

ASSEMBLY BILL NO. 89—ASSEMBLYMAN SEGERBLOM

PREFILED JANUARY 7, 2011

Referred to Committee on Commerce and Labor

SUMMARY—Requires certain policies of health insurance and health care plans to provide coverage for acupuncture treatments in certain circumstances. (BDR 57-278)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§ 10)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

~

EXPLANATION – Matter in **bolded italics** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; requiring certain policies of health insurance and health care plans to provide coverage for acupuncture treatments in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires certain public and private health care plans and policies of insurance to provide coverage for certain procedures, including colorectal cancer screenings, cytological screening tests and mammograms, in certain circumstances. (NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374, 695B.1907, 695B.1912, 695C.1731, 695C.1735, 695G.168) Existing law also requires employers to provide certain benefits to employees, including coverage for the procedures required to be covered by insurers if the employer provides health benefits for its employees. (NRS 608.1555) **Sections 1-11** of this bill require those health care plans and policies of insurance, other than the State Plan for Medicaid, to also provide coverage for acupuncture treatments in certain circumstances.

Existing law requires that if certain health care plans and policies of insurance provide coverage for acupuncture performed by a physician, then they also must reimburse for acupuncture performed by a doctor of Oriental medicine. (NRS 689A.0475, 689B.049, 695B.196, 695C.1765) **Section 12** of this bill repeals these provisions, as their requirements are completely subsumed within the requirements of **sections 1 and 3-5** of this bill.

The provisions of this bill apply prospectively to any policy of insurance or health care plan issued or renewed on or after October 1, 2011.



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

Section 1. Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A policy of health insurance must provide coverage for benefits payable for expenses incurred for treatment by acupuncture, as defined in NRS 634A.020.

2. A policy subject to the provisions of this chapter which is delivered, issued for delivery or renewed on or after October 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the policy or the renewal which is in conflict with subsection 1 is void.

Sec. 2. NRS 689A.330 is hereby amended to read as follows:

689A.330 If any policy is issued by a domestic insurer for delivery to a person residing in another state, and if the insurance commissioner or corresponding public officer of that other state has informed the Commissioner that the policy is not subject to approval or disapproval by that officer, the Commissioner may by ruling require that the policy meet the standards set forth in NRS 689A.030 to 689A.320, inclusive ~~H~~, and section 1 of this act.

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

1. A policy of group health insurance must provide coverage for benefits payable for expenses incurred for treatment by acupuncture, as defined in NRS 634A.020.

2. A policy subject to the provisions of this chapter which is delivered, issued for delivery or renewed on or after October 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the policy or the renewal which is in conflict with subsection 1 is void.

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

1. A policy of health insurance issued by a hospital or medical service corporation must provide coverage for benefits payable for expenses incurred for treatment by acupuncture, as defined in NRS 634A.020.

2. A policy subject to the provisions of this chapter which is delivered, issued for delivery or renewed on or after October 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the policy or the renewal which is in conflict with subsection 1 is void.



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

3 ***1. A health care plan issued by a health maintenance***
4 ***organization must provide coverage for benefits payable for***
5 ***expenses incurred for treatment by acupuncture, as defined in***
6 ***NRS 634A.020.***

7 ***2. An evidence of coverage for a health care plan subject to***
8 ***the provisions of this chapter which is delivered, issued for***
9 ***delivery or renewed on or after October 1, 2011, has the legal***
10 ***effect of including the coverage required by subsection 1, and any***
11 ***provision of the evidence of coverage or the renewal which is in***
12 ***conflict with subsection 1 is void.***

13 **Sec. 6.** NRS 695C.050 is hereby amended to read as follows:

14 695C.050 1. Except as otherwise provided in this chapter or
15 in specific provisions of this title, the provisions of this title are not
16 applicable to any health maintenance organization granted a
17 certificate of authority under this chapter. This provision does not
18 apply to an insurer licensed and regulated pursuant to this title
19 except with respect to its activities as a health maintenance
20 organization authorized and regulated pursuant to this chapter.

21 2. Solicitation of enrollees by a health maintenance
22 organization granted a certificate of authority, or its representatives,
23 must not be construed to violate any provision of law relating to
24 solicitation or advertising by practitioners of a healing art.

25 3. Any health maintenance organization authorized under this
26 chapter shall not be deemed to be practicing medicine and is exempt
27 from the provisions of chapter 630 of NRS.

