

(REPRINTED WITH ADOPTED AMENDMENTS)
FIRST REPRINT

A.B. 36

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 relating to health insurance
4 coverage within 30 *calendar* days after the administrator receives the
5 claim. If the claim is approved, the administrator shall pay the claim within
6 30 *calendar* days after it is approved. If the approved claim is not paid
7 within that period, the administrator shall pay interest on the claim at the
8 rate of interest established pursuant to NRS 99.040 . ~~unless a different rate~~
9 ~~of interest is established pursuant to an express written contract between~~
10 ~~the administrator and the provider of health care.~~ The interest must be
11 calculated from 30 *calendar* days after the date on which the claim is
12 approved until the claim is paid.
13 2. If the administrator requires additional information to determine
14 whether to approve or deny the claim, he shall notify the claimant of his
15 request for the additional information within 20 *calendar* days after he
16 receives the claim. The administrator shall notify the provider of health
17 care of all the specific reasons for the delay in approving or denying the
18 claim. *If additional information is requested from the provider of health*
19 *care, the provider shall furnish the additional information within 20*
20 *calendar days after receiving the request. If the provider of health care*
21 *fails to furnish the additional information within that period, the*
22 *provider is not entitled to any interest payment to which he would*



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1 *otherwise be entitled for the late payment of a claim.* The administrator
2 shall approve or deny the claim within ~~30~~ 20 *calendar* days after
3 receiving the additional information. If the claim is approved, the
4 administrator shall pay the claim within ~~30~~ 20 *calendar* days after he
5 receives the additional information. If the approved claim is not paid within
6 that period, the administrator shall pay interest on the claim in the manner
7 prescribed in subsection 1 ~~H~~, *except that the interest must be calculated*
8 *from 20 calendar days after the date on which the additional information*
9 *is received until the claim is paid.*

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

15 4. An administrator shall not pay only part of a claim that has been
16 approved and is fully payable.

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

19 **Sec. 2.** NRS 689A.410 is hereby amended to read as follows:
20 689A.410 1. Except as otherwise provided in subsection 2, an insurer
21 shall approve or deny a claim relating to a policy of health insurance within
22 30 *calendar* days after the insurer receives the claim. If the claim is
23 approved, the insurer shall pay the claim within 30 *calendar* days after it is
24 approved. If the approved claim is not paid within that period, the insurer
25 shall pay interest on the claim at the rate of interest established pursuant to
26 NRS 99.040 . ~~[unless a different rate of interest is established pursuant to~~
27 ~~an express written contract between the insurer and the provider of health~~
28 ~~care.]~~ The interest must be calculated from 30 *calendar* days after the date
29 on which the claim is approved until the claim is paid.

30 2. If the insurer requires additional information to determine whether
31 to approve or deny the claim, it shall notify the claimant of its request for
32 the additional information within 20 *calendar* days after it receives the
33 claim. The insurer shall notify the provider of health care of all the specific
34 reasons for the delay in approving or denying the claim. *If additional*
35 *information is requested from the provider of health care, the provider*
36 *shall furnish the additional information within 20 calendar days after*
37 *receiving the request. If the provider of health care fails to furnish the*
38 *additional information within that period, the provider is not entitled to*
39 *any interest payment to which he would otherwise be entitled for the late*
40 *payment of a claim.* The insurer shall approve or deny the claim within
41 ~~30~~ 20 *calendar* days after receiving the additional information. If the
42 claim is approved, the insurer shall pay the claim within ~~30~~ 20 *calendar*
43 days after it receives the additional information. If the approved claim is
44 not paid within that period, the insurer shall pay interest on the claim in the
45 manner prescribed in subsection 1 ~~H~~, *except that the interest must be*
46 *calculated from 20 calendar days after the date on which the additional*
47 *information is received until the claim is paid.*

48 3. An insurer shall not request a claimant to resubmit information that
49 the claimant has already provided to the insurer, unless the insurer provides



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1 a legitimate reason for the request and the purpose of the request is not to
2 delay the payment of the claim, harass the claimant or discourage the filing
3 of claims.

4 4. An insurer shall not pay only part of a claim that has been approved
5 and is fully payable.

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

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

9 689B.255 1. Except as otherwise provided in subsection 2, an insurer
10 shall approve or deny a claim relating to a policy of group health insurance
11 or blanket insurance within 30 *calendar* days after the insurer receives the
12 claim. If the claim is approved, the insurer shall pay the claim within 30
13 *calendar* days after it is approved. If the approved claim is not paid within
14 that period, the insurer shall pay interest on the claim at the rate of interest
15 established pursuant to NRS 99.040 . ~~unless a different rate of interest is~~
16 ~~established pursuant to an express written contract between the insurer and~~
17 ~~the provider of health care.~~ The interest must be calculated from 30
18 *calendar* days after the date on which the claim is approved until the claim
19 is paid.

