

Amendment No. 509

Assembly Amendment to Assembly Bill No. 97

(BDR 40-857)

Proposed by: Assembly Committee on Health and Human Services**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	☐	Lost	☐	_____	Adopted	☐	Lost	☐	_____
Concurred In	☐	Not	☐	_____	Concurred In	☐	Not	☐	_____
Receded	☐	Not	☐	_____	Receded	☐	Not	☐	_____

EXPLANATION: Matter in (1) **blue bold italics** is new language in the original bill; (2) **green bold italic underlining** is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) **green bold** is newly added transitory language.

KMG/RBL



Date: 4/20/2007

A.B. No. 97—Revises provisions governing certain contracts between insurers and hospitals. (BDR 40-857)



ASSEMBLY BILL NO. 97—COMMITTEE ON
HEALTH AND HUMAN SERVICES

FEBRUARY 13, 2007

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing certain contracts between insurers and hospitals. (BDR 40-857)

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 care; revising provisions governing contracts between certain insurers and hospitals that are located in certain counties; and providing other matters properly relating thereto.**Legislative Counsel's Digest:**

1 This bill prohibits a hospital that is located in a county whose population is 100,000 or
2 more but less than 400,000 (currently Washoe County) *or any other person or entity on*
3 *behalf of such a hospital* and a health insurance company, self-insured employer, association
4 of self-insured public or private employers or a private carrier from entering into a contract for
5 the provision of health care to insureds or employees if the contract prohibits the insurer from
6 contracting with other hospitals which are located in that county ~~or~~ *or from entering into*
7 *such a contract with any of those insurers if the insurer has entered into a separate*
8 *contract or is bound by a separate contract which has the effect of preventing the*
9 *insurer from contracting with such other hospitals.* This prohibition applies only to
10 contracts that are executed or renewed on and after the effective date of the bill.

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

1 **Section 1.** Chapter 449 of NRS is hereby amended by adding thereto a new
2 section to read as follows:

3 *1. A hospital that is located in a county whose population is 100,000 or*
4 *more but less than 400,000* *or other person or entity on behalf of such a hospital*
5 *shall not* ~~enter~~ *;*

6 *(a) Enter into a contract for the provision of health care to insureds or*
7 *employees, as applicable, with a health insurance company, a self-insured*
8 *employer, an association of self-insured public or private employers or a private*
9 *carrier if the contract prohibits the health insurance company, self-insured*
10 *employer, association or private carrier from contracting with other hospitals*
11 *which are located in that county* ~~or~~ *;* *or*

(b) Enter into a contract described in paragraph (a) with a health insurance company, a self-insured employer, an association of self-insured public or private employers or a private carrier which has entered into a separate contract or which is bound by a separate contract that has the effect of preventing it from contracting with other hospitals which are located in that county.

2. As used in this section:

(a) "Association of self-insured private employers" has the meaning ascribed to it in NRS 616A.050.

(b) "Association of self-insured public employers" has the meaning ascribed to it in NRS 616A.055.

(c) "Health insurance company" has the meaning ascribed to it in section 4 of this bill.

(d) "Private carrier" has the meaning ascribed to it in NRS 616A.290.

(e) "Self-insured employer" has the meaning ascribed to it in NRS 616A.305.

Sec. 2. Chapter 616B of NRS is hereby amended by adding thereto a new section to read as follows:

1. A self-insured employer, an association of self-insured public or private employers or a private carrier shall not enter into a contract for the provision of health care to employees with ~~for~~ :

(a) A hospital that is located in a county whose population is 100,000 or more but less than 400,000 ; or

(b) Another person or entity on behalf of such a hospital.

if the contract prohibits the self-insured employer, association or private carrier from contracting with other hospitals which are located in that county.

2. As used in this section, "hospital" has the meaning ascribed to it in NRS 449.012.

Sec. 3. NRS 616B.527 is hereby amended to read as follows:

616B.527 1. A self-insured employer, an association of self-insured public or private employers or a private carrier may:

(a) Except as otherwise provided in NRS 616B.5273, enter into a contract or contracts with one or more organizations for managed care to provide comprehensive medical and health care services to employees for injuries and diseases that are compensable pursuant to chapters 616A to 617, inclusive, of NRS.

(b) ~~Enter~~ Except as otherwise provided in section 2 of this act, enter into a contract or contracts with providers of health care, including, without limitation, physicians who provide primary care, specialists, pharmacies, physical therapists, radiologists, nurses, diagnostic facilities, laboratories, hospitals and facilities that provide treatment to outpatients, to provide medical and health care services to employees for injuries and diseases that are compensable pursuant to chapters 616A to 617, inclusive, of NRS.

(c) Require employees to obtain medical and health care services for their industrial injuries from those organizations and persons with whom the self-insured employer, association or private carrier has contracted pursuant to paragraphs (a) and (b), or as the self-insured employer, association or private carrier otherwise prescribes.

(d) Except as otherwise provided in subsection 3 of NRS 616C.090, require employees to obtain the approval of the self-insured employer, association or private carrier before obtaining medical and health care services for their industrial injuries from a provider of health care who has not been previously approved by the self-insured employer, association or private carrier.

2. An organization for managed care with whom a self-insured employer, association of self-insured public or private employers or a private carrier has

1 contracted pursuant to this section shall comply with the provisions of NRS
2 616B.528, 616B.5285 and 616B.529.

3 **Sec. 4.** Chapter 679A of NRS is hereby amended by adding thereto a new
4 section to read as follows:

5 *1. A health insurance company shall not enter into a contract for the*
6 *provision of health care to insureds with ~~for~~ :*

7 *(a) A hospital that is located in a county whose population is 100,000 or*
8 *more but less than 400,000 ; or*

9 *(b) Another person or entity on behalf of such a hospital,*

10 *↪ if the contract prohibits the health insurance company from contracting with*
11 *other hospitals which are located in that county.*

12 *2. As used in this section:*

13 *(a) "Health insurance company" means any person authorized pursuant to*
14 *this title to provide or arrange for the provision of a plan of health insurance or*
15 *health benefits, including, without limitation, an insurer, a producer of*
16 *insurance, a managing general agent, a third-party administrator, an*
17 *organization composed of or using preferred providers of health care, a health*
18 *maintenance organization, a carrier serving small employers, a fraternal benefit*
19 *society, a hospital, medical or dental service corporation, a plan for dental care or*
20 *a prepaid limited health service organization.*

21 *(b) "Hospital" has the meaning ascribed to it in NRS 449.012.*

22 **Sec. 5.** The provisions of this act do not apply to contracts that are executed
23 or renewed before the effective date of this act.

24 **Sec. 6.** This act becomes effective upon passage and approval.