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SECOND REPRINT

S.B. 99

SENATE BILL NO. 99—SENATOR O’CONNELL (BY REQUEST)

FEBRUARY 12, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes to provisions governing health insurance.
(BDR 57-132)

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 provisions governing the prompt payment by insurers of approved claims to providers of health care; revising the rate of interest applicable to the late payment of such claims; prohibiting the assessment of fees against providers of health care to be included on a list of providers of health care; establishing an administrative fine against insurers who do not substantially comply with the provisions requiring prompt payment of approved claims to providers of health care; allowing an employee who is injured or who contracts an occupational disease outside this state to receive compensation from the uninsured employers’ claim fund; 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 679B.138 is hereby amended to read as follows:
2 679B.138 1. The commissioner shall adopt regulations which require
3 the use of uniform claim forms and billing codes and the ability to make
4 compatible electronic data transfers for all insurers and administrators
5 authorized to conduct business in this state relating to a health care plan or
6 health insurance or providing or arranging for the provision of health care
7 services, including, without limitation, an insurer that issues a policy of
8 health insurance, an insurer that issues a policy of group health insurance, a
9 carrier serving small employers, a fraternal benefit society, a hospital or
10 medical service corporation, a health maintenance organization, a plan for
11 dental care and a prepaid limited health service organization. *The*
12 *regulations must include, without limitation, a uniform billing format to*
13 *be used for the submission of claims to such insurers and administrators.*
14 2. As used in this section:
15 (a) “Administrator” has the meaning ascribed to it in NRS 683A.025.



1 (b) "Health care plan" means a policy, contract, certificate or agreement
2 offered or issued by an insurer to provide, deliver, arrange for, pay for or
3 reimburse any of the costs of health care services.

4 **Sec. 1.5.** NRS 683A.0879 is hereby amended to read as follows:

5 683A.0879 1. Except as otherwise provided in subsection 2, an
6 administrator shall approve or deny a claim relating to health insurance
7 coverage within 30 days after the administrator receives the claim. If the
8 claim is approved, the administrator shall pay the claim within 30 days
9 after it is approved. If the approved claim is not paid within that period, the
10 administrator shall pay interest on the claim at ~~the~~ *a* rate of interest
11 ~~established pursuant to NRS 99.040 unless a different rate of interest is~~
12 ~~established pursuant to an express written contract between the~~
13 ~~administrator and the provider of health care.~~ *equal to the prime rate at*
14 *the largest bank in Nevada, as ascertained by the commissioner of*
15 *financial institutions, on January 1 or July 1, as the case may be,*
16 *immediately preceding the date on which the payment was due, plus 6*
17 *percent.* The interest must be calculated from 30 days after the date on
18 which the claim is approved until the *date on which the* claim is paid.

19 2. If the administrator requires additional information to determine
20 whether to approve or deny the claim, he shall notify the claimant of his
21 request for the additional information within 20 days after he receives the
22 claim. The administrator shall notify the provider of health care of all the
23 specific reasons for the delay in approving or denying the claim. The
24 administrator shall approve or deny the claim within 30 days after
25 receiving the additional information. If the claim is approved, the
26 administrator shall pay the claim within 30 days after he receives the
27 additional information. If the approved claim is not paid within that period,
28 the administrator shall pay interest on the claim in the manner prescribed in
29 subsection 1.

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

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

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

39 *6. An administrator shall not require a provider of health care to*
40 *waive the payment of interest provided for in this section for the late*
41 *payment of an approved claim.*

42 *7. The commissioner may require an administrator to provide*
43 *evidence which demonstrates that the administrator has substantially*
44 *complied with the requirements set forth in this section, including,*
45 *without limitation, payment within 30 days of at least 95 percent of*
46 *approved claims or at least 90 percent of the total dollar amount for*
47 *approved claims. If the commissioner determines that an administrator is*
48 *not in substantial compliance with the requirements set forth in this*



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1 *section, the commissioner may require the administrator to pay an*
2 *administrative fine in an amount to be determined by the commissioner.*

3 **Sec. 2.** NRS 689A.035 is hereby amended to read as follows:

4 689A.035 An insurer ~~may~~ **shall not** charge a provider of health care
5 a fee to include the name of the provider on a list of providers of health
6 care given by the insurer to its insureds. ~~[The amount of the fee must be~~
7 ~~reasonable and must not exceed an amount that is directly related to the~~
8 ~~administrative costs of the insurer to include the provider on the list.]~~

9 **Sec. 3.** NRS 689A.410 is hereby amended to read as follows:

10 689A.410 1. Except as otherwise provided in subsection 2, an insurer
11 shall approve or deny a claim relating to a policy of health insurance within
12 30 days after the insurer receives the claim. If the claim is approved, the
13 insurer shall pay the claim within 30 days after it is approved. If the
14 approved claim is not paid within that period, the insurer shall pay interest
15 on the claim at ~~the~~ a rate of interest ~~established pursuant to NRS 99.040~~
16 ~~unless a different rate of interest is established pursuant to an express~~
17 ~~written contract between the insurer and the provider of health care.]~~ **equal**
18 **to the prime rate at the largest bank in Nevada, as ascertained by the**
19 **commissioner of financial institutions, on January 1 or July 1, as the**
20 **case may be, immediately preceding the date on which the payment was**
21 **due, plus 6 percent.** The interest must be calculated from 30 days after the
22 date on which the claim is approved until the **date on which the** claim is
23 paid.

