

ASSEMBLY BILL NO. 624—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF PHARMACY BOARD)

MARCH 26, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Provides for issuance of uniform identification cards and devices to process insurance claims for prescription drugs and devices. (BDR 57-549)

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 health care plans; providing for the issuance of uniform identification cards and devices to process claims for prescription drugs or devices; 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 679B of NRS is hereby amended by adding thereto
2 a new section to read as follows:
3 1. *If a health care plan that provides coverage for prescription drugs*
4 *or devices issues an identification card or other device to an insured that*
5 *contains information needed to process a claim for a prescription drug or*
6 *device, the card or other device must conform to the requirements of the*
7 *National Council for Prescription Drug Programs set forth in the*
8 *NCPDP Pharmacy ID Card Implementation Guide, in the form most*
9 *recently approved by the commissioner. The commissioner shall review*
10 *each edition of the guide that is published after January 1, 2002, to*
11 *ensure its suitability for this state. Each new edition shall be deemed*
12 *approved by the commissioner unless the edition is disapproved by the*
13 *commissioner within 30 days after the date of its publication.*
14 2. *An identification card or other device issued to an insured by an*
15 *insurer or administrator must be revised and reissued to the insured if*
16 *the information contained on the card or device is rendered inaccurate*
17 *by any change in:*
18 (a) *The coverage provided under the health care plan; or*



1 ***(b) The requirements of the NCPDP Pharmacy ID Card***
2 ***Implementation Guide, in the form most recently approved by the***
3 ***commissioner.***

4 ***3. An identification card or other device that is issued or reissued to***
5 ***an insured must:***

6 ***(a) Contain information regarding coverage; and***
7 ***(b) Conform to the requirements approved by the commissioner,***
8 ***in effect at the time the card or device is issued or reissued.***

9 ***4. The commissioner shall adopt such regulations as are necessary to***
10 ***carry out the provisions of this section.***

11 ***5. As used in this section:***

12 ***(a) "Administrator" has the meaning ascribed to it in NRS 683A.025.***

13 ***(b) "Health care plan" means a policy, contract, certificate or***
14 ***agreement offered by an insurer to provide for, deliver payment for,***
15 ***arrange for the payment of, pay for or reimburse any of the costs of***
16 ***health care services. The term includes an employee welfare benefit plan***
17 ***or other health benefit plan permitted under the Employment Retirement***
18 ***Income Security Act of 1974. The term does not include:***

19 ***(1) Coverage that is only for accident or disability income***
20 ***insurance, or any combination thereof.***

21 ***(2) Credit insurance.***

22 ***(3) Coverage that is only for a specified disease or illness.***

23 ***(4) Dental or vision benefits that are provided under a separate***
24 ***policy, certificate or contract of insurance or are otherwise not an***
25 ***integral part of a health care plan.***

26 ***(5) Coverage issued as a supplement to liability insurance.***

27 ***(6) Coverage for medical payments under a policy of automobile or***
28 ***homeowners' insurance.***

29 ***(7) Coverage for benefits that are payable without regard to fault***
30 ***and that are statutorily required to be included in a policy of liability***
31 ***insurance or equivalent self-insurance.***

32 ***(8) Hospital income or indemnity insurance.***

33 ***Sec. 2. NRS 680A.200 is hereby amended to read as follows:***

34 ***680A.200 1. Except as otherwise provided in NRS 616B.472, the***
35 ***commissioner may refuse to continue or may suspend, limit or revoke an***
36 ***insurer's certificate of authority if he finds after a hearing thereon, or upon***
37 ***waiver of hearing by the insurer, that the insurer has:***

38 ***(a) Violated or failed to comply with any lawful order of the***
39 ***commissioner;***

40 ***(b) Conducted his business in an unsuitable manner;***

41 ***(c) Willfully violated or willfully failed to comply with any lawful***
42 ***regulation of the commissioner; or***

43 ***(d) Violated any provision of this code other than one for violation of***
44 ***which suspension or revocation is mandatory.***

45 ***In lieu of such a suspension or revocation, the commissioner may levy***
46 ***upon the insurer, and the insurer shall pay forthwith, an administrative fine***
47 ***of not more than \$2,000 for each act or violation.***

48 ***2. Except as otherwise provided in chapter 696B of NRS, the***
49 ***commissioner shall suspend or revoke an insurer's certificate of authority***



1 on any of the following grounds if he finds after a hearing thereon that the
2 insurer:

3 (a) Is in unsound condition, is being fraudulently conducted, or is in
4 such a condition or is using such methods and practices in the conduct of
5 its business as to render its further transaction of insurance in this state
6 currently or prospectively hazardous or injurious to policyholders or to the
7 public.

8 (b) With such frequency as to indicate its general business practice in
9 this state:

10 (1) Has without just cause failed to pay, or delayed payment of,
11 claims arising under its policies, whether the claims are in favor of an
12 insured or in favor of a third person with respect to the liability of an
13 insured to the third person; or

14 (2) Without just cause compels insureds or claimants to accept less
15 than the amount due them or to employ attorneys or to bring suit against
16 the insurer or such an insured to secure full payment or settlement of such
17 claims.

18 (c) Refuses to be examined, or its directors, officers, employees or
19 representatives refuse to submit to examination relative to its affairs, or to
20 produce its books, papers, records, contracts, correspondence or other
21 documents for examination by the commissioner when required, or refuse
22 to perform any legal obligation relative to the examination.

23 (d) Except as otherwise provided in NRS 681A.110, has reinsured all its
24 risks in their entirety in another insurer.

25 (e) Has failed to pay any final judgment rendered against it in this state
26 upon any policy, bond, recognizance or undertaking as issued or
27 guaranteed by it, within 30 days after the judgment became final or within
28 30 days after dismissal of an appeal before final determination, whichever
29 date is the later.

30 *(f) Has violated the provisions of section 1 of this act.*

31 3. The commissioner may, without advance notice or a hearing
32 thereon, immediately suspend the certificate of authority of any insurer as
33 to which proceedings for receivership, conservatorship, rehabilitation or
34 other delinquency proceedings have been commenced in any state by the
35 public officer who supervises insurance for that state.

36 4. No proceeding to suspend, limit or revoke a certificate of authority
37 pursuant to this section may be maintained unless it is commenced by the
38 giving of notice to the insurer within 5 years after the occurrence of the
39 charged act or omission. This limitation does not apply if the commissioner
40 finds fraudulent or willful evasion of taxes.

41 **Sec. 3.** This act becomes effective upon passage and approval for the
42 purpose of adopting regulations and on January 1, 2002, for all other
43 purposes.

