

SENATE BILL NO. 244—COMMITTEE ON HUMAN  
RESOURCES AND FACILITIES

FEBRUARY 26, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Requires certain providers of health care to submit their credentials to verification organization. (BDR 54-974)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to health care; requiring certain providers of health care to submit their credentials to a verification organization; requiring a verification organization to submit those credentials to a health care entity or a licensing board under certain circumstances; prohibiting a health care entity or licensing board from obtaining or attempting to obtain the credentials of a provider of health care under certain circumstances; requiring a verification organization to register with the division of insurance of the department of business and industry before conducting business in this state; 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 629 of NRS is hereby amended by adding thereto
- 2     the provisions set forth as sections 2 to 12, inclusive, of this act.
- 3     **Sec. 2.** *“Credentials” means any information concerning the*
- 4     *education, licensing, certification or employment of a provider of health*
- 5     *care, including:*
- 6         1. *His name, address and social security number;*
- 7         2. *His professional education and training, including any internship,*
- 8         *residency or fellowship completed by him relating to the profession for*
- 9         *which he is licensed, registered or certified;*
- 10        3. *Any license or certificate issued to him to practice as a provider of*
- 11        *health care, including any certificate issued for a specialized area of*
- 12        *practice;*
- 13        4. *Any hospital or other institution for which he has provided*
- 14        *medical services, including the name and address of each hospital or*
- 15        *institution, his position on the staff of the hospital or institution, and the*
- 16        *period during which he provided the medical services for the hospital or*
- 17        *institution;*



\* S B 2 4 4 \*

- 1     5. *Evidence of any professional liability insurance maintained by*
- 2     *him;*
- 3     6. *A record of any legal or disciplinary action taken against him*
- 4     *relating to the profession for which he is licensed, registered or certified;*
- 5     7. *Any registration number issued to him by the Drug Enforcement*
- 6     *Administration of the United States Department of Justice or its*
- 7     *successor agency;*
- 8     8. *Any certificate issued to him by the Educational Commission for*
- 9     *Foreign Medical Graduates; and*
- 10    9. *Any other information required by the division.*
- 11    Sec. 3. *"Division" means the division of insurance of the*
- 12    *department of business and industry.*
- 13    Sec. 4. *"Health care entity" means:*
- 14    1. *Any health care facility or other health care organization licensed*
- 15    *or certified to provide health care services in this state, including, without*
- 16    *limitation, a health maintenance organization as defined in NRS*
- 17    *695C.030;*
- 18    2. *Any insurer as defined in NRS 679B.540; or*
- 19    3. *Any accredited medical school in this state.*
- 20    Sec. 5. *"Licensing board" means any board that is authorized to*
- 21    *adopt standards for the issuance or renewal of a license or certificate for*
- 22    *a provider of health care.*
- 23    Sec. 6. *"Verification organization" means any organization that:*
- 24    1. *Is certified or accredited by the National Committee for Quality*
- 25    *Assurance, the Joint Commission on Accreditation of Healthcare*
- 26    *Organizations or any other nationally recognized organization approved*
- 27    *by the department; and*
- 28    2. *Verifies the credentials of a provider of health care.*
- 29    Sec. 7. *Each provider of health care shall:*
- 30    1. *Within 45 days after he is issued a license or certificate to practice*
- 31    *as a provider of health care, submit his credentials to a verification*
- 32    *organization that is registered with the division;*
- 33    2. *Notify the verification organization within 45 days of any*
- 34    *correction, revision or modification to his credentials submitted pursuant*
- 35    *to subsection 1; and*
- 36    3. *Within 10 days after submitting his credentials to a verification*
- 37    *organization, provide a written notice to the division setting forth the*
- 38    *name and address of the verification organization.*
- 39    Sec. 8. 1. *Each verification organization shall:*
- 40    (a) *Prepare and maintain a record of the credentials of each provider*
- 41    *of health care and any correction, revision or modification to the*
- 42    *credentials submitted pursuant to section 7 of this act;*
- 43    (b) *Prepare and make available to each provider of health care a form*
- 44    *for use by the provider of health care for submitting the information*
- 45    *required pursuant to section 7 of this act; and*
- 46    (c) *Within 30 days after receiving a request for the credentials of a*
- 47    *provider of health care submitted by a health care entity or a licensing*
- 48    *board, provide the credentials to the health care entity or licensing board.*



2. A verification organization shall not charge or collect a fee from a provider of health care for submitting to the verification organization his credentials or any correction, revision or modification of those credentials.

**Sec. 9.** 1. Before obtaining or attempting to obtain the credentials of a provider of health care, a health care entity or licensing board shall determine whether the credentials are available from a verification organization. If it determines that the credentials are available from a verification organization, the health care entity or licensing board shall not obtain or attempt to obtain the credentials from the provider of health care without his consent.

2. The provisions of this section do not prohibit a health care entity or licensing board from obtaining the credentials of a provider of health care if those credentials are not included in the record of the provider of health care maintained by a verification organization pursuant to section 8 of this act.

**Sec. 10.** 1. A verification organization shall not conduct business in this state unless it is:

(a) Accredited or certified as a verification organization by a national accrediting organization; and

(b) Registered with the division.

2. A verification organization may apply to the department for a certificate of registration. The application must be submitted on a form provided by the division and include any information concerning the verification organization required by the division.