24 2. If the insurer requires additional information to determine whether
25 to approve or deny the claim, it shall notify the claimant of its request for
26 the additional information within 20 days after it receives the claim. The
27 insurer shall notify the provider of health care of all the specific reasons for
28 the delay in approving or denying the claim. The insurer shall approve or
29 deny the claim within 30 days after receiving the additional information. If
30 the claim is approved, the insurer shall pay the claim within 30 days after it
31 receives the additional information. If the approved claim is not paid within
32 that period, the insurer shall pay interest on the claim in the manner
33 prescribed in subsection 1.

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

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

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

43 **6. An insurer shall not require a provider of health care to waive the**
44 **payment of interest provided for in this section for the late payment of an**
45 **approved claim.**

46 **7. The commissioner may require an insurer to provide evidence**
47 **which demonstrates that the insurer has substantially complied with the**
48 **requirements set forth in this section, including, without limitation,**
49 **payment within 30 days of at least 95 percent of approved claims or at**



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1 *least 90 percent of the total dollar amount for approved claims. If the*
2 *commissioner determines that an insurer is not in substantial compliance*
3 *with the requirements set forth in this section, the commissioner may*
4 *require the insurer to pay an administrative fine in an amount to be*
5 *determined by the commissioner.*

6 **Sec. 4.** NRS 689B.015 is hereby amended to read as follows:

7 689B.015 An insurer that issues a policy of group health insurance
8 ~~{may}~~ **shall not** charge a provider of health care a fee to include the name
9 of the provider on a list of providers of health care given by the insurer to
10 its insureds. ~~{The amount of the fee must be reasonable and must not~~
11 ~~exceed an amount that is directly related to the administrative costs of the~~
12 ~~insurer to include the provider on the list.}~~

13 **Sec. 5.** NRS 689B.255 is hereby amended to read as follows:

14 689B.255 1. Except as otherwise provided in subsection 2, an insurer
15 shall approve or deny a claim relating to a policy of group health insurance
16 or blanket insurance within 30 days after the insurer receives the claim. If
17 the claim is approved, the insurer shall pay the claim within 30 days after it
18 is approved. If the approved claim is not paid within that period, the insurer
19 shall pay interest on the claim at ~~{the}~~ **a** rate of interest ~~{established~~
20 ~~pursuant to NRS 99.040 unless a different rate of interest is established~~
21 ~~pursuant to an express written contract between the insurer and the~~
22 ~~provider of health care.}~~ **equal to the prime rate at the largest bank in**
23 **Nevada, as ascertained by the commissioner of financial institutions, on**
24 **January 1 or July 1, as the case may be, immediately preceding the date**
25 **on which the payment was due, plus 6 percent.** The interest must be
26 calculated from 30 days after the date on which the claim is approved until
27 the **date on which the** claim is paid.

28 2. If the insurer requires additional information to determine whether
29 to approve or deny the claim, it shall notify the claimant of its request for
30 the additional information within 20 days after it receives the claim. The
31 insurer shall notify the provider of health care of all the specific reasons for
32 the delay in approving or denying the claim. The insurer shall approve or
33 deny the claim within 30 days after receiving the additional information. If
34 the claim is approved, the insurer shall pay the claim within 30 days after it
35 receives the additional information. If the approved claim is not paid within
36 that period, the insurer shall pay interest on the claim in the manner
37 prescribed in subsection 1.

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}~~ **is** not
41 to delay the payment of the claim, harass the claimant or discourage the
42 filing 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 **6. An insurer shall not require a provider of health care to waive the**
48 **payment of interest provided for in this section for the late payment of an**
49 **approved claim.**



1 7. *The commissioner may require an insurer to provide evidence*
2 *which demonstrates that the insurer has substantially complied with the*
3 *requirements set forth in this section, including, without limitation,*
4 *payment within 30 days of at least 95 percent of approved claims or at*
5 *least 90 percent of the total dollar amount for approved claims. If the*
6 *commissioner determines that an insurer is not in substantial compliance*
7 *with the requirements set forth in this section, the commissioner may*
8 *require the insurer to pay an administrative fine in an amount to be*
9 *determined by the commissioner.*

10 **Sec. 6.** NRS 689C.435 is hereby amended to read as follows:

11 689C.435 A carrier serving small employers and a carrier that offers a
12 contract to a voluntary purchasing group ~~may~~ *shall not* charge a provider
13 of health care a fee to include the name of the provider on a list of
14 providers of health care given by the carrier to its insureds. ~~The amount of~~
15 ~~the fee must be reasonable and must not exceed an amount that is directly~~
16 ~~related to the administrative costs of the carrier to include the provider on~~
17 ~~the list.~~

