

ASSEMBLY BILL NO. 36—ASSEMBLYMAN NEIGHBORS

PREFILED JANUARY 24, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Revises various provisions governing approval and payment of claims.
(BDR 57-460)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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; revising various provisions governing the approval and payment of claims; 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 683A.0879 is hereby amended to read as follows:
2 683A.0879 1. Except as otherwise provided in subsection 2, an
3 administrator shall approve or deny a claim , ***or any part of the claim that***
4 ***can be approved or denied***, relating to health insurance coverage within 30
5 days after the administrator receives the claim. If the claim , ***or any part***
6 ***thereof***, is approved, the administrator shall pay the claim ***or the part of***
7 ***the claim that has been approved*** within 30 days after ~~the claim or~~ ***the approved part***
8 ***of the claim*** is approved. If the approved claim ***or the approved part***
9 ***of the claim*** is not paid within that period, the administrator shall pay
10 interest on the claim ***or approved part of the claim*** at the rate of interest
11 established pursuant to NRS 99.040 unless a different rate of interest is
12 established pursuant to an express written contract between the
13 administrator and the provider of health care. The interest must be
14 calculated from 30 days after the date on which the claim ***or part of the***
15 ***claim*** is approved until the claim ***or approved part of the claim*** is paid.
16 2. If the administrator requires additional information to determine
17 whether to approve or deny the claim, ***or any part thereof***, he shall notify
18 the claimant of his request for the additional information within 20 days
19 after he receives the claim. The administrator shall notify the provider of
20 health care of all the specific reasons for the delay in approving or denying
21 the claim ~~the claim~~ ***, or part thereof***. The administrator shall approve or deny the
22 claim ***or the part of the claim for which additional information was***



1 **required** within ~~30~~ 15 days after receiving the additional information. If
2 the claim **or the part of the claim for which additional information was**
3 **required** is approved, the administrator shall pay the claim **or the part of**
4 **the claim** within ~~30~~ 15 days after he receives the additional information.
5 If the approved claim **or the approved part of the claim** is not paid within
6 that period, the administrator shall pay interest on the claim **or approved**
7 **part of the claim** in the manner prescribed in subsection 1 ~~1~~, **except that**
8 **the interest must be calculated from 15 days after the date on which the**
9 **additional information is received until the claim or approved part of the**
10 **claim is paid.**

11 3. An administrator shall not request a claimant to resubmit
12 information that the claimant has already provided to the administrator,
13 unless the administrator provides a legitimate reason for the request and the
14 purpose of the request is not to delay the payment of the claim, harass the
15 claimant or discourage the filing of claims.

16 4. An administrator shall not pay only ~~part~~ **a portion** of a claim **or**
17 **part thereof** that has been approved and is fully payable.

18 5. A court shall award costs and reasonable attorney's fees to the
19 prevailing party in an action brought pursuant to this section.

20 **Sec. 2.** NRS 689A.410 is hereby amended to read as follows:

21 689A.410 1. Except as otherwise provided in subsection 2, an insurer
22 shall approve or deny a claim , **or any part of the claim that can be**
23 **approved or denied**, relating to a policy of health insurance within 30 days
24 after the insurer receives the claim. If the claim , **or any part thereof**, is
25 approved, the insurer shall pay the claim **or the part of the claim that has**
26 **been approved** within 30 days after ~~it~~ **the claim or part of the claim** is not
27 approved. If the approved claim **or the approved part of the claim** is not
28 paid within that period, the insurer shall pay interest on the claim **or**
29 **approved part of the claim** at the rate of interest established pursuant to
30 NRS 99.040 unless a different rate of interest is established pursuant to an
31 express written contract between the insurer and the provider of health
32 care. The interest must be calculated from 30 days after the date on which
33 the claim **or part of the claim** is approved until the claim **or approved part**
34 **of the claim** is paid.

35 2. If the insurer requires additional information to determine whether
36 to approve or deny the claim, **or any part thereof**, it shall notify the
37 claimant of its request for the additional information within 20 days after it
38 receives the claim. The insurer shall notify the provider of health care of all
39 the specific reasons for the delay in approving or denying the claim ~~1~~, **or**
40 **part thereof**. The insurer shall approve or deny the claim **or the part of the**
41 **claim for which additional information was required** within ~~30~~ 15 days
42 after receiving the additional information. If the claim **or the part of the**
43 **claim for which additional information was required** is approved, the
44 insurer shall pay the claim **or the part of the claim** within 30 days after it
45 receives the additional information. If the approved claim **or the approved**
46 **part of the claim** is not paid within that period, the insurer shall pay
47 interest on the claim **or approved part of the claim** in the manner
48 prescribed in subsection 1 ~~1~~, **except that the interest must be calculated**



1 *from 15 days after the date on which the additional information is*
2 *received until the claim or approved part of the claim is paid.*

3 3. An insurer shall not request a claimant to resubmit information that
4 the claimant has already provided to the insurer, unless the insurer provides
5 a legitimate reason for the request and the purpose of the request is not to
6 delay the payment of the claim, harass the claimant or discourage the filing
7 of claims.

