

SENATE BILL NO. 204—SENATOR MATHEWS

MARCH 21, 2005

Referred to Committee on Commerce and Labor

**SUMMARY**—Requires certain health insurers to contract with providers of health care and certain medical facilities and to include such providers and facilities on list of providers of health care given by insurer to its insureds in certain circumstances. (BDR 57-143)

**FISCAL NOTE:** Effect on Local Government: No.  
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 health insurance; requiring certain health insurers to contract with and include on a list of providers of health care given by the insurer to its insureds any provider of health care and certain medical facilities in certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law regulates the activities of health insurers in the State. (Chapters 689A, 689B, 689C, 695A, 695B, 695C and 695G of NRS)

The U.S. Supreme Court has upheld a Kentucky law that allows any willing provider into a health insurer's medical care network if the provider is located within the geographic coverage area of the health insurer and is willing to meet the terms and conditions established by the health insurer. (*Kentucky Ass'n of Health Plans, Inc. v. Miller*, 538 U.S. 329 (2003))

This bill requires a health insurer in this State to contract with and include on its list of providers any provider of health care and certain medical facilities in this State that: (1) wish to contract with the insurer; and (2) meet the terms and conditions established by the insurer.



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 689A.035 is hereby amended to read as follows:

689A.035 1. *An insurer shall contract with and include on a list of providers of health care given by the insurer to its insureds any provider of health care in this State who wishes to contract with the insurer and meets the terms and conditions established by the insurer for providing health care to its insureds.*

2. An insurer shall not charge a provider of health care a fee to include the name of the provider on a list of providers of health care given by the insurer to its insureds.

~~[2.]~~ 3. An insurer ~~[shall not contract]~~ *that contracts* with a provider of health care to provide health care to an insured ~~[unless the insurer uses]~~ *shall use* the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.

~~[3.]~~ 4. A contract between an insurer and a provider of health care may be modified:

(a) At any time pursuant to a written agreement executed by both parties.

(b) Except as otherwise provided in this paragraph, by the insurer upon giving to the provider 30 days' written notice of the modification. If the provider fails to object in writing to the modification within the 30-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 30-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).

~~[4.]~~ 5. If an insurer contracts with a provider of health care to provide health care to an insured, the insurer shall:

(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or

(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments specified in paragraph (a) within 7 days after receiving the request.

~~[5.]~~ 6. As used in this section, "provider of health care" means ~~[a provider of health care]~~ :

(a) *A person* who is licensed pursuant to chapter 630, 631, 632, ~~[or]~~ 633, 634, 635, 636, 637B, 639, 640, 640A or 641 of NRS ~~[ ]~~ ;  
*or*



(b) *A medical facility as defined in NRS 449.0151, except that the term does not include a nursing pool.*

**Sec. 2.** NRS 689B.015 is hereby amended to read as follows:

689B.015 1. *An insurer that issues a policy of group health insurance shall contract with and include on a list of providers of health care given by the insurer to its insureds any provider of health care in this State who wishes to contract with the insurer and meets the terms and conditions established by the insurer for providing health care to its insureds.*

2. An insurer ~~[that issues a policy of group health insurance]~~ *specified in subsection 1* shall not charge a provider of health care a fee to include the name of the provider on a list of providers of health care given by the insurer to its insureds.

~~[2.]~~ 3. An insurer specified in subsection 1 ~~[shall not contract]~~ *that contracts* with a provider of health care to provide health care to an insured ~~[unless the insurer uses]~~ *shall use* the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.

~~[3.]~~ 4. A contract between an insurer specified in subsection 1 and a provider of health care may be modified:

(a) At any time pursuant to a written agreement executed by both parties.

(b) Except as otherwise provided in this paragraph, by the insurer upon giving to the provider 30 days' written notice of the modification. If the provider fails to object in writing to the modification within the 30-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 30-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).

~~[4.]~~ 5. If an insurer specified in subsection 1 contracts with a provider of health care to provide health care to an insured, the insurer shall:

(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or

(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments specified in paragraph (a) within 7 days after receiving the request.