18 **Sec. 7.** NRS 689C.485 is hereby amended to read as follows:

19 689C.485 1. Except as otherwise provided in subsection 2, a carrier
20 serving small employers and a carrier that offers a contract to a voluntary
21 purchasing group shall approve or deny a claim relating to a policy of
22 health insurance within 30 days after the carrier receives the claim. If the
23 claim is approved, the carrier shall pay the claim within 30 days after it is
24 approved. If the approved claim is not paid within that period, the carrier
25 shall pay interest on the claim at ~~the~~ *a* rate of interest ~~established~~
26 ~~pursuant to NRS 99.040 unless a different rate of interest is established~~
27 ~~pursuant to an express written contract between the carrier and the provider~~
28 ~~of health care.~~ *equal to the prime rate at the largest bank in Nevada, as*
29 *ascertained by the commissioner of financial institutions, on January 1*
30 *or July 1, as the case may be, immediately preceding the date on which*
31 *the payment was due, plus 6 percent.* The interest must be calculated from
32 30 days after the date on which the claim is approved until the *date on*
33 *which the* claim is paid.

34 2. If the carrier requires additional information to determine whether to
35 approve or deny the claim, it shall notify the claimant of its request for the
36 additional information within 20 days after it receives the claim. The
37 carrier shall notify the provider of health care of all the specific reasons for
38 the delay in approving or denying the claim. The carrier shall approve or
39 deny the claim within 30 days after receiving the additional information. If
40 the claim is approved, the carrier shall pay the claim within 30 days after it
41 receives the additional information. If the approved claim is not paid within
42 that period, the carrier shall pay interest on the claim in the manner
43 prescribed in subsection 1.

44 3. A carrier shall not request a claimant to resubmit information that
45 the claimant has already provided to the carrier, unless the carrier provides
46 a legitimate reason for the request and the purpose of the request is not to
47 delay the payment of the claim, harass the claimant or discourage the filing
48 of claims.



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

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

5 *6. A carrier shall not require a provider of health care to waive the*
6 *payment of interest provided for in this section for the late payment of an*
7 *approved claim.*

8 *7. The commissioner may require a carrier to provide evidence*
9 *which demonstrates that the carrier has substantially complied with the*
10 *requirements set forth in this section, including, without limitation,*
11 *payment within 30 days of at least 95 percent of approved claims or at*
12 *least 90 percent of the total dollar amount for approved claims. If the*
13 *commissioner determines that a carrier is not in substantial compliance*
14 *with the requirements set forth in this section, the commissioner may*
15 *require the carrier to pay an administrative fine in an amount to be*
16 *determined by the commissioner.*

17 **Sec. 8.** NRS 695A.095 is hereby amended to read as follows:

18 695A.095 A society ~~may~~ *shall not* charge a provider of health care a
19 fee to include the name of the provider on a list of providers of health care
20 given by the society to its insureds. ~~{The amount of the fee must be~~
21 ~~reasonable and must not exceed an amount that is directly related to the~~
22 ~~administrative costs of the society to include the provider on the list.}~~

23 **Sec. 9.** NRS 695B.035 is hereby amended to read as follows:

24 695B.035 A corporation subject to the provisions of this chapter ~~may~~
25 *shall not* charge a provider of health care a fee to include the name of the
26 provider on a list of providers of health care given by the corporation to its
27 insureds. ~~{The amount of the fee must be reasonable and must not exceed~~
28 ~~an amount that is directly related to the administrative costs of the~~
29 ~~corporation to include the provider on the list.}~~

30 **Sec. 10.** NRS 695B.2505 is hereby amended to read as follows:

31 695B.2505 1. Except as otherwise provided in subsection 2, a
32 corporation subject to the provisions of this chapter shall approve or deny a
33 claim relating to a contract for dental, hospital or medical services within
34 30 days after the corporation receives the claim. If the claim is approved,
35 the corporation shall pay the claim within 30 days after it is approved. If
36 the approved claim is not paid within that period, the corporation shall pay
37 interest on the claim at ~~the~~ *a* rate of interest ~~established pursuant to NRS~~
38 ~~99.040 unless a different rate of interest is established pursuant to an~~
39 ~~express written contract between the corporation and the provider of health~~
40 ~~care.}~~ *equal to the prime rate at the largest bank in Nevada, as*
41 *ascertained by the commissioner of financial institutions, on January 1*
42 *or July 1, as the case may be, immediately preceding the date on which*
43 *the payment was due, plus 6 percent.* The interest must be calculated from
44 30 days after the date on which the claim is approved until the *date on*
45 *which the* claim is paid.

46 2. If the corporation requires additional information to determine
47 whether to approve or deny the claim, it shall notify the claimant of its
48 request for the additional information within 20 days after it receives the
49 claim. The corporation shall notify the provider of dental, hospital or



1 medical services of all the specific reasons for the delay in approving or
2 denying the claim. The corporation shall approve or deny the claim within
3 30 days after receiving the additional information. If the claim is approved,
4 the corporation shall pay the claim within 30 days after it receives the
5 additional information. If the approved claim is not paid within that period,
6 the corporation shall pay interest on the claim in the manner prescribed in
7 subsection 1.