8 4. An insurer shall not pay only ~~part~~ *a portion* of a claim *or part*
9 *thereof* that has been approved and is fully payable.

10 5. A court shall award costs and reasonable attorney's fees to the
11 prevailing party in an action brought pursuant to this section.

12 **Sec. 3.** NRS 689B.255 is hereby amended to read as follows:

13 689B.255 1. Except as otherwise provided in subsection 2, an insurer
14 shall approve or deny a claim , *or any part of the claim that can be*
15 *approved or denied*, relating to a policy of group health insurance or
16 blanket insurance within 30 days after the insurer receives the claim. If the
17 claim , *or any part thereof*, is approved, the insurer shall pay the claim *or*
18 *the part of the claim that has been approved* within 30 days after ~~the~~ *the*
19 *claim or part of the claim* is approved. If the approved claim *or the*
20 *approved part of the claim* is not paid within that period, the insurer shall
21 pay interest on the claim *or approved part of the claim* at the rate of
22 interest established pursuant to NRS 99.040 unless a different rate of
23 interest is established pursuant to an express written contract between the
24 insurer and the provider of health care. The interest must be calculated
25 from 30 days after the date on which the claim *or part of the claim* is
26 approved until the claim *or approved part of the claim* is paid.

27 2. If the insurer requires additional information to determine whether
28 to approve or deny the claim, *or any part thereof*, it shall notify the
29 claimant of its request for the additional information within 20 days after it
30 receives the claim. The insurer shall notify the provider of health care of all
31 the specific reasons for the delay in approving or denying the claim ~~the~~ , *or*
32 *part thereof*. The insurer shall approve or deny the claim *or the part of the*
33 *claim for which additional information was required* within ~~30~~ *15* days
34 after receiving the additional information. If the claim *or the part of the*
35 *claim for which additional information was required* is approved, the
36 insurer shall pay the claim *or the part of the claim* within ~~30~~ *15* days
37 after it receives the additional information. If the approved claim *or the*
38 *approved part of the claim* is not paid within that period, the insurer shall
39 pay interest on the claim *or approved part of the claim* in the manner
40 prescribed in subsection 1 ~~the~~ , *except that the interest must be calculated*
41 *from 15 days after the date on which the additional information is*
42 *received until the claim or approved part of the claim is paid.*

43 3. An insurer shall not request a claimant to resubmit information that
44 the claimant has already provided to the insurer, unless the insurer provides
45 a legitimate reason for the request and the purpose of the request is not to
46 delay the payment of the claim, harass the claimant or discourage the filing
47 of claims.

48 4. An insurer shall not pay only ~~part~~ *a portion* of a claim *or part*
49 *thereof* that has been approved and is fully payable.



1 5. A court shall award costs and reasonable attorney's fees to the
2 prevailing party in an action brought pursuant to this section.

3 **Sec. 4.** NRS 689C.485 is hereby amended to read as follows:

4 689C.485 1. Except as otherwise provided in subsection 2, a carrier
5 serving small employers and a carrier that offers a contract to a voluntary
6 purchasing group shall approve or deny a claim, ***or any part of the claim***
7 ***that can be approved or denied***, relating to a policy of health insurance
8 within 30 days after the carrier receives the claim. If the claim, ***or any part***
9 ***thereof***, is approved, the carrier shall pay the claim ***or the part of the claim***
10 ***that has been approved*** within 30 days after ~~the claim or part of the~~
11 ***claim*** is approved. If the approved claim ***or the approved part of the claim***
12 is not paid within that period, the carrier shall pay interest on the claim ***or***
13 ***approved part of the claim*** at the rate of interest established pursuant to
14 NRS 99.040 unless a different rate of interest is established pursuant to an
15 express written contract between the carrier and the provider of health care.
16 The interest must be calculated from 30 days after the date on which the
17 claim ***or part of the claim*** is approved until the claim ***or approved part of***
18 ***the claim*** is paid.

