

ASSEMBLY BILL NO. 286—ASSEMBLYWOMAN LESLIE

MARCH 12, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Exempts certain health insurers from provisions governing the denial of claims and the cancellation of or refusal to issue a policy or contract of health insurance. (BDR 57-990)

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; exempting certain health insurers from provisions governing the denial of claims and the cancellation of or refusal to issue a policy or contract of health insurance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, various health insurers are prohibited from denying a claim solely because the claim involves an injury sustained by an insured as a consequence of being intoxicated or under the influence of a controlled substance. Such insurers are also prohibited from cancelling or refusing to issue policies or contracts solely because an insured or an applicant has made a claim involving an injury sustained by him as a consequence of being intoxicated or under the influence of a controlled substance. (NRS 689A.415, 689B.287, 689C.197, 695A.197, 695B.3165, 695C.205, 695G.405) This bill provides that those prohibitions do not apply to such health insurers under policies or contracts of health insurance that provide coverage for long-term care or disability income.

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

1 **Section 1.** NRS 689A.415 is hereby amended to read as
2 follows:
3 689A.415 1. Except as otherwise provided in subsection 2,
4 an insurer shall not:



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1 (a) Deny a claim under a policy of health insurance solely
2 because the claim involves an injury sustained by an insured as a
3 consequence of being intoxicated or under the influence of a
4 controlled substance.

5 (b) Cancel a policy of health insurance solely because an insured
6 has made a claim involving an injury sustained by the insured as a
7 consequence of being intoxicated or under the influence of a
8 controlled substance.

9 (c) Refuse to issue a policy of health insurance to an eligible
10 applicant solely because the applicant has made a claim involving
11 an injury sustained by the applicant as a consequence of being
12 intoxicated or under the influence of a controlled substance.

13 2. The provisions of ~~this section~~ subsection 1 do not prohibit
14 an insurer from enforcing a provision included in a policy of health
15 insurance pursuant to NRS 689A.270 to:

16 (a) Deny a claim which involves an injury to which a
17 contributing cause was the insured's commission of or attempt to
18 commit a felony;

19 (b) Cancel a policy of health insurance solely because of such a
20 claim; or

21 (c) Refuse to issue a policy of health insurance to an eligible
22 applicant solely because of such a claim.

23 3. *The provisions of this section do not apply to an insurer
24 under a policy of health insurance that provides coverage for
25 long-term care or disability income.*

26 Sec. 2. NRS 689B.287 is hereby amended to read as follows:

27 689B.287 1. Except as otherwise provided in subsection 2, an
28 insurer shall not:

29 (a) Deny a claim under a policy of group health insurance solely
30 because the claim involves an injury sustained by an insured as a
31 consequence of being intoxicated or under the influence of a
32 controlled substance.

33 (b) Cancel a policy of group health insurance solely because an
34 insured has made a claim involving an injury sustained by the
35 insured as a consequence of being intoxicated or under the influence
36 of a controlled substance.

37 (c) Refuse to issue a policy of group health insurance to an
38 eligible applicant solely because the applicant has made a claim
39 involving an injury sustained by the applicant as a consequence of
40 being intoxicated or under the influence of a controlled substance.

41 2. The provisions of ~~this section~~ subsection 1 do not prohibit
42 an insurer from enforcing a provision included in a policy of group
43 health insurance to:



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- 1 (a) Deny a claim which involves an injury to which a
2 contributing cause was the insured's commission of or attempt to
3 commit a felony;
4 (b) Cancel a policy of group health insurance solely because of
5 such a claim; or
6 (c) Refuse to issue a policy of group health insurance to an
7 eligible applicant solely because of such a claim.

8 ***3. The provisions of this section do not apply to an insurer
9 under a policy of group health insurance that provides coverage
10 for long-term care or disability income.***

11 **Sec. 3.** NRS 689C.197 is hereby amended to read as follows:
12 689C.197 1. Except as otherwise provided in subsection 2, a
13 carrier shall not:

14 (a) Deny a claim under a health benefit plan solely because the
15 claim involves an injury sustained by an insured as a consequence of
16 being intoxicated or under the influence of a controlled substance.

17 (b) Cancel participation under a health benefit plan solely
18 because an insured has made a claim involving an injury sustained
19 by the insured as a consequence of being intoxicated or under the
20 influence of a controlled substance.

21 (c) Refuse participation under a health benefit plan to an eligible
22 applicant solely because the applicant has made a claim involving
23 an injury sustained by the applicant as a consequence of being
24 intoxicated or under the influence of a controlled substance.

25 2. The provisions of ~~this section~~ subsection 1 do not prohibit
26 a carrier from enforcing a provision included in a health benefit plan
27 to:

28 (a) Deny a claim which involves an injury to which a
29 contributing cause was the insured's commission of or attempt to
30 commit a felony;

31 (b) Cancel participation in a health benefit plan solely because
32 of such a claim; or

33 (c) Refuse participation in a health benefit plan to an eligible
34 applicant solely because of such a claim.

35 ***3. The provisions of this section do not apply to a carrier
36 under a health benefit plan that provides coverage for long-term
37 care or disability income.***

38 **Sec. 4.** NRS 695A.197 is hereby amended to read as follows:
39 695A.197 1. Except as otherwise provided in subsection 2, a
40 society that provides health benefits shall not:

41 (a) Deny a claim under a benefit contract solely because the
42 claim involves an injury sustained by an insured as a consequence of
43 being intoxicated or under the influence of a controlled substance.