28 4. The provisions of NRS 695C.110, 695C.125, 695C.1691,
29 695C.1693, 695C.170 to 695C.173, inclusive, ***and section 5 of this***
30 ***act, NRS*** 695C.1733 to 695C.200, inclusive, 695C.250 and
31 695C.265 do not apply to a health maintenance organization that
32 provides health care services through managed care to recipients of
33 Medicaid under the State Plan for Medicaid or insurance pursuant to
34 the Children's Health Insurance Program pursuant to a contract with
35 the Division of Health Care Financing and Policy of the Department
36 of Health and Human Services. This subsection does not exempt a
37 health maintenance organization from any provision of this chapter
38 for services provided pursuant to any other contract.

39 5. The provisions of NRS 695C.1694, 695C.1695 and
40 695C.1731 apply to a health maintenance organization that provides
41 health care services through managed care to recipients of Medicaid
42 under the State Plan for Medicaid.

43 **Sec. 7.** NRS 695C.330 is hereby amended to read as follows:

44 695C.330 1. The Commissioner may suspend or revoke any
45 certificate of authority issued to a health maintenance organization



1 pursuant to the provisions of this chapter if the Commissioner finds
2 that any of the following conditions exist:

3 (a) The health maintenance organization is operating
4 significantly in contravention of its basic organizational document,
5 its health care plan or in a manner contrary to that described in and
6 reasonably inferred from any other information submitted pursuant
7 to NRS 695C.060, 695C.070 and 695C.140, unless any amendments
8 to those submissions have been filed with and approved by the
9 Commissioner;

10 (b) The health maintenance organization issues evidence of
11 coverage or uses a schedule of charges for health care services
12 which do not comply with the requirements of NRS 695C.1691 to
13 695C.200, inclusive, **and section 5 of this act**, or **NRS** 695C.207;

14 (c) The health care plan does not furnish comprehensive health
15 care services as provided for in NRS 695C.060;

16 (d) The State Board of Health certifies to the Commissioner that
17 the health maintenance organization:

18 (1) Does not meet the requirements of subsection 2 of NRS
19 695C.080; or

20 (2) Is unable to fulfill its obligations to furnish health care
21 services as required under its health care plan;

22 (e) The health maintenance organization is no longer financially
23 responsible and may reasonably be expected to be unable to meet its
24 obligations to enrollees or prospective enrollees;

25 (f) The health maintenance organization has failed to put into
26 effect a mechanism affording the enrollees an opportunity to
27 participate in matters relating to the content of programs pursuant to
28 NRS 695C.110;

29 (g) The health maintenance organization has failed to put into
30 effect the system required by NRS 695C.260 for:

31 (1) Resolving complaints in a manner reasonably to dispose
32 of valid complaints; and

33 (2) Conducting external reviews of final adverse
34 determinations that comply with the provisions of NRS 695G.241 to
35 695G.310, inclusive;

36 (h) The health maintenance organization or any person on its
37 behalf has advertised or merchandised its services in an untrue,
38 misrepresentative, misleading, deceptive or unfair manner;

39 (i) The continued operation of the health maintenance
40 organization would be hazardous to its enrollees;

41 (j) The health maintenance organization fails to provide the
42 coverage required by NRS 695C.1691; or

43 (k) The health maintenance organization has otherwise failed to
44 comply substantially with the provisions of this chapter.



2. A certificate of authority must be suspended or revoked only after compliance with the requirements of NRS 695C.340.

3. If the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of that suspension, enroll any additional groups or new individual contracts, unless those groups or persons were contracted for before the date of suspension.

4. If the certificate of authority of a health maintenance organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. It shall engage in no further advertising or solicitation of any kind. The Commissioner may, by written order, permit such further operation of the organization as the Commissioner may find to be in the best interest of enrollees to the end that enrollees are afforded the greatest practical opportunity to obtain continuing coverage for health care.

Sec. 8. Chapter 695G of NRS is hereby amended by adding thereto a new section to read as follows:

1. A health care plan issued by a managed care organization must provide coverage for benefits payable for expenses incurred for treatment by acupuncture, as defined in NRS 634A.020.

2. An evidence of coverage for a health care plan subject to the provisions of this chapter which is delivered, issued for delivery or renewed on or after October 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the evidence of coverage or the renewal which is in conflict with subsection 1 is void.

Sec. 9. NRS 695G.090 is hereby amended to read as follows:

695G.090 1. Except as otherwise provided in subsection 3, the provisions of this chapter apply to each organization and insurer that operates as a managed care organization and may include, without limitation, an insurer that issues a policy of health insurance, an insurer that issues a policy of individual or group health insurance, a carrier serving small employers, a fraternal benefit society, a hospital or medical service corporation and a health maintenance organization.

2. In addition to the provisions of this chapter, each managed care organization shall comply with:

(a) The provisions of chapter 686A of NRS, including all obligations and remedies set forth therein; and

(b) Any other applicable provision of this title.

