his employees.*

1 7. As used in this section, “provider of health care” has the meaning
2 ascribed to it in NRS 629.031.

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

5 Sec. 12. 1. Except as otherwise provided in subsection 5, a health
6 maintenance organization which offers or issues a health care plan that
7 provides coverage for prescription drugs or devices shall include in the
8 plan coverage for:

9 (a) Any type of drug or device for contraception; and

10 (b) Any type of hormone replacement therapy,
11 which is lawfully prescribed or ordered and which has been approved by
12 the Food and Drug Administration.

13 2. A health maintenance organization that offers or issues a health
14 care plan that provides coverage for prescription drugs shall not:

15 (a) Require an enrollee to pay a higher deductible, copayment or
16 coinsurance or require a longer waiting period or other condition for
17 coverage for a prescription for a contraceptive or hormone replacement
18 therapy than is required for other prescription drugs covered by the plan;

19 (b) Refuse to issue a health care plan or cancel a health care plan
20 solely because the person applying for or covered by the plan uses or may
21 use in the future any of the services listed in subsection 1;

22 (c) Offer or pay any type of material inducement or financial
23 incentive to an enrollee to discourage the enrollee from accessing any of
24 the services listed in subsection 1;

25 (d) Penalize a provider of health care who provides any of the services
26 listed in subsection 1 to an enrollee, including, without limitation,
27 reducing the reimbursement of the provider of health care; or

28 (e) Offer or pay any type of material inducement, bonus or other
29 financial incentive to a provider of health care to deny, reduce, withhold,
30 limit or delay any of the services listed in subsection 1 to an enrollee.

31 3. Except as otherwise provided in subsection 5, evidence of coverage
32 subject to the provisions of this chapter that is delivered, issued for
33 delivery or renewed on or after October 1, 1999, has the legal effect of
34 including the coverage required by subsection 1, and any provision of the
35 evidence of coverage or the renewal which is in conflict with this section
36 is void.

37 4. The provisions of this section do not:

38 (a) Require a health maintenance organization to provide coverage
39 for fertility drugs.

40 (b) Prohibit a health maintenance organization from requiring an
41 enrollee to pay a deductible, copayment or coinsurance for the coverage
42 required by paragraphs (a) and (b) of subsection 1 that is the same as the

1 *enrollee is required to pay for other prescription drugs covered by the*
2 *plan.*

3 *5. A health maintenance organization which offers or issues a health*
4 *care plan and which is affiliated with a religious organization is not*
5 *required to provide the coverage required by paragraph (a) of subsection*
6 *1 if the health maintenance organization objects on religious grounds.*
7 *The health maintenance organization shall, before the issuance of a*
8 *health care plan and before renewal of enrollment in such a plan,*
9 *provide to the group policyholder or prospective enrollee, as applicable,*
10 *written notice of the coverage that the health maintenance organization*
11 *refuses to provide pursuant to this subsection. The health maintenance*
12 *organization shall provide notice to each enrollee, at the time the enrollee*
13 *receives his evidence of coverage, that the health maintenance*
14 *organization refused to provide coverage pursuant to this subsection.*

15 *6. If a health maintenance organization refuses, pursuant to*
16 *subsection 5, to provide the coverage required by paragraph (a) of*
17 *subsection 1, an employer may otherwise provide for the coverage for his*
18 *employees.*

19 *7. As used in this section, “provider of health care” has the meaning*
20 *ascribed to it in NRS 629.031.*

21 **Sec. 13. 1. Except as otherwise provided in subsection 5, a health**
22 **maintenance organization that offers or issues a health care plan which**
23 **provides coverage for outpatient care shall include in the plan coverage**
24 **for any health care service related to contraceptives or hormone**
25 **replacement therapy.**

26 **2. A health maintenance organization that offers or issues a health**
27 **care plan that provides coverage for outpatient care shall not:**

28 **(a) Require an enrollee to pay a higher deductible, copayment or**
29 **coinsurance or require a longer waiting period or other condition for**
30 **coverage for outpatient care related to contraceptives or hormone**
31 **replacement therapy than is required for other outpatient care covered by**
32 **the plan;**

33 **(b) Refuse to issue a health care plan or cancel a health care plan**
34 **solely because the person applying for or covered by the plan uses or may**
35 **use in the future any of the services listed in subsection 1;**

36 **(c) Offer or pay any type of material inducement or financial**
37 **incentive to an enrollee to discourage the enrollee from accessing any of**
38 **the services listed in subsection 1;**

39 **(d) Penalize a provider of health care who provides any of the services**
40 **listed in subsection 1 to an enrollee, including, without limitation,**
41 **reducing the reimbursement of the provider of health care; or**

1 (e) Offer or pay any type of material inducement, bonus or other
2 financial incentive to a provider of health care to deny, reduce, withhold,
3 limit or delay any of the services listed in subsection 1 to an enrollee.

