

SENATE BILL NO. 111—COMMITTEE ON HUMAN
RESOURCES AND FACILITIES

(ON BEHALF OF SENATOR RAWSON)

FEBRUARY 13, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Requires health insurance coverage for general anesthesia and associated dental care for children under certain circumstances. (BDR 57-812)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: 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; requiring certain policies, contracts and health care plans to include coverage for general anesthesia and associated dental care for children under certain circumstances; authorizing limitations on the provision of such coverage under certain circumstances; providing a penalty; 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 689A of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. A policy of health insurance subject to the provisions of this***
4 ***chapter that is delivered or issued for delivery in this state must provide***
5 ***coverage for a dependent child covered by that policy who is referred by a***
6 ***dentist to a hospital, a surgical center for ambulatory patients, an***
7 ***independent center for emergency medical care or a rural clinic, licensed***
8 ***pursuant to chapter 449 of NRS, for general anesthesia and associated***
9 ***dental care if the child is being referred because, in the opinion of the***
10 ***dentist, the child:***
11 ***(a) Has a physical, mental or medically compromising condition;***
12 ***(b) Has dental needs for which local anesthesia is ineffective because***
13 ***of an acute infection, an anatomic anomaly or an allergy;***
14 ***(c) Is extremely uncooperative, unmanageable or anxious; or***
15 ***(d) Has sustained extensive orofacial and dental trauma.***
16 ***2. An insurer may:***



1 (a) *Require prior authorization for the provision of general anesthesia*
2 *and for hospitalization or the use of a surgical center for ambulatory*
3 *patients for dental procedures in the same manner that it requires prior*
4 *authorization for hospitalization for the provision of general anesthesia*
5 *for other diseases or conditions covered by the policy of health*
6 *insurance;*

7 (b) *Require that the benefits paid be adjusted according to the policy*
8 *of health insurance if the services are rendered by a provider who is not*
9 *designated by or associated with the insurer, if applicable; and*

10 (c) *Restrict coverage to include only general anesthesia provided*
11 *during procedures performed by:*

12 (1) *A qualified specialist in pediatric dentistry;*

13 (2) *A dentist who is qualified, by virtue of his education, in a*
14 *recognized dental specialty for which hospital privileges are granted; or*

15 (3) *A dentist who is certified, by virtue of his completion of an*
16 *accredited program of postgraduate hospital training, to be granted*
17 *hospital privileges.*

18 3. *A policy of health insurance subject to the provisions of this*
19 *chapter that is delivered, issued for delivery or renewed on or after*
20 *October 1, 2001, has the legal effect of including the coverage required*
21 *by this section, and any provision of the policy that conflicts with the*
22 *provisions of this section is void.*

23 **Sec. 2.** NRS 689A.330 is hereby amended to read as follows:

24 689A.330 If any policy is issued by a domestic insurer for delivery to a
25 person residing in another state, and if the insurance commissioner or
26 corresponding public officer of that other state has informed the
27 commissioner that the policy is not subject to approval or disapproval by
28 that officer, the commissioner may by ruling require that the policy meet
29 the standards set forth in NRS 689A.030 to 689A.320, inclusive ~~§~~ , *and*
30 *section 1 of this act.*

31 **Sec. 3.** Chapter 689B of NRS is hereby amended by adding thereto a
32 new section to read as follows:

33 1. *A policy of group or blanket health insurance subject to the*
34 *provisions of this chapter that is delivered or issued for delivery in this*
35 *state must provide coverage for a dependent child covered by that policy*
36 *who is referred by a dentist to a hospital, a surgical center for*
37 *ambulatory patients, an independent center for emergency medical care*
38 *or a rural clinic, licensed pursuant to chapter 449 of NRS, for general*
39 *anesthesia and associated dental care if the child is being referred*
40 *because, in the opinion of the dentist, the child:*