44 (b) Cancel a benefit contract solely because an insured has made
45 a claim involving an injury sustained by the insured as a



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1 consequence of being intoxicated or under the influence of a
2 controlled substance.

3 (c) Refuse to issue a benefit contract to an eligible applicant
4 solely because the applicant has made a claim involving an injury
5 sustained by the applicant as a consequence of being intoxicated or
6 under the influence of a controlled substance.

7 2. The provisions of ~~this section~~ subsection 1 do not prohibit
8 a society from enforcing a provision included in a benefit contract
9 to:

10 (a) Deny a claim which involves an injury to which a
11 contributing cause was the insured's commission of or attempt to
12 commit a felony;

13 (b) Cancel a benefit contract solely because of such a claim; or
14 (c) Refuse to issue a benefit contract to an eligible applicant
15 solely because of such a claim.

16 3. *The provisions of this section do not apply to a society
17 under a benefit contract that provides coverage for long-term care
18 or disability income.*

19 Sec. 5. NRS 695B.3165 is hereby amended to read as follows:

20 695B.3165 1. Except as otherwise provided in subsection 2, a
21 medical services corporation that issues contracts for hospital,
22 medical or dental services shall not:

23 (a) Deny a claim under such a contract solely because the claim
24 involves an injury sustained by an insured as a consequence of being
25 intoxicated or under the influence of a controlled substance.

26 (b) Cancel such a contract solely because an insured has made a
27 claim involving an injury sustained by the insured as a consequence
28 of being intoxicated or under the influence of a controlled substance.

29 (c) Refuse to issue such a contract to an eligible applicant solely
30 because the applicant has made a claim involving an injury
31 sustained by the applicant as a consequence of being intoxicated or
32 under the influence of a controlled substance.

33 2. The provisions of ~~this section~~ subsection 1 do not prohibit
34 a medical services corporation from enforcing a provision included
35 in a contract for hospital, medical or dental services to:

36 (a) Deny a claim which involves an injury to which a
37 contributing cause was the insured's commission of or attempt to
38 commit a felony;

39 (b) Cancel such a contract solely because of such a claim; or
40 (c) Refuse to issue such a contract to an eligible applicant solely
41 because of such a claim.

42 3. *The provisions of this section do not apply to a medical
43 services corporation under a contract for hospital, medical or
44 dental services that provides coverage for long-term care or
45 disability income.*



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1 **Sec. 6.** NRS 695C.205 is hereby amended to read as follows:
2 695C.205 1. Except as otherwise provided in subsection 2, a
3 health maintenance organization shall not:

4 (a) Deny a claim under a health care plan solely because the
5 claim involves an injury sustained by an enrollee as a consequence of
6 being intoxicated or under the influence of a controlled substance.

7 (b) Cancel participation under a health care plan solely because
8 an enrollee has made a claim involving an injury sustained by the
9 enrollee as a consequence of being intoxicated or under the
10 influence of a controlled substance.

11 (c) Refuse participation under a health care plan to an eligible
12 applicant solely because the applicant has made a claim involving
13 an injury sustained by the applicant as a consequence of being
14 intoxicated or under the influence of a controlled substance.

15 2. The provisions of **[this section] subsection 1** do not prohibit
16 a health maintenance organization from enforcing a provision
17 included in a health care plan to:

18 (a) Deny a claim which involves an injury to which a
19 contributing cause was the insured's commission of or attempt to
20 commit a felony;

21 (b) Cancel participation under a health care plan solely because
22 of such a claim; or

23 (c) Refuse participation under a health care plan to an eligible
24 applicant solely because of such a claim.

25 **3. The provisions of this section do not apply to a health**
26 **maintenance organization under a health care plan that provides**
27 **coverage for long-term care or disability income.**

28 **Sec. 7.** NRS 695G.405 is hereby amended to read as follows:
29 695G.405 1. Except as otherwise provided in subsection 2, a
30 managed care organization shall not:

31 (a) Deny a claim under a health care plan solely because the
32 claim involves an injury sustained by an insured as a consequence of
33 being intoxicated or under the influence of a controlled substance.

34 (b) Cancel participation under a health care plan solely because
35 an insured has made a claim involving an injury sustained by the
36 insured as a consequence of being intoxicated or under the influence
37 of a controlled substance.

38 (c) Refuse participation under a health care plan to an eligible
39 applicant solely because the applicant has made a claim involving
40 an injury sustained by the applicant as a consequence of being
41 intoxicated or under the influence of a controlled substance.

42 2. The provisions of **[this section] subsection 1** do not prohibit
43 a managed care organization from enforcing a provision included in
44 a health care plan to:



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1 (a) Deny a claim which involves an injury to which a
2 contributing cause was the insured's commission of or attempt to
3 commit a felony;

4 (b) Cancel participation under a health care plan solely because
5 of such a claim; or

6 (c) Refuse participation under a health care plan to an eligible
7 applicant solely because of such a claim.

8 ***3. The provisions of this section do not apply to a managed
9 care organization under a health care plan that provides coverage
10 for long-term care or disability income.***

11 **Sec. 8.** This act becomes effective upon passage and approval.

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