~~[5.]~~ 6. As used in this section, "provider of health care" means ~~[a provider of health care]~~ :

(a) *A person* who is licensed pursuant to chapter 630, 631, 632, ~~[or]~~ 633, 634, 635, 636, 637B, 639, 640, 640A or 641 of NRS ~~[ ]~~ ;  
*or*



(b) *A medical facility as defined in NRS 449.0151, except that the term does not include a nursing pool.*

**Sec. 3.** NRS 689C.435 is hereby amended to read as follows:

689C.435 1. *A carrier serving small employers and a carrier that offers a contract to a voluntary purchasing group shall contract with and include on a list of providers of health care given by the carrier to its insureds any provider of health care in this State who wishes to contract with the carrier and meets the terms and conditions established by the carrier for providing health care to its insureds.*

2. A carrier ~~[serving small employers and a carrier that offers a contract to a voluntary purchasing group]~~ *specified in subsection 1* shall not charge a provider of health care a fee to include the name of the provider on a list of providers of health care given by the carrier to its insureds.

~~[2.]~~ 3. A carrier specified in subsection 1 ~~[shall not contract]~~ *that contracts* with a provider of health care to provide health care to an insured ~~[unless the carrier uses]~~ *shall use* the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.

~~[3.]~~ 4. A contract between a carrier specified in subsection 1 and a provider of health care may be modified:

(a) At any time pursuant to a written agreement executed by both parties.

(b) Except as otherwise provided in this paragraph, by the carrier upon giving to the provider 30 days' written notice of the modification. If the provider fails to object in writing to the modification within the 30-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 30-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).

~~[4.]~~ 5. If a carrier specified in subsection 1 contracts with a provider of health care to provide health care to an insured, the carrier shall:

(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or

(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments specified in paragraph (a) within 7 days after receiving the request.

~~[5.]~~ 6. As used in this section, "provider of health care" means ~~[a provider of health care]~~ :



1 (a) *A person* who is licensed pursuant to chapter 630, 631, 632 ,  
2 ~~{or}~~ 633 , 634, 635, 636, 637B, 639, 640, 640A or 641 of NRS ~~{-}~~ ;  
3 or

4 (b) *A medical facility as defined in NRS 449.0151, except that*  
5 *the term does not include a nursing pool.*

6 **Sec. 4.** NRS 695A.095 is hereby amended to read as follows:

7 695A.095 1. *A society shall contract with and include on a*  
8 *list of providers of health care given by the society to its insureds*  
9 *any provider of health care in this State who wishes to contract*  
10 *with the society and meets the terms and conditions established by*  
11 *the society for providing health care to its insureds.*

12 2. A society shall not charge a provider of health care a fee to  
13 include the name of the provider on a list of providers of health care  
14 given by the society to its insureds.

15 ~~{2-}~~ 3. A society ~~{shall not contract}~~ *that contracts* with a  
16 provider of health care to provide health care to an insured ~~{unless~~  
17 ~~the society uses}~~ *shall use* the form prescribed by the Commissioner  
18 pursuant to NRS 629.095 to obtain any information related to the  
19 credentials of the provider of health care.

20 ~~{3-}~~ 4. A contract between a society and a provider of health  
21 care may be modified:

22 (a) At any time pursuant to a written agreement executed by  
23 both parties.

24 (b) Except as otherwise provided in this paragraph, by the  
25 society upon giving to the provider 30 days' written notice of  
26 the modification. If the provider fails to object in writing to the  
27 modification within the 30-day period, the modification becomes  
28 effective at the end of that period. If the provider objects in writing  
29 to the modification within the 30-day period, the modification must  
30 not become effective unless agreed to by both parties as described in  
31 paragraph (a).

32 ~~{4-}~~ 5. If a society contracts with a provider of health care to  
33 provide health care to an insured, the society shall:

34 (a) If requested by the provider of health care at the time the  
35 contract is made, submit to the provider of health care the schedule  
36 of payments applicable to the provider of health care; or

37 (b) If requested by the provider of health care at any other time,  
38 submit to the provider of health care the schedule of payments  
39 specified in paragraph (a) within 7 days after receiving the request.

40 ~~{5-}~~ 6. As used in this section, "provider of health care" means  
41 ~~{a provider of health care}~~ :

42 (a) *A person* who is licensed pursuant to chapter 630, 631, 632 ,  
43 ~~{or}~~ 633 , 634, 635, 636, 637B, 639, 640, 640A or 641 of NRS ~~{-}~~ ;  
44 or



(b) *A medical facility as defined in NRS 449.0151, except that the term does not include a nursing pool.*

**Sec. 5.** NRS 695B.035 is hereby amended to read as follows:

695B.035 1. *A corporation subject to the provisions of this chapter shall contract with and include on a list of providers of health care given by the corporation to its insureds any provider of health care in this State who wishes to contract with the corporation and meets the terms and conditions established by the corporation for providing health care to its insureds.*

2. A corporation ~~[subject to the provisions of this chapter]~~ *specified in subsection 1* shall not charge a provider of health care a fee to include the name of the provider on a list of providers of health care given by the corporation to its insureds.

