

(Reprinted with amendments adopted on April 17, 2013)

FIRST REPRINT

S.B. 340

## SENATE BILL NO. 340—SENATOR HARDY

MARCH 18, 2013

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to the delivery of health care. (BDR 40-595)

FISCAL NOTE: Effect on Local Government: No.  
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 health care; providing for the creation of the Office for Patient-Centered Medical Homes and the Advisory Council on Patient-Centered Medical Homes; revising provisions relating to medical records; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Sections 2-12** of this bill provide for the creation of the Office for Patient-Centered Medical Homes and the Advisory Council on Patient-Centered Medical Homes within the Health Division of the Department of Health and Human Services. **Section 10** of this bill requires the Administrator of the Health Division to administer the Office and to adopt regulations to establish certain standards and processes relating to the Office. **Section 10.5** of this bill requires a primary care practice to be certified by the Office before operating as a patient-centered medical home. **Section 11** of this bill allows an insurer which registers with the Office: (1) to pay a patient-centered medical home for the coordination of care for insureds; (2) to pay incentives to a patient-centered medical home; and (3) if authorized by an insured, to share information about the insured with a patient-centered medical home and any other practitioner or health facility that provides health services to the insured. **Sections 10.5 and 11** require the Administrator to adopt necessary regulations to provide for the certification of patient-centered medical homes and the registration of insurers, including regulations to impose a fee for certification and registration.

**Section 12** of this bill requires the Administrator to evaluate the effectiveness of patient-centered medical homes and the efforts of the Office to promote and regulate such homes and report to the Legislature with the results of the evaluation on or before January 1, 2019. **Section 15** of this bill makes the provisions of this bill relating to patient-centered medical homes expire by limitation on June 30, 2019.



\* S B 3 4 0 R 1 \*

Existing law requires a provider of health care, including a facility that maintains the health care records of patients, to make the health care records of a patient available for inspection in certain circumstances. (NRS 629.021, 629.061) **Section 13** of this bill: (1) extends the period of time within which a provider of health care must make health care records available for inspection; and (2) absolves certain providers of health care who have transferred custody of a health care record to a facility that maintains the health care records of patients from the requirement to make the health care record available for inspection. **Section 14** of this bill repeals a provision making it a misdemeanor for a physician licensed pursuant to chapter 630 of NRS to willfully fail or refuse to comply with this requirement.

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

**Section 1.** Chapter 439A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this act.

**Sec. 2.** *As used in sections 2 to 12, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 2.3 to 7, inclusive, of this act have the meanings ascribed to them in those sections.*

**Sec. 2.3.** *“Administrator” means the Administrator of the Health Division.*

**Sec. 2.7.** *“Advisory Council” means the Advisory Council on Patient-Centered Medical Homes established pursuant to section 11.5 of this act.*

**Sec. 3.** *“Federally qualified health center” has the meaning ascribed to it in 42 U.S.C. § 1396d(1)(2)(B).*

**Sec. 3.5.** *“Health Division” means the Health Division of the Department.*

**Sec. 4.** *“Insured” means a person who receives health coverage or benefits in accordance with state law from an insurer.*

**Sec. 5.** *“Insurer” means a person or governmental entity that provides health coverage or benefits in accordance with state law. The term includes, without limitation:*

*1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides health insurance through a plan of self-insurance pursuant to NRS 287.010 to 287.040, inclusive.*

*2. The Board of the Public Employees’ Benefits Program if the Board provides health insurance through a plan of self-insurance pursuant to NRS 287.04335.*

*3. The Division of Health Care Financing and Policy of the Department for the purpose of administering the Medicaid*



1 *program and the Children's Health Insurance Program pursuant*  
2 *to chapter 422 of NRS.*

3 *4. An insurer that issues policies of individual health*  
4 *insurance pursuant to chapter 689A of NRS or policies of group*  
5 *health insurance pursuant to chapter 689B of NRS.*

6 *5. A carrier who provides health benefit plans pursuant to*  
7 *chapter 689C of NRS.*

8 *6. A fraternal benefit society that provides hospital, medical*  
9 *or nursing benefits pursuant to chapter 695A of NRS.*

10 *7. A corporation organized for the purpose of maintaining*  
11 *and operating a hospital, medical or dental service plan pursuant*  
12 *to chapter 695B of NRS.*

13 *8. A health maintenance organization established and*  
14 *operated pursuant to chapter 695C of NRS.*

15 *9. A managed care organization established and operated*  
16 *pursuant to chapter 695G of NRS.*

17 *10. The Silver State Health Insurance Exchange established*  
18 *pursuant to NRS 695I.200.*

19 **Sec. 5.5.** *"Office" means the Office for Patient-Centered*  
20 *Medical Homes created pursuant to section 9 of this act.*

21 **Sec. 6.** *"Patient-centered medical home" means a primary*  
22 *care practice certified by the Office pursuant to section 10.5 of this*  
23 *act.*

24 **Sec. 7.** *"Primary care practice" means a federally qualified*  
25 *health center or a business where health services are provided by*  
26 *one or more nurse practitioners or one or more physicians who*  
27 *are licensed pursuant to chapter 630 or 633 of NRS and who*  
28 *practice in the area of family practice, internal medicine or*  
29 *pediatrics.*

30 **Sec. 8.** (Deleted by amendment.)