4 3. Except as otherwise provided in subsection 5, evidence of coverage
5 subject to the provisions of this chapter that is delivered, issued for
6 delivery or renewed on or after October 1, 1999, has the legal effect of
7 including the coverage required by subsection 1, and any provision of the
8 evidence of coverage or the renewal which is in conflict with this section
9 is void.

10 4. The provisions of this section do not prohibit a health
11 maintenance organization from requiring an enrollee to pay a
12 deductible, copayment or coinsurance for the coverage required by
13 subsection 1 that is the same as the enrollee is required to pay for other
14 outpatient care covered by the plan.

15 5. A health maintenance organization which offers or issues a health
16 care plan and which is affiliated with a religious organization is not
17 required to provide the coverage for health care service related to
18 contraceptives required by this section if the health maintenance
19 organization objects on religious grounds. The health maintenance
20 organization shall, before the issuance of a health care plan and before
21 renewal of enrollment in such a plan, provide to the group policyholder
22 or prospective enrollee, as applicable, written notice of the coverage that
23 the health maintenance organization refuses to provide pursuant to this
24 subsection. The health maintenance organization shall provide notice to
25 each enrollee, at the time the enrollee receives his evidence of coverage,
26 that the health maintenance organization refused to provide coverage
27 pursuant to this subsection.

28 6. If a health maintenance organization refuses, pursuant to
29 subsection 5, to provide the coverage required by paragraph (a) of
30 subsection 1, an employer may otherwise provide for the coverage for his
31 employees.

32 7. As used in this section, "provider of health care" has the meaning
33 ascribed to it in NRS 629.031.

34 **Sec. 14.** NRS 695C.050 is hereby amended to read as follows:

35 695C.050 1. Except as otherwise provided in this chapter or in
36 specific provisions of this Title, the provisions of this Title are not
37 applicable to any health maintenance organization granted a certificate of
38 authority under this chapter. This provision does not apply to an insurer
39 licensed and regulated pursuant to this Title except with respect to its
40 activities as a health maintenance organization authorized and regulated
41 pursuant to this chapter.

42 2. Solicitation of enrollees by a health maintenance organization
43 granted a certificate of authority, or its representatives, must not be

1 construed to violate any provision of law relating to solicitation or
2 advertising by practitioners of a healing art.

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

6 4. The provisions of NRS 695C.110, 695C.170 to 695C.200, inclusive,
7 695C.250 and 695C.265 do not apply to a health maintenance organization
8 that provides health care services through managed care to recipients of
9 Medicaid ~~[pursuant to a contract with the welfare division of the~~
10 ~~department of human resources.]~~ ***under the state plan for Medicaid.*** This
11 subsection does not exempt a health maintenance organization from any
12 provision of this chapter for services provided pursuant to any other
13 contract.

14 ***5. The provisions of sections 12 and 13 of this act apply to a health***
15 ***maintenance organization that provides health care services through***
16 ***managed care to recipients of Medicaid under the state plan for***
17 ***Medicaid.***

18 **Sec. 15.** NRS 695C.330 is hereby amended to read as follows:

19 695C.330 1. The commissioner may suspend or revoke any
20 certificate of authority issued to a health maintenance organization pursuant
21 to the provisions of this chapter if he finds that any of the following
22 conditions exist:

23 (a) The health maintenance organization is operating significantly in
24 contravention of its basic organizational document, its health care plan or in
25 a manner contrary to that described in and reasonably inferred from any
26 other information submitted pursuant to NRS 695C.060, 695C.070 and
27 695C.140, unless any amendments to those submissions have been filed
28 with and approved by the commissioner;

29 (b) The health maintenance organization issues evidence of coverage or
30 uses a schedule of charges for health care services which do not comply
31 with the requirements of NRS 695C.170 to 695C.200, inclusive, or
32 695C.207 ~~§~~ ***or section 12 or 13 of this act;***

33 (c) The health care plan does not furnish comprehensive health care
34 services as provided for in NRS 695C.060;

35 (d) The state board of health certifies to the commissioner that:

36 (1) The health maintenance organization does not meet the
37 requirements of subsection 2 of NRS 695C.080; or

38 (2) The health maintenance organization is unable to fulfill its
39 obligations to furnish health care services as required under its health care
40 plan;

41 (e) The health maintenance organization is no longer financially
42 responsible and may reasonably be expected to be unable to meet its
43 obligations to enrollees or prospective enrollees;

1 (f) The health maintenance organization has failed to put into effect a
2 mechanism affording the enrollees an opportunity to participate in matters
3 relating to the content of programs pursuant to NRS 695C.110;

4 (g) The health maintenance organization has failed to put into effect the
5 system for complaints required by NRS 695C.260 in a manner reasonably
6 to dispose of valid complaints;

7 (h) The health maintenance organization or any person on its behalf has
8 advertised or merchandised its services in an untrue, misrepresentative,
9 misleading, deceptive or unfair manner;

10 (i) The continued operation of the health maintenance organization
11 would be hazardous to its enrollees; or

12 (j) The health maintenance organization has otherwise failed to comply
13 substantially with the provisions of this chapter.

14 2. A certificate of authority must be suspended or revoked only after
15 compliance with the requirements of NRS 695C.340.

16 3. If the certificate of authority of a health maintenance organization is
17 suspended, the health maintenance organization shall not, during the period
18 of that suspension, enroll any additional groups or new individual contracts,
19 unless those groups or persons were contracted for before the date of
20 suspension.

21 4. If the certificate of authority of a health maintenance organization is
22 revoked, the organization shall proceed, immediately following the
23 effective date of the order of revocation, to wind up its affairs and shall
24 conduct no further business except as may be essential to the orderly
25 conclusion of the affairs of the organization. It shall engage in no further
26 advertising or solicitation of any kind. The commissioner may by written
27 order permit such further operation of the organization as he may find to be
28 in the best interest of enrollees to the end that enrollees are afforded the
29 greatest practical opportunity to obtain continuing coverage for health care.

30 **Sec. 16.** NRS 287.010 is hereby amended to read as follows:

31 287.010 1. The governing body of any county, school district,
32 municipal corporation, political subdivision, public corporation or other
33 public agency of the State of Nevada may:

34 (a) Adopt and carry into effect a system of group life, accident or health
35 insurance, or any combination thereof, for the benefit of its officers and
36 employees, and the dependents of officers and employees who elect to
37 accept the insurance and who, where necessary, have authorized the
38 governing body to make deductions from their compensation for the
39 payment of premiums on the insurance.

40 (b) Purchase group policies of life, accident or health insurance, or any
41 combination thereof, for the benefit of such officers and employees, and the
42 dependents of such officers and employees, as have authorized the
43 purchase, from insurance companies authorized to transact the business of

1 such insurance in the State of Nevada, and, where necessary, deduct from
2 the compensation of officers and employees the premiums upon insurance
3 and pay the deductions upon the premiums.

4 (c) Provide group life, accident or health coverage through a self-
5 insurance reserve fund and, where necessary, deduct contributions to the
6 maintenance of the fund from the compensation of officers and employees
7 and pay the deductions into the fund. The money accumulated for this
8 purpose through deductions from the compensation of officers and
9 employees and contributions of the governing body must be maintained as
10 an internal service fund as defined by NRS 354.543. The money must be
11 deposited in a state or national bank authorized to transact business in the
12 State of Nevada. Any independent administrator of a fund created under
13 this section is subject to the licensing requirements of chapter 683A of
14 NRS, and must be a resident of this state. Any contract with an independent
15 administrator must be approved by the commissioner of insurance as to the
16 reasonableness of administrative charges in relation to contributions
17 collected and benefits provided. The provisions of NRS 689B.030 to
18 689B.050, inclusive, *and sections 6 and 7 of this act* apply to coverage
19 provided pursuant to this paragraph.

20 (d) Defray part or all of the cost of maintenance of a self-insurance fund
21 or of the premiums upon insurance. The money for contributions must be
22 budgeted for in accordance with the laws governing the county, school
23 district, municipal corporation, political subdivision, public corporation or
24 other public agency of the State of Nevada.

25 2. If a school district offers group insurance to its officers and
26 employees pursuant to this section, members of the board of trustees of the
27 school district must not be excluded from participating in the group
28 insurance. If the amount of the deductions from compensation required to
29 pay for the group insurance exceeds the compensation to which a trustee is
30 entitled, the difference must be paid by the trustee.