19 2. If the carrier requires additional information to determine whether to
20 approve or deny the claim, ***or any part thereof***, it shall notify the claimant
21 of its request for the additional information within 20 days after it receives
22 the claim. The carrier shall notify the provider of health care of all the
23 specific reasons for the delay in approving or denying the claim ~~the claim~~, ***or part***
24 ***thereof***. The carrier shall approve or deny the claim ***or the part of the***
25 ***claim for which additional information was required*** within ~~30~~ 15 days
26 after receiving the additional information. If the claim ***or the part of the***
27 ***claim for which additional information was required*** is approved, the
28 carrier shall pay the claim ***or the part of the claim*** within ~~30~~ 15 days after
29 it receives the additional information. If the approved claim ***or the***
30 ***approved part of the claim*** is not paid within that period, the carrier shall
31 pay interest on the claim ***or approved part of the claim*** in the manner
32 prescribed in subsection 1 ~~the claim~~, ***except that the interest must be calculated***
33 ***from 15 days after the date on which the additional information is***
34 ***received until the claim or approved part of the claim is paid.***

35 3. A carrier shall not request a claimant to resubmit information that
36 the claimant has already provided to the carrier, unless the carrier provides
37 a legitimate reason for the request and the purpose of the request is not to
38 delay the payment of the claim, harass the claimant or discourage the filing
39 of claims.

40 4. A carrier shall not pay only ~~part~~ ***a portion*** of a claim ***or part***
41 ***thereof*** that has been approved and is fully payable.

42 5. A court shall award costs and reasonable attorney's fees to the
43 prevailing party in an action brought pursuant to this section.

44 **Sec. 5.** NRS 695A.188 is hereby amended to read as follows:

45 695A.188 1. Except as otherwise provided in subsection 2, a society
46 shall approve or deny a claim, ***or any part of the claim that can be***
47 ***approved or denied***, relating to a certificate of health insurance within 30
48 days after the society receives the claim. If the claim, ***or any part thereof***,
49 is approved, the society shall pay the claim ***or the part of the claim that***



1 *has been approved* within 30 days after ~~the~~ *the claim or part of the claim*
2 is approved. If the approved claim *or the approved part of the claim* is not
3 paid within that period, the society shall pay interest on the claim *or*
4 *approved part of the claim* at the rate of interest established pursuant to
5 NRS 99.040 unless a different rate of interest is established pursuant to an
6 express written contract between the society and the provider of health
7 care. The interest must be calculated from 30 days after the date on which
8 the claim *or part of the claim* is approved until the claim *or approved part*
9 *of the claim* is paid.

10 2. If the society requires additional information to determine whether
11 to approve or deny the claim, *or any part thereof*, it shall notify the
12 claimant of its request for the additional information within 20 days after it
13 receives the claim. The society shall notify the provider of health care of all
14 the specific reasons for the delay in approving or denying the claim ~~the~~, *or*
15 *part thereof*. The society shall approve or deny the claim *or part of the*
16 *claim for which additional information was required* within ~~30~~ 15 days
17 after receiving the additional information. If the claim *or the part of the*
18 *claim for which additional information was required* is approved, the
19 society shall pay the claim *or the part of the claim* within ~~30~~ 15 days
20 after it receives the additional information. If the approved claim *or the*
21 *approved part of the claim* is not paid within that period, the society shall
22 pay interest on the claim *or approved part of the claim* in the manner
23 prescribed in subsection 1 ~~the~~, *except that the interest must be calculated*
24 *from 15 days after the date on which the additional information is*
25 *received until the claim or approved part of the claim is paid*.

26 3. A society shall not request a claimant to resubmit information that
27 the claimant has already provided to the society, unless the society
28 provides a legitimate reason for the request and the purpose of the request
29 is not to delay the payment of the claim, harass the claimant or discourage
30 the filing of claims.

31 4. A society shall not pay only ~~part~~ *a portion* of a claim *or part*
32 *thereof* that has been approved and is fully payable.

33 5. A court shall award costs and reasonable attorney's fees to the
34 prevailing party in an action brought pursuant to this section.

35 **Sec. 6.** NRS 695B.2505 is hereby amended to read as follows:
36 695B.2505 1. Except as otherwise provided in subsection 2, a
37 corporation subject to the provisions of this chapter shall approve or deny a
38 claim, *or any part of the claim that can be approved or denied*, relating to
39 a contract for dental, hospital or medical services within 30 days after the
40 corporation receives the claim. If the claim, *or any part thereof*, is
41 approved, the corporation shall pay the claim *or the part of the claim that*
42 *has been approved* within 30 days after ~~the~~ *the claim or part of the claim*
43 is approved. If the approved claim *or the approved part of the claim* is not
44 paid within that period, the corporation shall pay interest on the claim *or*
45 *approved part of the claim* at the rate of interest established pursuant to
46 NRS 99.040 unless a different rate of interest is established pursuant to an
47 express written contract between the corporation and the provider of health
48 care. The interest must be calculated from 30 days after the date on which



1 the claim *or part of the claim* is approved until the claim *or approved part*
2 *of the claim* is paid.