3. The provisions of NRS 695G.164, 695G.1645, 695G.200 to 695G.230, inclusive, and 695G.430 ***and section 8 of this act*** do not



1 apply to a managed care organization that provides health care
2 services to recipients of Medicaid under the State Plan for Medicaid
3 or insurance pursuant to the Children's Health Insurance Program
4 pursuant to a contract with the Division of Health Care Financing
5 and Policy of the Department of Health and Human Services. This
6 subsection does not exempt a managed care organization from any
7 provision of this chapter for services provided pursuant to any other
8 contract.

9 **Sec. 10.** NRS 287.010 is hereby amended to read as follows:

10 287.010 1. The governing body of any county, school
11 district, municipal corporation, political subdivision, public
12 corporation or other local governmental agency of the State of
13 Nevada may:

14 (a) Adopt and carry into effect a system of group life, accident
15 or health insurance, or any combination thereof, for the benefit of its
16 officers and employees, and the dependents of officers and
17 employees who elect to accept the insurance and who, where
18 necessary, have authorized the governing body to make deductions
19 from their compensation for the payment of premiums on the
20 insurance.

21 (b) Purchase group policies of life, accident or health insurance,
22 or any combination thereof, for the benefit of such officers and
23 employees, and the dependents of such officers and employees, as
24 have authorized the purchase, from insurance companies authorized
25 to transact the business of such insurance in the State of Nevada,
26 and, where necessary, deduct from the compensation of officers and
27 employees the premiums upon insurance and pay the deductions
28 upon the premiums.

29 (c) Provide group life, accident or health coverage through a
30 self-insurance reserve fund and, where necessary, deduct
31 contributions to the maintenance of the fund from the compensation
32 of officers and employees and pay the deductions into the fund. The
33 money accumulated for this purpose through deductions from the
34 compensation of officers and employees and contributions of the
35 governing body must be maintained as an internal service fund as
36 defined by NRS 354.543. The money must be deposited in a state or
37 national bank or credit union authorized to transact business in the
38 State of Nevada. Any independent administrator of a fund created
39 under this section is subject to the licensing requirements of chapter
40 683A of NRS, and must be a resident of this State. Any contract
41 with an independent administrator must be approved by the
42 Commissioner of Insurance as to the reasonableness of
43 administrative charges in relation to contributions collected and
44 benefits provided. The provisions of NRS 687B.408, 689B.030 to



689B.050, inclusive, *and section 3 of this act, NRS* 689B.287 and 689B.575 apply to coverage provided pursuant to this paragraph.

(d) Defray part or all of the cost of maintenance of a self-insurance fund or of the premiums upon insurance. The money for contributions must be budgeted for in accordance with the laws governing the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada.

2. If a school district offers group insurance to its officers and employees pursuant to this section, members of the board of trustees of the school district must not be excluded from participating in the group insurance. If the amount of the deductions from compensation required to pay for the group insurance exceeds the compensation to which a trustee is entitled, the difference must be paid by the trustee.

3. In any county in which a legal services organization exists, the governing body of the county, or of any school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada in the county, may enter into a contract with the legal services organization pursuant to which the officers and employees of the legal services organization, and the dependents of those officers and employees, are eligible for any life, accident or health insurance provided pursuant to this section to the officers and employees, and the dependents of the officers and employees, of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency.

4. If a contract is entered into pursuant to subsection 3, the officers and employees of the legal services organization:

(a) Shall be deemed, solely for the purposes of this section, to be officers and employees of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency with which the legal services organization has contracted; and

(b) Must be required by the contract to pay the premiums or contributions for all insurance which they elect to accept or of which they authorize the purchase.

5. A contract that is entered into pursuant to subsection 3:

(a) Must be submitted to the Commissioner of Insurance for approval not less than 30 days before the date on which the contract is to become effective.

(b) Does not become effective unless approved by the Commissioner.

(c) Shall be deemed to be approved if not disapproved by the Commissioner within 30 days after its submission.



6. As used in this section, “legal services organization” means an organization that operates a program for legal aid and receives money pursuant to NRS 19.031.

Sec. 11. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the Board provides health insurance through a plan of self-insurance, it shall comply with the provisions of NRS 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645, 695G.170, 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, *and section 8 of this act* in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.

Sec. 12. NRS 689A.0475, 689B.049, 695B.196 and 695C.1765 are hereby repealed.

Sec. 13. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

LEADLINES OF REPEALED SECTIONS

689A.0475 Acupuncture.

689B.049 Reimbursement for acupuncture.

695B.196 Reimbursement for acupuncture.

695C.1765 Reimbursement for acupuncture.