41 (a) *Has a physical, mental or medically compromising condition;*

42 (b) *Has dental needs for which local anesthesia is ineffective because*
43 *of an acute infection, an anatomic anomaly or an allergy;*

44 (c) *Is extremely uncooperative, unmanageable or anxious; or*

45 (d) *Has sustained extensive orofacial and dental trauma.*

46 2. *An insurer may:*



1 (a) *Require prior authorization for the provision of general anesthesia*
2 *and for hospitalization or the use of a surgical center for ambulatory*
3 *patients for dental procedures in the same manner that it requires prior*
4 *authorization for hospitalization for the provision of general anesthesia*
5 *for other diseases or conditions covered by the policy of group or blanket*
6 *health insurance;*

7 (b) *Require that the benefits paid be adjusted according to the policy*
8 *of group or blanket health insurance if the services are rendered by a*
9 *provider who is not designated by or associated with the insurer, if*
10 *applicable; and*

11 (c) *Restrict coverage to include only general anesthesia provided*
12 *during procedures performed by:*

13 (1) *A qualified specialist in pediatric dentistry;*

14 (2) *A dentist who is qualified, by virtue of his education, in a*
15 *recognized dental specialty for which hospital privileges are granted; or*

16 (3) *A dentist who is certified, by virtue of his completion of an*
17 *accredited program of postgraduate hospital training, to be granted*
18 *hospital privileges.*

19 3. *A policy of group or blanket health insurance subject to the*
20 *provisions of this chapter that is delivered, issued for delivery or renewed*
21 *on or after October 1, 2001, has the legal effect of including the coverage*
22 *required by this section, and any provision of the policy that conflicts*
23 *with the provisions of this section is void.*

24 **Sec. 4.** Chapter 695B of NRS is hereby amended by adding thereto a
25 new section to read as follows:

26 1. *A contract for hospital, medical or dental services subject to the*
27 *provisions of this chapter that is delivered or issued for delivery in this*
28 *state must provide coverage for a dependent child covered by that*
29 *contract who is referred by a dentist to a hospital, a surgical center for*
30 *ambulatory patients, an independent center for emergency medical care*
31 *or a rural clinic, licensed pursuant to chapter 449 of NRS, for general*
32 *anesthesia and associated dental care if the child is being referred*
33 *because, in the opinion of the dentist, the child:*

34 (a) *Has a physical, mental or medically compromising condition;*

35 (b) *Has dental needs for which local anesthesia is ineffective because*
36 *of an acute infection, an anatomic anomaly or an allergy;*

37 (c) *Is extremely uncooperative, unmanageable or anxious; or*

38 (d) *Has sustained extensive orofacial and dental trauma.*

39 2. *An insurer may:*

40 (a) *Require prior authorization for the provision of general anesthesia*
41 *and for hospitalization or the use of a surgical center for ambulatory*
42 *patients for dental procedures in the same manner that it requires prior*
43 *authorization for hospitalization for the provision of general anesthesia*
44 *for other diseases or conditions covered by the contract for hospital,*
45 *medical or dental services;*



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1 (b) *Require that the benefits paid be adjusted according to the*
2 *contract for hospital, medical or dental services if the services are*
3 *rendered by a provider who is not designated by or associated with the*
4 *insurer, if applicable; and*

5 (c) *Restrict coverage to include only general anesthesia provided*
6 *during procedures performed by:*

7 (1) *A qualified specialist in pediatric dentistry;*

8 (2) *A dentist who is qualified, by virtue of his education, in a*
9 *recognized dental specialty for which hospital privileges are granted; or*

10 (3) *A dentist who is certified, by virtue of his completion of an*
11 *accredited program of postgraduate hospital training, to be granted*
12 *hospital privileges.*

13 3. *A contract for hospital, medical or dental services subject to the*
14 *provisions of this chapter that is delivered, issued for delivery or renewed*
15 *on or after October 1, 2001, has the legal effect of including the coverage*
16 *required by this section, and any provision of the contract that conflicts*
17 *with the provisions of this section is void.*