~~[2.]~~ 3. A corporation specified in subsection 1 ~~[shall not contract]~~ *that contracts* with a provider of health care to provide health care to an insured ~~[unless the corporation uses]~~ *shall use* the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.

~~[3.]~~ 4. A contract between a corporation specified in subsection 1 and a provider of health care may be modified:

(a) At any time pursuant to a written agreement executed by both parties.

(b) Except as otherwise provided in this paragraph, by the corporation upon giving to the provider 30 days' written notice of the modification. If the provider fails to object in writing to the modification within the 30-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 30-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).

~~[4.]~~ 5. If a corporation specified in subsection 1 contracts with a provider of health care to provide health care to an insured, the corporation shall:

(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or

(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments specified in paragraph (a) within 7 days after receiving the request.

~~[5.]~~ 6. As used in this section, "provider of health care" means ~~[a provider of health care]~~ :

(a) *A person* who is licensed pursuant to chapter 630, 631, 632, ~~[or]~~ 633, 634, 635, 636, 637B, 639, 640, 640A or 641 of NRS ~~[ ]~~ ; or



(b) *A medical facility as defined in NRS 449.0151, except that the term does not include a nursing pool.*

**Sec. 6.** NRS 695C.125 is hereby amended to read as follows:

695C.125 1. *A health maintenance organization shall contract with and include on a list of providers of health care given by the health maintenance organization to its insureds any provider of health care in this State who wishes to contract with the health maintenance organization and meets the terms and conditions established by the health maintenance organization for providing health care to its insureds.*

2. A health maintenance organization ~~[shall not contract]~~ *that contracts* with a provider of health care to provide health care to an insured ~~[unless the health maintenance organization uses]~~ *shall use* the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.

~~[2.]~~ 3. A contract between a health maintenance organization and a provider of health care may be modified:

(a) At any time pursuant to a written agreement executed by both parties.

(b) Except as otherwise provided in this paragraph, by the health maintenance organization upon giving to the provider 30 days' written notice of the modification. If the provider fails to object in writing to the modification within the 30-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 30-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).

~~[3.]~~ 4. If a health maintenance organization contracts with a provider of health care to provide health care to an enrollee, the health maintenance organization shall:

(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or

(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments specified in paragraph (a) within 7 days after receiving the request.

~~[4.]~~ 5. As used in this section, "provider of health care" means ~~[a provider of health care]~~ :

(a) *A person* who is licensed pursuant to chapter 630, 631, 632, ~~[or]~~ 633, 634, 635, 636, 637B, 639, 640, 640A or 641 of NRS ~~[ ]~~ ;  
*or*

(b) *A medical facility as defined in NRS 449.0151, except that the term does not include a nursing pool.*



Sec. 7. NRS 695G.430 is hereby amended to read as follows:

695G.430 1. *A managed care organization shall contract with and include on a list of providers of health care given by the managed care organization to its insureds any provider of health care in this State who wishes to contract with the managed care organization and meets the terms and conditions established by the managed care organization for providing health care to its insureds.*

2. A managed care organization ~~[shall not contract]~~ that contracts with a provider of health care to provide health care to an insured ~~[unless the managed care organization uses]~~ shall use the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.

~~[2.]~~ 3. A contract between a managed care organization and a provider of health care may be modified:

(a) At any time pursuant to a written agreement executed by both parties.

(b) Except as otherwise provided in this paragraph, by the managed care organization upon giving to the provider 30 days' written notice of the modification. If the provider fails to object in writing to the modification within the 30-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 30-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).

~~[3.]~~ 4. If a managed care organization contracts with a provider of health care to provide health care services pursuant to chapter 689A, 689B, 689C, 695A, 695B or 695C of NRS, the managed care organization shall:

(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or

(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments specified in paragraph (a) within 7 days after receiving the request.

~~[4.]~~ 5. As used in this section, "provider of health care" means ~~[a provider of health care]~~ :

(a) A person who is licensed pursuant to chapter 630, 631, 632, ~~[or]~~ 633, 634, 635, 636, 637B, 639, 640, 640A or 641 of NRS ~~[ ]~~ ; or





- 1        *(b) A medical facility as defined in NRS 449.0151, except that*
- 2        *the term does not include a nursing pool.*