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

13 4. A corporation shall not pay only part of a claim that has been
14 approved and is fully payable.

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

17 *6. A corporation shall not require a provider of health care to waive*
18 *the payment of interest provided for in this section for the late payment of*
19 *an approved claim.*

20 *7. The commissioner may require a corporation to provide evidence*
21 *which demonstrates that the corporation has substantially complied with*
22 *the requirements set forth in this section, including, without limitation,*
23 *payment within 30 days of at least 95 percent of approved claims or at*
24 *least 90 percent of the total dollar amount for approved claims. If the*
25 *commissioner determines that a corporation is not in substantial*
26 *compliance with the requirements set forth in this section, the*
27 *commissioner may require the corporation to pay an administrative fine*
28 *in an amount to be determined by the commissioner.*

29 **Sec. 11.** Chapter 695C of NRS is hereby amended by adding thereto
30 the provisions set forth as sections 11.3 and 11.7 of this act.

31 **Sec. 11.3.** *1. A health maintenance organization shall not:*

32 *(a) Enter into any contract or agreement, or make any other*
33 *arrangements, with a provider for the provision of health care; or*

34 *(b) Employ a provider pursuant to a contract, an agreement or any*
35 *other arrangement to provide health care,*

36 *unless the contract, agreement or other arrangement specifically*
37 *provides that the health maintenance organization and provider agree to*
38 *the schedule for the payment of claims set forth in NRS 695C.185.*

39 *2. Any contract, agreement or other arrangement between a health*
40 *maintenance organization and a provider that is entered into or renewed*
41 *on or after October 1, 2001, that does not specifically include a provision*
42 *concerning the schedule for the payment of claims as required by*
43 *subsection 1 shall be deemed to conform with the requirements of*
44 *subsection 1 by operation of law.*

45 **Sec. 11.7.** *Any contract or other agreement entered into or renewed*
46 *by a health maintenance organization on or after October 1, 2001:*

47 *1. To provide health care services through managed care to*
48 *recipients of Medicaid under the state plan for Medicaid; or*



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1 2. *With the division of health care financing and policy of the*
2 *department of human resources to provide insurance pursuant to the*
3 *children's health insurance program,*
4 *must require the health maintenance organization to pay interest to a*
5 *provider of health care services on a claim that is not paid within the*
6 *time provided in the contract or agreement at a rate of interest equal to*
7 *the prime rate at the largest bank in Nevada, as ascertained by the*
8 *commissioner of financial institutions, on January 1 or July 1, as the*
9 *case may be, immediately preceding the date on which the payment was*
10 *due, plus 6 percent. The interest must be calculated from 30 days after*
11 *the date on which the claim is approved until the date on which the claim*
12 *is paid.*

13 **Sec. 12.** NRS 695C.050 is hereby amended to read as follows:

14 695C.050 1. Except as otherwise provided in this chapter or in
15 specific provisions of this Title, the provisions of this Title are not
16 applicable to any health maintenance organization granted a certificate of
17 authority under this chapter. This provision does not apply to an insurer
18 licensed and regulated pursuant to this Title except with respect to its
19 activities as a health maintenance organization authorized and regulated
20 pursuant to this chapter.

21 2. Solicitation of enrollees by a health maintenance organization
22 granted a certificate of authority, or its representatives, must not be
23 construed to violate any provision of law relating to solicitation or
24 advertising by practitioners of a healing art.

25 3. Any health maintenance organization authorized under this chapter
26 shall not be deemed to be practicing medicine and is exempt from the
27 provisions of chapter 630 of NRS.

28 4. The provisions of NRS 695C.110, 695C.170 to 695C.200, inclusive,
29 ~~and~~ sections 19 and 20 of ~~this act,~~ *Senate Bill No. 2 of this session,*
30 *section 11.3 of this act and* NRS 695C.250 and 695C.265 do not apply to a
31 health maintenance organization that provides health care services through
32 managed care to recipients of Medicaid under the state plan for Medicaid
33 or insurance pursuant to the children's health insurance program pursuant
34 to a contract with the division of health care financing and policy of the
35 department of human resources. This subsection does not exempt a health
36 maintenance organization from any provision of this chapter for services
37 provided pursuant to any other contract.

38 5. The provisions of NRS 695C.1694 and 695C.1695 apply to a health
39 maintenance organization that provides health care services through
40 managed care to recipients of Medicaid under the state plan for Medicaid.

41 **Sec. 13.** NRS 695C.055 is hereby amended to read as follows:

42 695C.055 1. The provisions of NRS 449.465, 679B.158, subsections
43 2, 4, 18, 19 and 32 of NRS 680B.010, NRS 680B.025 to 680B.060,
44 inclusive, ~~and 695G.010 to 695G.260, inclusive,~~ *chapter 695G of NRS*
45 *and section 16 of this act,* apply to a health maintenance organization.