20 2. If the insurer requires additional information to determine whether
21 to approve or deny the claim, it shall notify the claimant of its request for
22 the additional information within 20 *calendar* days after it receives the
23 claim. The insurer shall notify the provider of health care of all the specific
24 reasons for the delay in approving or denying the claim. *If additional*
25 *information is requested from the provider of health care, the provider*
26 *shall furnish the additional information within 20 calendar days after*
27 *receiving the request. If the provider of health care fails to furnish the*
28 *additional information within that period, the provider is not entitled to*
29 *any interest payment to which he would otherwise be entitled for the late*
30 *payment of a claim.* The insurer shall approve or deny the claim within
31 ~~30~~ 20 *calendar* days after receiving the additional information. If the
32 claim is approved, the insurer shall pay the claim within ~~30~~ 20 *calendar*
33 days after it receives the additional information. If the approved claim is
34 not paid within that period, the insurer shall pay interest on the claim in the
35 manner prescribed in subsection 1 ~~1~~ , *except that the interest must be*
36 *calculated from 20 calendar days after the date on which the additional*
37 *information is received until the claim is paid.*

38 3. An insurer shall not request a claimant to resubmit information that
39 the claimant has already provided to the insurer, unless the insurer provides
40 a legitimate reason for the request and the purpose of the request is not to
41 delay the payment of the claim, harass the claimant or discourage the filing
42 of claims.

43 4. An insurer shall not pay only part of a claim that has been approved
44 and is fully payable.

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

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

48 689C.485 1. Except as otherwise provided in subsection 2, a carrier
49 serving small employers and a carrier that offers a contract to a voluntary



1 purchasing group shall approve or deny a claim relating to a policy of
2 health insurance within 30 *calendar* days after the carrier receives the
3 claim. If the claim is approved, the carrier shall pay the claim within 30
4 *calendar* days after it is approved. If the approved claim is not paid within
5 that period, the carrier shall pay interest on the claim at the rate of interest
6 established pursuant to NRS 99.040 . ~~{unless a different rate of interest is~~
7 ~~established pursuant to an express written contract between the carrier and~~
8 ~~the provider of health care.}~~ The interest must be calculated from 30
9 *calendar* days after the date on which the claim is approved until the claim
10 is paid.

11 2. If the carrier requires additional information to determine whether to
12 approve or deny the claim, it shall notify the claimant of its request for the
13 additional information within 20 *calendar* days after it receives the claim.
14 The carrier shall notify the provider of health care of all the specific
15 reasons for the delay in approving or denying the claim. *If additional*
16 *information is requested from the provider of health care, the provider*
17 *shall furnish the additional information within 20 calendar days after*
18 *receiving the request. If the provider of health care fails to furnish the*
19 *additional information within that period, the provider is not entitled to*
20 *any interest payment to which he would otherwise be entitled for the late*
21 *payment of a claim.* The carrier shall approve or deny the claim within
22 ~~{30}~~ 20 *calendar* days after receiving the additional information. If the
23 claim is approved, the carrier shall pay the claim within ~~{30}~~ 20 *calendar*
24 days after it receives the additional information. If the approved claim is
25 not paid within that period, the carrier shall pay interest on the claim in the
26 manner prescribed in subsection 1 ~~{ }~~ , *except that the interest must be*
27 *calculated from 20 calendar days after the date on which the additional*
28 *information is received until the claim is paid.*

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

34 4. A carrier shall not pay only part of a claim that has been approved
35 and is fully payable.

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

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

39 695A.188 1. Except as otherwise provided in subsection 2, a society
40 shall approve or deny a claim relating to a certificate of health insurance
41 within 30 *calendar* days after the society receives the claim. If the claim is
42 approved, the society shall pay the claim within 30 *calendar* days after it is
43 approved. If the approved claim is not paid within that period, the society
44 shall pay interest on the claim at the rate of interest established pursuant to
45 NRS 99.040 . ~~{unless a different rate of interest is established pursuant to~~
46 ~~an express written contract between the society and the provider of health~~
47 ~~care.}~~ The interest must be calculated from 30 *calendar* days after the date
48 on which the claim is approved until the claim is paid.



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1 2. If the society requires additional information to determine whether
2 to approve or deny the claim, it shall notify the claimant of its request for
3 the additional information within 20 *calendar* days after it receives the
4 claim. The society shall notify the provider of health care of all the specific
5 reasons for the delay in approving or denying the claim. *If additional*
6 *information is requested from the provider of health care, the provider*
7 *shall furnish the additional information within 20 calendar days after*
8 *receiving the request. If the provider of health care fails to furnish the*
9 *additional information within that period, the provider is not entitled to*
10 *any interest payment to which he would otherwise be entitled for the late*
11 *payment of a claim.* The society shall approve or deny the claim within
12 ~~30~~ 20 *calendar* days after receiving the additional information. If the
13 claim is approved, the society shall pay the claim within ~~30~~ 20 *calendar*
14 days after it receives the additional information. If the approved claim is
15 not paid within that period, the society shall pay interest on the claim in the
16 manner prescribed in subsection 1 ~~H~~, *except that the interest must be*
17 *calculated from 20 calendar days after the date on which the additional*
18 *information is received until the claim is paid.*

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

24 4. A society shall not pay only part of a claim that has been approved
25 and is fully payable.