18 **Sec. 5.** Chapter 695C of NRS is hereby amended by adding thereto a
19 new section to read as follows:

20 1. *A health care plan subject to the provisions of this chapter that is*
21 *delivered or issued for delivery in this state must provide coverage for a*
22 *dependent child covered by that plan who is referred by a dentist to a*
23 *hospital, a surgical center for ambulatory patients, an independent center*
24 *for emergency medical care or a rural clinic, licensed pursuant to*
25 *chapter 449 of NRS, for general anesthesia and associated dental care if*
26 *the child is being referred because, in the opinion of the dentist, the*
27 *child:*

28 (a) *Has a physical, mental or medically compromising condition;*

29 (b) *Has dental needs for which local anesthesia is ineffective because*
30 *of an acute infection, an anatomic anomaly or an allergy;*

31 (c) *Is extremely uncooperative, unmanageable or anxious; or*

32 (d) *Has sustained extensive orofacial and dental trauma.*

33 2. *A health maintenance organization may:*

34 (a) *Require prior authorization for the provision of general anesthesia*
35 *and for hospitalization or the use of a surgical center for ambulatory*
36 *patients for dental procedures in the same manner that it requires prior*
37 *authorization for hospitalization for the provision of general anesthesia*
38 *for other diseases or conditions covered by the health care plan;*

39 (b) *Require that the benefits paid be adjusted according to the health*
40 *care plan if the services are rendered by a provider who is not designated*
41 *by or associated with the health maintenance organization; and*

42 (c) *Restrict coverage to include only general anesthesia provided*
43 *during procedures performed by:*

44 (1) *A qualified specialist in pediatric dentistry;*

45 (2) *A dentist who is qualified, by virtue of his education, in a*
46 *recognized dental specialty for which hospital privileges are granted; or*



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1 (3) *A dentist who is certified, by virtue of his completion of an*
2 *accredited program of postgraduate hospital training, to be granted*
3 *hospital privileges.*

4 3. *A health care plan subject to the provisions of this chapter that is*
5 *delivered, issued for delivery or renewed on or after October 1, 2001, has*
6 *the legal effect of including the coverage required by this section, and*
7 *any provision of the health care plan that conflicts with the provisions of*
8 *this section is void.*

9 **Sec. 6.** NRS 695C.330 is hereby amended to read as follows:

10 695C.330 1. The commissioner may suspend or revoke any
11 certificate of authority issued to a health maintenance organization
12 pursuant to the provisions of this chapter if he finds that any of the
13 following conditions exist:

14 (a) The health maintenance organization is operating significantly in
15 contravention of its basic organizational document, its health care plan or
16 in a manner contrary to that described in and reasonably inferred from any
17 other information submitted pursuant to NRS 695C.060, 695C.070 and
18 695C.140, unless any amendments to those submissions have been filed
19 with and approved by the commissioner;

20 (b) The health maintenance organization issues evidence of coverage or
21 uses a schedule of charges for health care services which do not comply
22 with the requirements of NRS 695C.170 to 695C.200, inclusive, *and*
23 *section 5 of this act*, or *NRS* 695C.1694, 695C.1695 or 695C.207;

24 (c) The health care plan does not furnish comprehensive health care
25 services as provided for in NRS 695C.060;

26 (d) The state board of health certifies to the commissioner that the
27 health maintenance organization:

28 (1) Does not meet the requirements of subsection 2 of NRS
29 695C.080; or

30 (2) Is unable to fulfill its obligations to furnish health care services as
31 required under its health care plan;

32 (e) The health maintenance organization is no longer financially
33 responsible and may reasonably be expected to be unable to meet its
34 obligations to enrollees or prospective enrollees;

35 (f) The health maintenance organization has failed to put into effect a
36 mechanism affording the enrollees an opportunity to participate in matters
37 relating to the content of programs pursuant to NRS 695C.110;

38 (g) The health maintenance organization has failed to put into effect the
39 system for complaints required by NRS 695C.260 in a manner reasonably
40 to dispose of valid complaints;

41 (h) The health maintenance organization or any person on its behalf has
42 advertised or merchandised its services in an untrue, misrepresentative,
43 misleading, deceptive or unfair manner;

44 (i) The continued operation of the health maintenance organization
45 would be hazardous to its enrollees; or

46 (j) The health maintenance organization has otherwise failed to comply
47 substantially with the provisions of this chapter.

