

ASSEMBLY BILL NO. 145—ASSEMBLYMAN HARDY

FEBRUARY 22, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Requiring certain services to be covered by policies of health insurance and health care plans. (BDR 57-1068)

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 health insurance; requiring that a policy of health insurance or a health care plan provide coverage for services provided by certain providers of specialized health care; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law allows health insurers to require that insured persons obtain prior
2 authorization from the insurer for health care that the insurer may be required to
3 pay for. (NRS 687B.225) **Sections 2-6** of this bill require health insurance policies
4 or health care plans to allow a person covered by the policy to have covered access
5 to specialized, in-state health care provided that the cost of the in-state care is not
6 more than the cost of identical, out-of-state care.

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

1 **Section 1.** NRS 687B.225 is hereby amended to read as
2 follows:
3 687B.225 1. Except as otherwise provided in NRS
4 689A.0405, 689A.0413, 689B.031, 689B.0374, 695B.1912,
5 695B.1914, 695C.1713, 695C.1735 and 695G.170, *and sections 2*
6 *to 6, inclusive, of this act*, any contract for group, blanket or
7 individual health insurance or any contract by a nonprofit hospital,



1 medical or dental service corporation or organization for dental care
2 which provides for payment of a certain part of medical or dental
3 care may require the insured or member to obtain prior authorization
4 for that care from the insurer or organization. The insurer or
5 organization shall:

6 (a) File its procedure for obtaining approval of care pursuant to
7 this section for approval by the Commissioner; and

8 (b) Respond to any request for approval by the insured or
9 member pursuant to this section within 20 days after it receives the
10 request.

11 2. The procedure for prior authorization may not discriminate
12 among persons licensed to provide the covered care.

13 **Sec. 2.** Chapter 689A of NRS is hereby amended by adding
14 thereto a new section to read as follows:

15 *1. A policy of health insurance must include a provision*
16 *authorizing a person covered by the policy to obtain covered*
17 *services from a provider of specialized health care located in this*
18 *State if:*

19 *(a) The insurer issuing the policy of health insurance does not*
20 *have located within this State a provider of specialized care who is*
21 *a part of the network plan of the insurer; and*

22 *(b) The cost of the services from the provider of specialized*
23 *care located in this State is not more than the cost of identical*
24 *services from a provider of specialized health care located outside*
25 *this State who is a part of the network plan of the insurer.*

26 *2. The provisions of this section do not authorize a person*
27 *covered by a policy of health insurance to designate a provider of*
28 *specialized health care as his primary care physician.*

29 *3. A policy subject to the provisions of this chapter that is*
30 *delivered, issued for delivery or renewed on or after October 1,*
31 *2007, has the legal effect of including the coverage required by*
32 *this section, and any provision of the policy or the renewal which*
33 *is in conflict with this section is void.*

34 *4. As used in this section:*

35 *(a) "Network plan" has the meaning ascribed to it in*
36 *NRS 689A.635.*

37 *(b) "Primary care physician" has the meaning ascribed to it in*
38 *NRS 695G.060.*

39 *(c) "Provider of specialized health care" means a provider of*
40 *health care who is not a primary care physician and to whom a*
41 *person covered by a policy of health insurance is referred by a*
42 *primary care physician or by a different provider of specialized*
43 *health care.*



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

3 ***1. A policy of group health insurance must include a***
4 ***provision authorizing a person covered by the policy to obtain***
5 ***covered services from a provider of specialized health care located***
6 ***in this State if:***

7 ***(a) The insurer issuing the policy of group health insurance***
8 ***does not have located within this State a provider of specialized***
9 ***care who is a part of the network plan of the insurer; and***

10 ***(b) The cost of the services from the provider of specialized***
11 ***care located in this State is not more than the cost of identical***
12 ***services from a provider of specialized health care located outside***
13 ***this State who is a part of the network plan of the insurer.***

14 ***2. The provisions of this section do not authorize a person***
15 ***covered by a policy of group health insurance to designate a***
16 ***provider of specialized health care as his primary care physician.***

17 ***3. A policy subject to the provisions of this chapter that is***
18 ***delivered, issued for delivery or renewed on or after October 1,***
19 ***2007, has the legal effect of including the coverage required by***
20 ***this section, and any provision of the policy or the renewal which***
21 ***is in conflict with this section is void.***

22 ***4. As used in this section:***

23 ***(a) "Network plan" has the meaning ascribed to it in***
24 ***NRS 689B.570.***

25 ***(b) "Primary care physician" has the meaning ascribed to it in***
26 ***NRS 695G.060.***