46 2. For the purposes of subsection 1, unless the context requires that a
47 provision apply only to insurers, any reference in those sections to
48 "insurer" must be replaced by "health maintenance organization."



1 **Sec. 14.** NRS 695C.125 is hereby amended to read as follows:

2 695C.125 A health maintenance organization ~~may~~ *shall not* charge a
3 provider of health care a fee to include the name of the provider on a list of
4 providers of health care given by the health maintenance organization to its
5 enrollees. ~~[The amount of the fee must be reasonable and must not exceed~~
6 ~~an amount that is directly related to the administrative costs of the health~~
7 ~~maintenance organization to include the provider on the list.]~~

8 **Sec. 15.** NRS 695C.185 is hereby amended to read as follows:

9 695C.185 1. Except as otherwise provided in subsection 2, a health
10 maintenance organization shall approve or deny a claim relating to a health
11 care plan within 30 days after the health maintenance organization receives
12 the claim. If the claim is approved, the health maintenance organization
13 shall pay the claim within 30 days after it is approved. If the approved
14 claim is not paid within that period, the health maintenance organization
15 shall pay interest on the claim at ~~the~~ *a* rate of interest ~~established~~
16 ~~pursuant to NRS 99.040 unless a different rate of interest is established~~
17 ~~pursuant to an express written contract between the health maintenance~~
18 ~~organization and the provider of health care.]~~ *equal to the prime rate at the*
19 *largest bank in Nevada, as ascertained by the commissioner of financial*
20 *institutions, on January 1 or July 1, as the case may be, immediately*
21 *preceding the date on which the payment was due, plus 6 percent.* The
22 interest must be calculated from 30 days after the date on which the claim
23 is approved until the *date on which the* claim is paid.

24 2. If the health maintenance organization requires additional
25 information to determine whether to approve or deny the claim, it shall
26 notify the claimant of its request for the additional information within 20
27 days after it receives the claim. The health maintenance organization shall
28 notify the provider of health care services of all the specific reasons for the
29 delay in approving or denying the claim. The health maintenance
30 organization shall approve or deny the claim within 30 days after receiving
31 the additional information. If the claim is approved, the health maintenance
32 organization shall pay the claim within 30 days after it receives the
33 additional information. If the approved claim is not paid within that period,
34 the health maintenance organization shall pay interest on the claim in the
35 manner prescribed in subsection 1.

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

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

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

46 6. *A health maintenance organization shall not require a provider of*
47 *health care services to waive the payment of interest provided for in this*
48 *section for the late payment of an approved claim.*



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1 7. *The commissioner may require a health maintenance organization*
2 *to provide evidence which demonstrates that the health maintenance*
3 *organization has substantially complied with the requirements set forth*
4 *in this section, including, without limitation, payment within 30 days of*
5 *at least 95 percent of approved claims or at least 90 percent of the total*
6 *dollar amount for approved claims. If the commissioner determines that*
7 *a health maintenance organization is not in substantial compliance with*
8 *the requirements set forth in this section, the commissioner may require*
9 *the health maintenance organization to pay an administrative fine in an*
10 *amount to be determined by the commissioner.*

11 **Sec. 16.** Chapter 695G of NRS is hereby amended by adding thereto a
12 new section to read as follows:

13 *A managed care organization that establishes a panel of providers of*
14 *health care for the purpose of offering health care services pursuant to*
15 *chapter 689A, 689B, 689C, 695A, 695B or 695C of NRS shall not charge*
16 *a provider of health care a fee to include the name of the provider on the*
17 *panel of providers of health care.*

18 **Sec. 17.** Chapter 616C of NRS is hereby amended by adding thereto
19 the provisions set forth as sections 18 and 19 of this act.

20 **Sec. 18. 1.** *Except as otherwise provided in this section, an insurer*
21 *shall approve or deny a bill for accident benefits received from a provider*
22 *of health care within 30 calendar days after the insurer receives the bill.*
23 *If the bill for accident benefits is approved, the insurer shall pay the bill*
24 *within 30 calendar days after it is approved. If the approved bill for*
25 *accident benefits is not paid within that period, the insurer shall pay*
26 *interest to the provider of health care at a rate of interest equal to the*
27 *prime rate at the largest bank in Nevada, as ascertained by the*
28 *commissioner of financial institutions, on January 1 or July 1, as the*
29 *case may be, immediately preceding the date on which the payment was*
30 *due, plus 6 percent. The interest must be calculated from 30 calendar*
31 *days after the date on which the bill is approved until the date on which*
32 *the bill is paid.*

33 **2.** *If an insurer needs additional information to determine whether to*
34 *approve or deny a bill for accident benefits received from a provider of*
35 *health care, he shall notify the provider of health care of his request for*
36 *the additional information within 20 calendar days after he receives the*
37 *bill. The insurer shall notify the provider of health care of all the specific*
38 *reasons for the delay in approving or denying the bill for accident*
39 *benefits. Upon the receipt of such a request, the provider of health care*
40 *shall furnish the additional information to the insurer within 20 calendar*
41 *days after receiving the request. If the provider of health care fails to*
42 *furnish the additional information within that period, the provider of*
43 *health care is not entitled to the payment of interest to which he would*
44 *otherwise be entitled for the late payment of the bill for accident benefits.*
45 *The insurer shall approve or deny the bill for accident benefits within 20*
46 *calendar days after he receives the additional information. If the bill for*
47 *accident benefits is approved, the insurer shall pay the bill within 20*
48 *calendar days after he receives the additional information. Except as*
49 *otherwise provided in this subsection, if the approved bill for accident*