48 2. A certificate of authority must be suspended or revoked only after
49 compliance with the requirements of NRS 695C.340.



1 3. If the certificate of authority of a health maintenance organization is
2 suspended, the health maintenance organization shall not, during the period
3 of that suspension, enroll any additional groups or new individual
4 contracts, unless those groups or persons were contracted for before the
5 date of suspension.

6 4. If the certificate of authority of a health maintenance organization is
7 revoked, the organization shall proceed, immediately following the
8 effective date of the order of revocation, to wind up its affairs and shall
9 conduct no further business except as may be essential to the orderly
10 conclusion of the affairs of the organization. It shall engage in no further
11 advertising or solicitation of any kind. The commissioner may by written
12 order permit such further operation of the organization as he may find to be
13 in the best interest of enrollees to the end that enrollees are afforded the
14 greatest practical opportunity to obtain continuing coverage for health care.

15 **Sec. 7.** NRS 287.010 is hereby amended to read as follows:

16 287.010 1. The governing body of any county, school district,
17 municipal corporation, political subdivision, public corporation or other
18 public agency of the State of Nevada may:

19 (a) Adopt and carry into effect a system of group life, accident or health
20 insurance, or any combination thereof, for the benefit of its officers and
21 employees, and the dependents of officers and employees who elect to
22 accept the insurance and who, where necessary, have authorized the
23 governing body to make deductions from their compensation for the
24 payment of premiums on the insurance.

25 (b) Purchase group policies of life, accident or health insurance, or any
26 combination thereof, for the benefit of such officers and employees, and
27 the dependents of such officers and employees, as have authorized the
28 purchase, from insurance companies authorized to transact the business of
29 such insurance in the State of Nevada, and, where necessary, deduct from
30 the compensation of *the* officers and employees the premiums upon
31 insurance and pay the deductions upon the premiums.

32 (c) Provide group life, accident or health coverage through a self-
33 insurance reserve fund and, where necessary, deduct contributions to the
34 maintenance of the fund from the compensation of officers and employees
35 and pay the deductions into the fund. The money accumulated for this
36 purpose through deductions from the compensation of officers and
37 employees and contributions of the governing body must be maintained as
38 an internal service fund as defined by NRS 354.543. The money must be
39 deposited in a state or national bank or credit union authorized to transact
40 business in the State of Nevada. Any independent administrator of a fund
41 created under this section is subject to the licensing requirements of
42 chapter 683A of NRS, and must be a resident of this state. Any contract
43 with an independent administrator must be approved by the commissioner
44 of insurance as to the reasonableness of administrative charges in relation
45 to contributions collected and benefits provided. The provisions of NRS
46 689B.030 to 689B.050, inclusive, *and section 3 of this act*, apply to
47 coverage provided pursuant to this paragraph, except that the provisions of
48 NRS 689B.0359 do not apply to such coverage.



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1 (d) Defray part or all of the cost of maintenance of a self-insurance fund
2 or of the premiums upon insurance. The money for contributions must be
3 budgeted for in accordance with the laws governing the county, school
4 district, municipal corporation, political subdivision, public corporation or
5 other public agency of the State of Nevada.
6 2. If a school district offers group insurance to its officers and
7 employees pursuant to this section, members of the board of trustees of the
8 school district must not be excluded from participating in the group
9 insurance. If the amount of the deductions from compensation required to
10 pay for the group insurance exceeds the compensation to which a trustee is
11 entitled, the difference must be paid by the trustee.