27 ***(c) "Provider of specialized health care" means a provider of***
28 ***health care who is not a primary care physician and to whom a***
29 ***person covered by a policy of group health insurance is referred***
30 ***by a primary care physician or by a different provider of***
31 ***specialized health care.***

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

34 ***1. A contract for hospital or medical service must include a***
35 ***provision authorizing a person covered by the contract to obtain***
36 ***covered services from a provider of specialized health care located***
37 ***in this State if:***

38 ***(a) The corporation issuing the contract does not have located***
39 ***within this State a provider of specialized care who has agreed to***
40 ***provide covered services to a person covered by the contract; and***

41 ***(b) The cost of the services from the provider of specialized***
42 ***care located in this State is not more than the cost of identical***
43 ***services from a provider of specialized health care located outside***
44 ***this State who has agreed to provide covered services to a person***
45 ***covered by the contract.***



1 2. *The provisions of this section do not authorize a person*
2 *covered by a contract for hospital or medical services to designate*
3 *a provider of specialized health care as his primary care physician.*

4 3. *A contract subject to the provisions of this chapter that is*
5 *delivered, issued for delivery or renewed on or after October 1,*
6 *2007, has the legal effect of including the coverage required by*
7 *this section, and any provision of the contract or the renewal*
8 *which is in conflict with this section is void.*

9 4. *As used in this section:*

10 (a) *"Primary care physician" has the meaning ascribed to it in*
11 *NRS 695G.060.*

12 (b) *"Provider of specialized health care" means a provider of*
13 *health care who is not a primary care physician and to whom a*
14 *person covered by a contract issued pursuant to this chapter is*
15 *referred by a primary care physician or by a different provider of*
16 *specialized health care.*

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

19 1. *A health care plan must include a provision authorizing a*
20 *person covered by the health care plan to obtain covered services*
21 *from a provider of specialized health care located in this State if:*

22 (a) *The health maintenance organization issuing the health*
23 *care plan does not have located within this State a provider of*
24 *specialized care who has agreed to provide covered services to a*
25 *person covered by the health care plan; and*

26 (b) *The cost of the services from the provider of specialized*
27 *care located in this State is not more than the cost of identical*
28 *services from a provider of specialized health care located outside*
29 *this State who has agreed to provide covered services to a person*
30 *covered by the health care plan.*

31 2. *The provisions of this section do not authorize a person*
32 *covered by a health care plan to designate a provider of specialized*
33 *health care as his primary care physician.*

34 3. *An evidence of coverage subject to the provisions of this*
35 *chapter that is delivered, issued for delivery or renewed on or after*
36 *October 1, 2007, has the legal effect of including the coverage*
37 *required by this section, and any provision of the evidence of*
38 *coverage or the renewal which is in conflict with this section is*
39 *void.*

40 4. *As used in this section:*

41 (a) *"Primary care physician" has the meaning ascribed to it in*
42 *NRS 695G.060.*

43 (b) *"Provider of specialized health care" means a provider of*
44 *health care who is not a primary care physician and to whom a*



1 *person covered by a health care plan is referred by a primary care*
2 *physician or by a different provider of specialized health care.*

3 **Sec. 6.** Chapter 695G of NRS is hereby amended by adding
4 thereto a new section to read as follows:

5 *1. A health care plan offered or issued by a managed care*
6 *organization must include a provision authorizing a person*
7 *covered by the health care plan to obtain covered services from a*
8 *provider of specialized health care located in this State if:*

9 *(a) The managed care organization issuing the health care*
10 *plan does not have located within this State a provider of*
11 *specialized care who has agreed to provide covered services to a*
12 *person covered by the health care plan; and*

13 *(b) The cost of the services from the provider of specialized*
14 *care located in this State is not more than the cost of identical*
15 *services from a provider of specialized health care located outside*
16 *this State who has agreed to provide covered services to a person*
17 *covered by the health care plan.*

18 *2. The provisions of this section do not authorize a person*
19 *covered by a health care plan offered or issued by a managed care*
20 *organization to designate a provider of specialized health care as*
21 *his primary care physician.*

22 *3. An evidence of coverage subject to the provisions of this*
23 *chapter that is delivered, issued for delivery or renewed on or after*
24 *October 1, 2007, has the legal effect of including the coverage*
25 *required by this section, and any provision of the evidence of*
26 *coverage or the renewal which is in conflict with this section is*
27 *void.*

28 *4. As used in this section:*

29 *(a) "Primary care physician" has the meaning ascribed to it in*
30 *NRS 695G.060.*

31 *(b) "Provider of specialized health care" means a provider of*
32 *health care who is not a primary care physician and to whom a*
33 *person covered by a health care plan offered or issued by a*
34 *managed care organization is referred by a primary care physician*
35 *or by a different provider of specialized health care.*