1 *benefits is not paid within that period, the insurer shall pay interest to the*
2 *provider of health care at the rate set forth in subsection 1. The interest*
3 *must be calculated from 20 calendar days after the date on which the*
4 *insurer receives the additional information until the date on which the*
5 *bill is paid.*

6 3. *An insurer shall not request a provider of health care to resubmit*
7 *information that the provider of health care has previously provided to*
8 *the insurer, unless the insurer provides a legitimate reason for the*
9 *request and the purpose of the request is not to delay the payment of the*
10 *accident benefits, harass the provider of health care or discourage the*
11 *filing of claims.*

12 4. *An insurer shall not pay only a portion of a bill for accident*
13 *benefits that has been approved and is fully payable.*

14 5. *The administrator may require an insurer to provide evidence*
15 *which demonstrates that the insurer has substantially complied with the*
16 *requirements of this section, including, without limitation, payment*
17 *within the time required of at least 95 percent of approved accident*
18 *benefits or at least 90 percent of the total dollar amount of approved*
19 *accident benefits. If the administrator determines that an insurer is not*
20 *in substantial compliance with the requirements of this section, the*
21 *administrator may require the insurer to pay an administrative fine in an*
22 *amount to be determined by the administrator.*

23 6. *An insurer shall not require a provider of health care to waive the*
24 *payment of interest provided for in this section for the late payment of an*
25 *approved claim.*

26 7. *Payments made by an insurer pursuant to this section are not an*
27 *admission of liability for the accident benefits or any portion of the*
28 *accident benefits.*

29 **Sec. 19. 1.** *If an insurer, organization for managed care or*
30 *employer who provides accident benefits for injured employees pursuant*
31 *to NRS 616C.265 denies payment for some or all of the services itemized*
32 *on a statement submitted by a provider of health care on the sole basis*
33 *that those services were not related to the employee's industrial injury or*
34 *occupational disease, the insurer, organization for managed care or*
35 *employer shall, at the same time that it sends notification to the provider*
36 *of health care of the denial, send a copy of the statement to the injured*
37 *employee and notify the injured employee that it has denied payment.*
38 *The notification sent to the injured employee must:*

39 (a) *State the relevant amount requested as payment in the statement,*
40 *that the reason for denying payment is that the services were not related*
41 *to the industrial injury or occupational disease and that, pursuant to*
42 *subsection 2, the injured employee will be responsible for payment of the*
43 *relevant amount if he does not, in a timely manner, appeal the denial*
44 *pursuant to NRS 616C.305 and 616C.315 to 616C.385, inclusive, or*
45 *appeals but is not successful.*

46 (b) *Include an explanation of the injured employee's right to request a*
47 *hearing to appeal the denial pursuant to NRS 616C.305 and 616C.315 to*
48 *616C.385, inclusive, and a suitable form for requesting a hearing to*
49 *appeal the denial.*



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

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

6 (a) *Services provided were related to the employee's industrial injury*
7 *or occupational disease; or*

8 (b) *Insurer, organization for managed care or employer who provides*
9 *accident benefits for injured employees pursuant to NRS 616C.265 gave*
10 *prior authorization for the services rendered and did not withdraw that*
11 *prior authorization before the services of the provider of health care were*
12 *rendered.*

13 **Sec. 20.** NRS 616C.065 is hereby amended to read as follows:

14 616C.065 1. ~~[Within]~~ *Except as otherwise provided in section 18 of*
15 *this act, within* 30 days after the insurer has been notified of an industrial
16 accident, every insurer shall:

17 (a) Commence payment of a claim for compensation; or

18 (b) Deny the claim and notify the claimant and administrator that the
19 claim has been denied.

20 Payments made by an insurer pursuant to this section are not an admission
21 of liability for the claim or any portion of the claim.

22 2. ~~[[~~ *Except as otherwise provided in this subsection, if* an insurer
23 *unreasonably delays or refuses to pay the claim within 30 days after the*
24 *insurer has been notified of an industrial accident, the insurer shall pay*
25 *upon order of the administrator an additional amount equal to three times*
26 *the amount specified in the order as refused or unreasonably delayed. This*
27 *payment is for the benefit of the claimant and must be paid to him with the*
28 *compensation assessed pursuant to chapters 616A to 617, inclusive, of*
29 *NRS. The provisions of this section do not apply to the payment of a bill*
30 *for accident benefits that is governed by the provisions of section 18 of*
31 *this act.*

32 **Sec. 21.** NRS 616C.135 is hereby amended to read as follows:

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

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

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

44 (b) The charges provided for by the contract between the provider of
45 health care and the insurer or the contract between the provider of health
46 care and the organization for managed care.

