

SENATE BILL NO. 226—SENATOR CARLTON

MARCH 21, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Limits amount that provider of health care is entitled to be paid for providing treatment or other services to injured employee under certain circumstances. (BDR 53-891)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 industrial insurance; limiting the amount of money that a provider of health care is entitled to be paid for providing treatment or other services to an injured employee under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, an injured employee has a right to an administrative appeal when an entity administering a workers' compensation claim denies payment for certain treatment or other services provided to the injured employee by a health care provider. (NRS 616C.137, 616C.305, 616C.315-616C.385) The injured employee also has a right to pay in protest for the treatment or other services pending an appeal. (NRS 616C.138) If the entity administering the workers' compensation claim is found to be responsible for the payment or otherwise accepts responsibility for the payment, the entity must pay the health care provider for the costs of the treatment or other services, and the health care provider must reimburse the injured employee for the amount paid in protest. (NRS 616C.138)

This bill establishes a limit on the amount that a health care provider may be paid on a claim that has been denied. The limit is not more than the amount the health care provider would receive if the claim is approved on appeal.



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

Section 1. NRS 616C.138 is hereby amended to read as follows:

616C.138 **1.** If:

~~1-1~~ **(a)** An insurer, an organization for managed care, a third-party administrator or an employer who provides accident benefits for injured employees pursuant to NRS 616C.265 denies authorization or responsibility for payment for treatment or other services provided by a provider of health care that the injured employee alleges are related to an industrial injury or occupational disease;

~~1-2~~ **(b)** The injured employee pays in protest for the treatment or other services; and

~~1-3~~ **(c)** A hearing officer or appeals officer ultimately determines that the treatment or other services should have been covered, or the insurer, organization for managed care, third-party administrator or employer who provides accident benefits subsequently accepts responsibility for payment,

the hearing officer or appeals officer shall order the insurer, organization for managed care, third-party administrator or employer who provides accident benefits to pay to the provider of health care the amount which is allowed for the treatment or other services set forth in the schedule of fees and charges established pursuant to NRS 616C.260 or, if the insurer has contracted with an organization for managed care or with providers of health care pursuant to NRS 616B.527, the amount that is allowed for the treatment or other services under that contract. Within 30 days after receiving the payment, the provider of health care shall reimburse the injured employee for the amount paid in protest by him.

2. If the insurer, organization for managed care, third-party administrator or employer denies authorization or responsibility for payment for treatment or services provided by a provider of health care pursuant to paragraph (a) of subsection 1, and if the provider of health care is not ordered to be paid for the treatment or services pursuant to that subsection, the provider of health care is entitled to be paid not more than the amount which is allowed for the treatment or other services set forth in the schedule of fees and charges established pursuant to NRS 616C.260 or, if the insurer has contracted with an organization for managed care or with providers of health care pursuant to NRS 616B.527, the amount that is allowed for the treatment or other services under that contract.



1 **Sec. 2.** This act becomes effective on July 1, 2005.



