REQUIRES TWO-THIRDS MAJORITY VOTE (§ 8)

S.B. 196

SENATE BILL NO. 196–SENATOR SCHNEIDER

FEBRUARY 16, 1999

JOINT SPONSOR: ASSEMBLYWOMAN BUCKLEY

Referred to Committee on Commerce and Labor

SUMMARY—Creates office of ombudsman for insurance within division of insurance of department of business and industry. (BDR 57-1147)

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 insurance; creating the office of the ombudsman for insurance within the division of insurance of the department of business and industry; defining the duties of the ombudsman; providing for an assessment to pay the expenses of the office of the ombudsman for insurance; requiring the division to adopt necessary regulations; 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. Chapter 679B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

Sec. 2. ***As used in sections 2 to 9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.***

Sec. 3. ***"Health care plan" has the meaning ascribed to it in NRS 679B.520.***

Sec. 4. ***"Provider of health care" has the meaning ascribed to it in NRS 629.031.***

Sec. 5. ***1. The office of the ombudsman for insurance is hereby created within the division. The commissioner shall appoint the ombudsman for insurance. The person so appointed:***

(a) Must be qualified by training and experience to perform the duties and functions of his office; and

(b) Is in the classified service of the state.

2. The ombudsman shall receive, investigate and attempt to resolve complaints made by or on behalf of:

(a) Persons who are insured under health care plans;

(b) Providers of health care who have not been paid promptly by an insurer;

(c) Providers of health care who have not received prompt authorization from insurers for medical procedures that are needed by their patients; and

(d) Persons who are insured under policies of motor vehicle insurance.

3. The ombudsman may employ such staff as is necessary to carry out his duties.

Sec. 6. *In conducting an investigation, the ombudsman for insurance may:*

1. Inspect records maintained by an insurer, a provider of health care or a facility that maintains the health care records of patients. Except as otherwise provided in this subsection, medical and personal financial records may be inspected only with the informed consent of the individual insured, his parent or legal guardian or the person designated as responsible for decisions regarding the insured. If the insured is unable to consent to the inspection and has no parent, legal guardian or other person designated as responsible for decisions regarding the insured, the inspection may be conducted without consent.

2. Interview:

(a) Officers, directors and employees of any insurer.

(b) The insured.

(c) The parent or legal guardian of the insured, a member of the family of the insured, and the person designated as responsible for decisions regarding the care of the insured, if any.

3. Obtain such assistance and information from any agency of the state or its political subdivisions as is necessary to perform the investigation properly.

Sec. 7. *1. In appropriate cases and under the direction of the commissioner, the ombudsman shall refer the results of his investigation to the governmental agencies with authority to enforce applicable laws and regulations through administrative, civil or criminal proceedings. If the investigation indicates that fraud was or is being committed, the ombudsman shall forthwith notify the commissioner and the attorney general.*

2. The ombudsman shall:

(a) Provide the commissioner with any information he requests concerning an ongoing investigation or resolution of a complaint being conducted by the ombudsman; and

(b) Upon the completion of an investigation or resolution of a complaint, submit a report to the commissioner that describes the complaint and the results of the investigation or resolution of the complaint, as appropriate.

Sec. 8. ***1. An insurer who delivers or issues for delivery in this state a health care plan or policy of motor vehicle insurance shall assess each policyholder of the health care plan or policy of motor vehicle insurance a reasonable fee as prescribed by the division as follows:***

(a) For each individual insured under the health care plan, not more than $1 per year; and

(b) For each individual insured under the policy of motor vehicle insurance, not more than 75 cents per year.

2. The insurer shall remit the money collected pursuant to this section to the commissioner in such manner as prescribed by the division. Money remitted to the commissioner pursuant to this section must be:

(a) Accounted for separately; and

(b) Used to pay the expenses of the office of the ombudsman for insurance pursuant to sections 2 to 9, inclusive, of this act, including any expenses incident to or associated with the requirements of those sections.

3. Notwithstanding any provision of this Title to the contrary, money collected by an insurer pursuant to this section is not a premium.

Sec. 9. ***The division shall adopt such regulations as are necessary to carry out the provisions of sections 2 to 9, inclusive, of this act.***

Sec. 10. 1. This section and sections 1, 8 and 9 of this act become effective upon passage and approval.

2. Sections 2 to 7, inclusive, of this act become effective on January 1, 2000.

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