47 3. If a provider of health care, an organization for managed care, an
48 insurer or an employer violates the provisions of this section, the



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1 administrator shall impose an administrative fine of not more than \$250 for
2 each violation.

3 **Sec. 22.** NRS 616C.220 is hereby amended to read as follows:

4 616C.220 1. The division shall designate one:

5 (a) Third-party administrator who has a valid certificate issued by the
6 commissioner pursuant to NRS 683A.085; or

7 (b) Insurer, other than a self-insured employer or association of self-
8 insured public or private employers,

9 to administer claims against the uninsured employers' claim fund. The
10 designation must be made pursuant to reasonable competitive bidding
11 procedures established by the administrator.

12 2. An employee may receive compensation from the uninsured
13 employers' claim fund if:

14 (a) He was hired in this state or he is regularly employed in this state;

15 (b) He suffers an accident or injury ~~in this state~~ which arises out of
16 and in the course of his employment;

17 (c) He files a claim for compensation with the division; and

18 (d) He makes an irrevocable assignment to the division of a right to be
19 subrogated to the rights of the injured employee pursuant to
20 NRS 616C.215.

21 3. If the division receives a claim pursuant to subsection 2, the division
22 shall immediately notify the employer of the claim.

23 4. For the purposes of this section, the employer has the burden of
24 proving that he provided mandatory industrial insurance coverage for the
25 employee or that he was not required to maintain industrial insurance for
26 the employee.

27 5. Any employer who has failed to provide mandatory coverage
28 required by the provisions of chapters 616A to 616D, inclusive, of NRS is
29 liable for all payments made on his behalf, including any benefits,
30 administrative costs or attorney's fees paid from the uninsured employers'
31 claim fund or incurred by the division.

32 6. The division:

33 (a) May recover from the employer the payments made by the division
34 that are described in subsection 5 and any accrued interest by bringing a
35 civil action in district court.

36 (b) In any civil action brought against the employer, is not required to
37 prove that negligent conduct by the employer was the cause of the
38 employee's injury.

39 (c) May enter into a contract with any person to assist in the collection
40 of any liability of an uninsured employer.

41 (d) In lieu of a civil action, may enter into an agreement or settlement
42 regarding the collection of any liability of an uninsured employer.

43 7. The division shall:

44 (a) Determine whether the employer was insured within 30 days after
45 receiving notice of the claim from the employee.

46 (b) Assign the claim to the third-party administrator or insurer
47 designated pursuant to subsection 1 for administration and payment of
48 compensation.



1 Upon determining whether the claim is accepted or denied, the designated
2 third-party administrator or insurer shall notify the injured employee, the
3 named employer and the division of its determination.

4 8. Upon demonstration of the:

5 (a) Costs incurred by the designated third-party administrator or insurer
6 to administer the claim or pay compensation to the injured employee; or

7 (b) Amount that the designated third-party administrator or insurer will
8 pay for administrative expenses or compensation to the injured employee
9 and that such amounts are justified by the circumstances of the
10 claim,
11 the division shall authorize payment from the uninsured employers' claim
12 fund.

13 9. Any party aggrieved by a determination regarding the
14 administration of an assigned claim or a determination made by the
15 division or by the designated third-party administrator or insurer regarding
16 any claim made pursuant to this section may appeal that determination
17 within 60 days after the determination is rendered to the hearings division
18 of the department of administration in the manner provided by NRS
19 616C.305 and 616C.315 to 616C.385, inclusive.

20 10. All insurers shall bear a proportionate amount of a claim made
21 pursuant to chapters 616A to 616D, inclusive, of NRS, and are entitled to a
22 proportionate amount of any collection made pursuant to this section as an
23 offset against future liabilities.

24 11. An uninsured employer is liable for the interest on any amount
25 paid on his claims from the uninsured employers' claim fund. The interest
26 must be calculated at a rate equal to the prime rate at the largest bank in
27 Nevada, as ascertained by the commissioner of financial institutions, on
28 January 1 or July 1, as the case may be, immediately preceding the date of
29 the claim, plus 3 percent, compounded monthly, from the date the claim is
30 paid from the fund until payment is received by the division from the
31 employer.

32 12. Attorney's fees recoverable by the division pursuant to this section
33 must be:

34 (a) If a private attorney is retained by the division, paid at the usual and
35 customary rate for that attorney.

36 (b) If the attorney is an employee of the division, paid at the rate
37 established by regulations adopted by the division.

38 Any money collected must be deposited to the uninsured employers' claim
39 fund.

40 13. In addition to any other liabilities provided for in this section, the
41 administrator may impose an administrative fine of not more than \$10,000
42 against an employer if the employer fails to provide mandatory coverage
43 required by the provisions of chapters 616A to 616D, inclusive, of NRS.