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

28 **Sec. 6.** NRS 695B.2505 is hereby amended to read as follows:

29 695B.2505 1. Except as otherwise provided in subsection 2, a
30 corporation subject to the provisions of this chapter shall approve or deny a
31 claim relating to a contract for dental, hospital or medical services within
32 30 *calendar* days after the corporation receives the claim. If the claim is
33 approved, the corporation shall pay the claim within 30 *calendar* days after
34 it is approved. If the approved claim is not paid within that period, the
35 corporation shall pay interest on the claim at the rate of interest established
36 pursuant to NRS 99.040 . ~~unless a different rate of interest is established~~
37 ~~pursuant to an express written contract between the corporation and the~~
38 ~~provider of health care.~~ The interest must be calculated from 30 *calendar*
39 days after the date on which the claim is approved until the claim is paid.

40 2. If the corporation requires additional information to determine
41 whether to approve or deny the claim, it shall notify the claimant of its
42 request for the additional information within 20 *calendar* days after it
43 receives the claim. The corporation shall notify the provider of dental,
44 hospital or medical services of all the specific reasons for the delay in
45 approving or denying the claim. *If additional information is requested*
46 *from the provider of dental, hospital or medical services, the provider*
47 *shall furnish the additional information within 20 calendar days after*
48 *receiving the request. If the provider of dental, hospital or medical*
49 *services fails to furnish the additional information within that period, the*



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1 *provider is not entitled to any interest payment to which he would*
2 *otherwise be entitled for the late payment of a claim.* The corporation
3 shall approve or deny the claim within ~~30~~ 20 *calendar* days after
4 receiving the additional information. If the claim is approved, the
5 corporation shall pay the claim within ~~30~~ 20 *calendar* days after it
6 receives the additional information. If the approved claim is not paid within
7 that period, the corporation shall pay interest on the claim in the manner
8 prescribed in subsection 1 ~~1~~, *except that the interest must be calculated*
9 *from 20 calendar days after the date on which the additional information*
10 *is received until the claim is paid.*

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

16 4. A corporation shall not pay only part of a claim that has been
17 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. 7.** NRS 695C.185 is hereby amended to read as follows:

21 695C.185 1. Except as otherwise provided in subsection 2, a health
22 maintenance organization shall approve or deny a claim relating to a health
23 care plan within 30 *calendar* days after the health maintenance
24 organization receives the claim. If the claim is approved, the health
25 maintenance organization shall pay the claim within 30 *calendar* days after
26 it is approved. If the approved claim is not paid within that period, the
27 health maintenance organization shall pay interest on the claim at the rate
28 of interest established pursuant to NRS 99.040 . ~~unless a different rate of~~
29 ~~interest is established pursuant to an express written contract between the~~
30 ~~corporation and the provider of health care.~~ The interest must be
31 calculated from 30 *calendar* days after the date on which the claim is
32 approved until the claim is paid.

33 2. If the health maintenance organization requires additional
34 information to determine whether to approve or deny the claim, it shall
35 notify the claimant of its request for the additional information within 20
36 *calendar* days after it receives the claim. The health maintenance
37 organization shall notify the provider of health care services of all the
38 specific reasons for the delay in approving or denying the claim. *If*
39 *additional information is requested from the provider of health care*
40 *services, the provider shall furnish the additional information within 20*
41 *calendar days after receiving the request. If the provider of health care*
42 *services fails to furnish the additional information within that period, the*
43 *provider is not entitled to any interest payment to which he would*
44 *otherwise be entitled for the late payment of a claim.* The health
45 maintenance organization shall approve or deny the claim within ~~30~~ 20
46 *calendar* days after receiving the additional information. If the claim is
47 approved, the health maintenance organization shall pay the claim within
48 ~~30~~ 20 *calendar* days after it receives the additional information. If the
49 approved claim is not paid within that period, the health maintenance



1 organization shall pay interest on the claim in the manner prescribed in
2 subsection 1 ~~H~~ , *except that the interest must be calculated from 20*
3 *calendar days after the date on which the additional information is*
4 *received until the claim is paid.*

5 3. A health maintenance organization shall not request a claimant to
6 resubmit information that the claimant has already provided to the health
7 maintenance organization, unless the health maintenance organization
8 provides a legitimate reason for the request and the purpose of the request
9 is not to delay the payment of the claim, harass the claimant or discourage
10 the filing of claims.

11 4. A health maintenance organization shall not pay only part of a claim
12 that has been approved and is fully payable.

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

15 **Sec. 8.** The amendatory provisions of this act apply only to contracts
16 entered into, amended, extended or renewed after the effective date of this
17 act.

18 **Sec. 9.** This act becomes effective upon passage and approval.

