

ASSEMBLY BILL NO. 44—COMMITTEE ON COMMERCE AND LABOR

PREFILED JANUARY 26, 2001

(ON BEHALF OF LEGISLATIVE COMMITTEE ON
WORKERS' COMPENSATION (NRS 218.5375))

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to responsibilities of insurers who provide industrial insurance. (BDR 53-772)

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 industrial insurance; revising the provisions governing maintenance of files of claims at the office of an insurer; requiring insurers, organizations for managed care and certain employers to notify an injured employee if a medical bill submitted on his behalf is denied and that the injured employee has a right to appeal the denial; 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 616B.021 is hereby amended to read as follows:
2 616B.021 1. An insurer shall provide access to the files of claims in
3 its offices.
4 2. ~~{A file is}~~ *The physical records in a file concerning a claim filed in*
5 *this state may be kept at an office located outside this state if all records*
6 *in the file are accessible at offices located in this state on computer in a*
7 *microphotographic, electronic or other similar format that produces an*
8 *accurate reproduction of the original. Except as otherwise provided in*
9 *this subsection, the records in a file concerning a claim filed in this state*
10 *must be reproduced and* available for inspection during regular business
11 hours *within 24 hours after requested* by the employee or his designated
12 agent, the employer or his designated agent ~~and~~, *or* the administrator or
13 his designated agent. *If a claim filed in this state has been closed, the*
14 *records in the file must be reproduced and available for inspection*
15 *during regular business hours within 7 calendar days after requested by*
16 *such persons.*



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1 3. Upon request, the insurer shall make copies *or other reproductions*
2 of anything in the file and may charge a reasonable fee for this service.
3 Copies *or other reproductions* of materials in the file which are requested
4 by the administrator or his designated agent, or the Nevada attorney for
5 injured workers or his designated agent must be provided free of charge.
6 4. ~~If a claim has been closed for at least 1 year, the insurer may~~
7 ~~microphotograph or film any of its records relating to that claim. The~~
8 ~~microphotographs or films must be placed in convenient and accessible~~
9 ~~files.~~
10 ~~5.~~ The administrator ~~shall~~ *may* adopt regulations concerning the:
11 (a) Maintenance of records in a file on current or closed claims; *and*
12 (b) Preservation, examination and use of records which have been
13 ~~microphotographed or filmed~~ *stored on computer or in a*
14 *microphotographic, electronic or similar format* by an insurer. ~~;~~ *and*
15 ~~(c) Location of a file on a closed claim.~~
16 ~~6.~~ 5. This section does not require an insurer to allow inspection or
17 reproduction of material regarding which a legal privilege against
18 disclosure has been conferred.
19 **Sec. 2.** NRS 616B.027 is hereby amended to read as follows:
20 616B.027 1. Every insurer shall ~~provide:~~
21 ~~(a) An~~ :
22 *(a) Provide an* office in this state operated by the insurer or its third-
23 party administrator in which:
24 (1) A complete file of each claim is ~~kept~~ *accessible, in accordance*
25 *with the provisions of NRS 616B.021;*
26 (2) Persons authorized to act for the insurer and, if necessary,
27 licensed pursuant to chapter 683A of NRS, may receive information related
28 to a claim and provide the services to an employer and his employees
29 required by chapters 616A to 617, inclusive, of NRS; and
30 (3) An employee or his employer, upon request, is provided with
31 information related to a claim filed by the employee or a copy *or other*
32 *reproduction* of the information from the file for that claim ~~;~~
33 ~~(b) Statewide~~ *, in accordance with the provisions of NRS 616B.021.*
34 *(b) Provide statewide* toll-free telephone service to ~~that~~ *the* office
35 *maintained pursuant to paragraph (a)* or accept collect calls from injured
36 employees.
37 2. Each private carrier shall provide:
38 (a) Adequate services to its insured employers in controlling losses; and
39 (b) Adequate information on the prevention of industrial accidents and
40 occupational diseases.
41 **Sec. 3.** Chapter 616C of NRS is hereby amended by adding thereto a
42 new section to read as follows:
43 1. *If an insurer, organization for managed care or employer who*
44 *provides accident benefits for injured employees pursuant to NRS*
45 *616C.265 denies payment for some or all of the services itemized on a*
46 *statement submitted by a provider of health care on the sole basis that*
47 *those services were not related to the employee's industrial injury or*
48 *occupational disease, the insurer, organization for managed care or*
49 *employer shall, at the same time that it sends notification to the provider*



1 of health care of the denial, send a copy of the statement to the injured
2 employee and notify the injured employee that it has denied payment.
3 The notification sent to the injured employee must:

4 (a) State the relevant amount requested as payment in the statement,
5 that the reason for denying payment is that the services were not related
6 to the industrial injury, and that, pursuant to subsection 2, the injured
7 employee will be responsible for payment of the relevant amount if he
8 does not, in a timely manner, appeal the denial pursuant to NRS
9 616C.305 and 616C.315 to 616C.385, inclusive, or appeals but is not
10 successful.

11 (b) Include an explanation of the injured employee's right to request a
12 hearing to appeal the denial pursuant to NRS 616C.305 and 616C.315 to
13 616C.385, inclusive, and a suitable form for requesting a hearing to
14 appeal the denial.

15 2. An injured employee who does not, in a timely manner, appeal the
16 denial of payment for the services rendered or, who appeals the denial
17 but is not successful, is responsible for payment of the relevant charges
18 on the itemized statement.

19 3. To succeed on appeal, the injured employee must show that the:

20 (a) Services provided were related to the employee's industrial injury
21 or occupational disease; or

22 (b) Insurer, organization for managed care or employer who provides
23 accident benefits for injured employees pursuant to NRS 616C.265 gave
24 prior authorization for the services rendered and did not withdraw that
25 prior authorization before the services of the provider of health care were
26 rendered.

27 **Sec. 4.** NRS 616C.135 is hereby amended to read as follows:

28 616C.135 1. A provider of health care who accepts a patient as a
29 referral for the treatment of an industrial injury or an occupational disease
30 may not charge the patient for any treatment related to the industrial injury
31 or occupational disease, but must charge the insurer. The provider of health
32 care may charge the patient for any ~~other unrelated services which are~~
33 ~~requested in writing by the patient~~ services that are not related to the
34 employee's industrial injury or occupational disease.

35 2. The insurer is liable for the charges for approved services *related to*
36 *the industrial injury or occupational disease* if the charges do not exceed:

37 (a) The fees established in accordance with NRS 616C.260 or the usual
38 fee charged by that person or institution, whichever is less; and

39 (b) The charges provided for by the contract between the provider of
40 health care and the insurer or the contract between the provider of health
41 care and the organization for managed care.

42 3. If a provider of health care, an organization for managed care, an
43 insurer or an employer violates the provisions of this section, the
44 administrator shall impose an administrative fine of not more than \$250 for
45 each violation.

46 **Sec. 5.** This act becomes effective on July 1, 2001.