44 **Sec. 23.** NRS 617.401 is hereby amended to read as follows:

45 617.401 1. The division shall designate one:

46 (a) Third-party administrator who has a valid certificate issued by the
47 commissioner pursuant to NRS 683A.085; or

48 (b) Insurer, other than a self-insured employer or association of self-
49 insured public or private employers,



1 to administer claims against the uninsured employers' claim fund. The
2 designation must be made pursuant to reasonable competitive bidding
3 procedures established by the administrator.
4 2. An employee may receive compensation from the uninsured
5 employers' claim fund if:
6 (a) He was hired in this state or he is regularly employed in this state;
7 (b) He contracts an occupational disease ~~as a result of work performed~~
8 ~~in this state;~~ *that arose out of and in the course of employment;*
9 (c) He files a claim for compensation with the division; and
10 (d) He makes an irrevocable assignment to the division of a right to be
11 subrogated to the rights of the employee pursuant to NRS 616C.215.
12 3. If the division receives a claim pursuant to subsection 2, the division
13 shall immediately notify the employer of the claim.
14 4. For the purposes of this section, the employer has the burden of
15 proving that he provided mandatory coverage for occupational diseases for
16 the employee or that he was not required to maintain industrial insurance
17 for the employee.
18 5. Any employer who has failed to provide mandatory coverage
19 required by the provisions of this chapter is liable for all payments made on
20 his behalf, including, but not limited to, any benefits, administrative costs
21 or attorney's fees paid from the uninsured employers' claim fund or
22 incurred by the division.
23 6. The division:
24 (a) May recover from the employer the payments made by the division
25 that are described in subsection 5 and any accrued interest by bringing a
26 civil action in district court.
27 (b) In any civil action brought against the employer, is not required to
28 prove that negligent conduct by the employer was the cause of the
29 occupational disease.
30 (c) May enter into a contract with any person to assist in the collection
31 of any liability of an uninsured employer.
32 (d) In lieu of a civil action, may enter into an agreement or settlement
33 regarding the collection of any liability of an uninsured employer.
34 7. The division shall:
35 (a) Determine whether the employer was insured within 30 days after
36 receiving the claim from the employee.
37 (b) Assign the claim to the third-party administrator or insurer
38 designated pursuant to subsection 1 for administration and payment of
39 compensation.
40 Upon determining whether the claim is accepted or denied, the designated
41 third-party administrator or insurer shall notify the injured employee, the
42 named employer and the division of its determination.
43 8. Upon demonstration of the:
44 (a) Costs incurred by the designated third-party administrator or insurer
45 to administer the claim or pay compensation to the injured employee; or
46 (b) Amount that the designated third-party administrator or insurer will
47 pay for administrative expenses or compensation to the injured employee
48 and that such amounts are justified by the circumstances of the
49 claim,



1 the division shall authorize payment from the uninsured employers' claim
2 fund.

3 9. Any party aggrieved by a determination regarding the
4 administration of an assigned claim or a determination made by the
5 division or by the designated third-party administrator or insurer regarding
6 any claim made pursuant to this section may appeal that determination
7 within 60 days after the determination is rendered to the hearings division
8 of the department of administration in the manner provided by NRS
9 616C.305 and 616C.315 to 616C.385, inclusive.

10 10. All insurers shall bear a proportionate amount of a claim made
11 pursuant to this chapter, and are entitled to a proportionate amount of any
12 collection made pursuant to this section as an offset against future
13 liabilities.

14 11. An uninsured employer is liable for the interest on any amount
15 paid on his claims from the uninsured employers' claim fund. The interest
16 must be calculated at a rate equal to the prime rate at the largest bank in
17 Nevada, as ascertained by the commissioner of financial institutions, on
18 January 1 or July 1, as the case may be, immediately preceding the date of
19 the claim, plus 3 percent, compounded monthly, from the date the claim is
20 paid from the fund until payment is received by the division from the
21 employer.

22 12. Attorney's fees recoverable by the division pursuant to this section
23 must be:

24 (a) If a private attorney is retained by the division, paid at the usual and
25 customary rate for that attorney.

26 (b) If the attorney is an employee of the division, paid at the rate
27 established by regulations adopted by the division.

28 Any money collected must be deposited to the uninsured employers' claim
29 fund.

30 13. In addition to any other liabilities provided for in this section, the
31 administrator may impose an administrative fine of not more than \$10,000
32 against an employer if the employer fails to provide mandatory coverage
33 required by the provisions of this chapter.

34 **Sec. 24.** If a different rate of interest has been established pursuant to
35 an express written contract between an administrator, insurer, carrier,
36 corporation or health maintenance organization and a provider of health
37 care, the amendatory provisions of sections 1.5, 3, 5, 7, 10, 11.3, 15 and 18
38 of this act, relating to the amount of interest that accrues if an approved
39 claim is not timely paid, apply only to contracts between the administrator,
40 insurer, carrier, corporation or health maintenance organization and the
41 provider of health care that are entered into or renewed on or after
42 October 1, 2001.

43 **Sec. 25.** 1. This section, sections 1 to 11.7, inclusive, and 13 to 24,
44 inclusive, of this act become effective on October 1, 2001.

45 2. Section 12 of this act becomes effective at 12:01 a.m. on October 1,
46 2001.