3 2. If the corporation requires additional information to determine
4 whether to approve or deny the claim, *or any part thereof*, it shall notify
5 the claimant of its request for the additional information within 20 days
6 after it receives the claim. The corporation shall notify the provider of
7 dental, hospital or medical services of all the specific reasons for the delay
8 in approving or denying the claim ~~††~~, *or part thereof*. The corporation
9 shall approve or deny the claim *or the part of the claim for which*
10 *additional information was required* within ~~30†~~ 15 days after receiving
11 the additional information. If the claim *or the part of the claim for which*
12 *additional information was required* is approved, the corporation shall pay
13 the claim *or the part of the claim* within ~~30†~~ 15 days after it receives the
14 additional information. If the approved claim *or the approved part of the*
15 *claim* is not paid within that period, the corporation shall pay interest on
16 the claim *or approved part of the claim* in the manner prescribed in
17 subsection 1 ~~††~~, *except that the interest must be calculated from 15 days*
18 *after the date on which the additional information is received until the*
19 *claim or approved part of the claim is paid*.

20 3. A corporation shall not request a claimant to resubmit information
21 that the claimant has already provided to the corporation, unless the
22 corporation provides a legitimate reason for the request and the purpose of
23 the request is not to delay the payment of the claim, harass the claimant or
24 discourage the filing of claims.

25 4. A corporation shall not pay only ~~part†~~ a portion of a claim *or part*
26 *thereof* that has been approved and is fully payable.

27 5. A court shall award costs and reasonable attorney's fees to the
28 prevailing party in an action brought pursuant to this section.

29 **Sec. 7.** NRS 695C.185 is hereby amended to read as follows:

30 695C.185 1. Except as otherwise provided in subsection 2, a health
31 maintenance organization shall approve or deny a claim, *or any part of the*
32 *claim that can be approved or denied*, relating to a health care plan within
33 30 days after the health maintenance organization receives the claim. If the
34 claim, *or any part thereof*, is approved, the health maintenance
35 organization shall pay the claim *or the part of the claim that has been*
36 *approved* within 30 days after ~~†††~~ *the claim or part of the claim* is
37 approved. If the approved claim *or the approved part of the claim* is not
38 paid within that period, the health maintenance organization shall pay
39 interest on the claim *or approved part of the claim* at the rate of interest
40 established pursuant to NRS 99.040 unless a different rate of interest is
41 established pursuant to an express written contract between the health
42 maintenance organization and the provider of health care. The interest must
43 be calculated from 30 days after the date on which the claim *or part of the*
44 *claim* is approved until the claim *or approved part of the claim* is paid.

45 2. If the health maintenance organization requires additional
46 information to determine whether to approve or deny the claim, *or any part*
47 *thereof*, it shall notify the claimant of its request for the additional
48 information within 20 days after it receives the claim. The health
49 maintenance organization shall notify the provider of health care services



1 of all the specific reasons for the delay in approving or denying the claim
2 ~~11~~, **or part thereof**. The health maintenance organization shall approve or
3 deny the claim **or the part of the claim for which additional information**
4 **was required** within ~~30~~ 15 days after receiving the additional
5 information. If the claim **or the part of the claim for which additional**
6 **information was required** is approved, the health maintenance
7 organization shall pay the claim **or the part of the claim** within ~~30~~ 15
8 days after it receives the additional information. If the approved claim **or**
9 **the approved part of the claim** is not paid within that period, the health
10 maintenance organization shall pay interest on the claim **or approved part**
11 **of the claim** in the manner prescribed in subsection 1 ~~11~~, **except that the**
12 **interest must be calculated from 15 days after the date on which the**
13 **additional information is received until the claim or approved part of the**
14 **claim is paid.**

15 3. A health maintenance organization shall not request a claimant to
16 resubmit information that the claimant has already provided to the health
17 maintenance organization, unless the health maintenance organization
18 provides a legitimate reason for the request and the purpose of the request
19 is not to delay the payment of the claim, harass the claimant or discourage
20 the filing of claims.

21 4. A health maintenance organization shall not pay only ~~part~~ **a**
22 **portion** of a claim **or part thereof** that has been approved and is fully
23 payable.

24 5. A court shall award costs and reasonable attorney's fees to the
25 prevailing party in an action brought pursuant to this section.

26 **Sec. 8.** This act becomes effective upon passage and approval.

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