3. The division shall, within 30 days after receiving an application for registration, approve or deny the application. If the division denies the application, the division shall notify the verification organization in writing of that fact within 10 days after denying the application. If the division approves the application, the division shall, upon the payment of any fee prescribed by the division, issue a certificate of registration to the verification organization. The certificate of registration is valid for 2 years and may be renewed.

4. The division may prescribe a fee for the issuance or renewal of a certificate of registration. If the division prescribes such a fee, the fee must not exceed the cost of issuing or renewing the certificate.

5. The division may revoke, suspend or refuse to renew a certificate of registration issued to a verification organization if the verification organization:

(a) Fails to maintain its accreditation or certification with a national accrediting organization;

(b) Fails to provide to the division the credentials of a provider of health care or any correction, revision or modification to those credentials upon request by the division; or

(c) Fails to provide to a health care entity or a licensing board the credentials of a provider of health care within the period specified in paragraph (c) of subsection 1 of section 8 of this act.

6. As used in this section, "national accrediting organization" means the National Committee for Quality Assurance, the Joint Commission on



\* S B 2 4 4 \*

1 *Accreditation of Healthcare Organizations or any other nationally*  
2 *recognized organization that certifies or accredits verification*  
3 *organizations.*

4 **Sec. 11.** *Each verification organization shall, during any period in*  
5 *which it conducts business in this state, maintain a policy of liability*  
6 *insurance in an amount determined by the division.*

7 **Sec. 12.** *The division shall adopt regulations to carry out the*  
8 *provisions of sections 2 to 12, inclusive, of this act. The regulations must*  
9 *prescribe, without limitation:*

10 1. *The manner in which a verification organization must notify a*  
11 *provider of health care if the verification organization ceases to conduct*  
12 *business in this state or if the certificate of registration of the verification*  
13 *organization is revoked, suspended or not renewed;*

14 2. *The manner in which a provider of health care who has submitted*  
15 *his credentials to such a verification organization must submit his*  
16 *credentials to another verification organization or the division; and*

17 3. *The fee that a verification organization may charge and collect*  
18 *from a health care entity or a licensing board for providing the*  
19 *credentials of a provider of health care to the health care entity or*  
20 *licensing board.*

21 **Sec. 13.** NRS 629.011 is hereby amended to read as follows:

22 629.011 As used in this chapter, unless the context otherwise requires,  
23 *the* words and terms defined in NRS 629.021 and 629.031 *and sections 2*  
24 *to 6, inclusive, of this act* have the meanings ascribed to them in those  
25 sections.

26 **Sec. 14.** NRS 629.031 is hereby amended to read as follows:

27 629.031 1. "Provider of health care" means a physician licensed  
28 pursuant to chapter 630, 630A or 633 of NRS, dentist, licensed nurse,  
29 dispensing optician, optometrist, practitioner of respiratory care, registered  
30 physical therapist, podiatric physician, licensed psychologist, licensed  
31 marriage and family therapist, chiropractor, doctor of Oriental medicine in  
32 any form, medical laboratory director or technician, pharmacist or a  
33 licensed hospital as the employer of any such person.

34 2. For the purposes of NRS 629.051, 629.061 and 629.065, the term  
35 includes a facility that maintains the health care records of patients.

36 3. *For the purposes of sections 2 to 12, inclusive, of this act, the term*  
37 *does not include a licensed hospital specified in subsection 1.*

38 **Sec. 15.** Notwithstanding the provisions of section 7 of this act, each  
39 holder of:

40 1. A license to practice as a physician issued pursuant to chapter 630,  
41 630A or 633 of NRS;

42 2. A license to practice as a dentist issued pursuant to chapter 631 of  
43 NRS;

44 3. A license to engage in the practice of nursing issued pursuant to  
45 chapter 632 of NRS;

46 4. A license to practice as a chiropractor issued pursuant to chapter  
47 634 of NRS;

48 5. A license to engage in the practice of Oriental medicine issued  
49 pursuant to chapter 634A of NRS;



- 1     6. A license to practice as a podiatric physician issued pursuant to
- 2     chapter 635 of NRS;
- 3     7. A license to practice as an optometrist issued pursuant to chapter
- 4     636 of NRS;
- 5     8. A license to practice as a dispensing optician issued pursuant to
- 6     chapter 637 of NRS;
- 7     9. A certificate of registration as a pharmacist issued pursuant to
- 8     chapter 639 of NRS;
- 9     10. A license as a registered physical therapist issued pursuant to
- 10    chapter 640 of NRS;
- 11    11. A certificate as a practitioner of respiratory care issued pursuant to
- 12    chapter 640B of NRS;
- 13    12. A license to practice as a psychologist issued pursuant to chapter
- 14    641 of NRS;
- 15    13. A license to practice as a marriage and family therapist issued
- 16    pursuant to chapter 641A of NRS;
- 17    14. A license to practice as a laboratory director issued pursuant to
- 18    chapter 652 of NRS; or
- 19    15. A certificate to practice as a medical laboratory technician issued
- 20    pursuant to chapter 652 of NRS,
- 21    shall, on or before July 1, 2002, submit the information required pursuant
- 22    to section 7 of this act to a verification organization that is registered with
- 23    the division of insurance of the department of business and industry in
- 24    accordance with section 10 of this act, and provide to the division a written
- 25    notice setting forth the name and address of the verification organization.
- 26    **Sec. 16.** This act becomes effective upon passage and approval for the
- 27    purpose of adopting regulations by the division of insurance of the
- 28    department of business and industry to carry out the provisions of sections
- 29    2 to 12, inclusive, of this act and on July 1, 2002, for all other purposes.