31 **Sec. 9.** *1. There is hereby created within the Health*  
32 *Division the Office for Patient-Centered Medical Homes.*

33 *2. The Office shall encourage the development of patient-*  
34 *centered medical homes and adopt standards to encourage*  
35 *insurers to provide coverage for health services provided to*  
36 *insureds by patient-centered medical homes.*

37 **Sec. 10.** *1. The Administrator or his or her designee shall*  
38 *administer the Office.*

39 *2. The Administrator or his or her designee shall adopt*  
40 *regulations to carry out the provisions of sections 2 to 12,*  
41 *inclusive, of this act, which may include, without limitation,*  
42 *regulations to establish:*

43 *(a) Standards for the qualification and operation of a patient-*  
44 *centered medical home;*



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1       (b) Standards for submitting claims to an insurer for health  
2 services received by an insured from a patient-centered medical  
3 home;

4       (c) Standards for any incentive that may be provided by an  
5 insurer to a patient-centered medical home pursuant to section 11  
6 of this act;

7       (d) A method to measure the effectiveness of a patient-centered  
8 medical home; and

9       (e) A process for insureds to determine whether to receive  
10 health services from a patient-centered medical home when such  
11 services are available.

12       3. In adopting regulations pursuant to this section, the  
13 Administrator or his or her designee shall:

14       (a) Ensure that the Office carries out its duties in the public  
15 interest and in such a manner as to promote the efficient and  
16 effective provision of health services;

17       (b) Consider the use of health information technology,  
18 including, without limitation, electronic medical records;

19       (c) Consider the relationship between the patient-centered  
20 medical home and other practitioners and health facilities;

21       (d) Consider the ability of a patient-centered medical home to  
22 foster a partnership with insureds and provide services to insureds  
23 in a timely manner; and

24       (e) Consider the use of comprehensive management of  
25 medication to improve outcomes.

26       4. The Administrator shall monitor insurers and patient-  
27 centered medical homes and adopt such regulations as necessary  
28 to ensure that the insurers and patient-centered medical homes  
29 may engage in the activities authorized pursuant to sections 2 to  
30 12, inclusive, of this act, and any regulations adopted pursuant  
31 thereto, to the greatest extent possible without violating federal  
32 antitrust laws. Any act of an insurer or a patient-centered medical  
33 home which is in compliance with sections 2 to 12, inclusive, of  
34 this act, and any regulations adopted pursuant thereto, does not  
35 constitute an unfair trade practice for the purposes of chapter  
36 598A of NRS.

37       **Sec. 10.5.** 1. Before a primary care practice may operate as  
38 a patient-centered medical home, the primary care practice must  
39 obtain certification from the Office.

40       2. The Office shall certify a primary care practice for the  
41 purpose of operating as a patient-centered medical home if the  
42 primary care practice demonstrates to the Office that:

43       (a) Insureds will receive health services from a team of  
44 medical professionals who are directed by one or more physicians



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1 *who practice in the area of family practice, internal medicine or*  
2 *pediatrics;*

3 *(b) The provision of health services at the patient-centered*  
4 *medical home will be evidence-based and provided on a*  
5 *comprehensive and ongoing basis;*

6 *(c) Insureds who receive services at the patient-centered*  
7 *medical home will have enhanced access to health services and*  
8 *improved communication with practitioners and coordination of*  
9 *health services;*

10 *(d) Health information technology will be used to improve the*  
11 *delivery of health services to insureds;*

12 *(e) Improved outcomes for insureds will be possible and*  
13 *provided in a more cost-effective manner; and*

14 *(f) The practice is in compliance with any other requirements*  
15 *established by the Office by regulation.*

16 3. *The Administrator shall adopt any regulations necessary to*  
17 *carry out the provisions of this section, which may include,*  
18 *without limitation, regulations establishing:*

19 *(a) A fee for certification by the Office which may be set at an*  
20 *amount not to exceed the costs related to certification;*

21 *(b) The manner in which to apply for certification; and*

22 *(c) The expiration and renewal of registration.*

23 **Sec. 11.** 1. *An insurer that registers with the Office may*  
24 *provide an incentive to a patient-centered medical home that*  
25 *offers services to its insureds in the manner and amount*  
26 *authorized by the Office by regulation.*

27 2. *An insurer that registers with the Office pursuant to*  
28 *subsection 1 may:*

29 *(a) Pay a patient-centered medical home for services*  
30 *associated with the coordination of care for any health services*  
31 *provided to an insured; and*

32 *(b) Subject to the provisions of subsection 3, share health care*  
33 *records and other related information about an insured who has*  
34 *elected to receive services from a patient-centered medical home*  
35 *with the patient-centered medical home and any other practitioner*  
36 *or health facility that provides health services to the insured.*

37 3. *An insurer that registers with the Office, a patient-centered*  
38 *medical home and any other practitioner or health facility may*  
39 *share health care records and other related information about an*  
40 *insured only if the insured provides authorization to share such*  
41 *information. An authorization to share information pursuant to*  
42 *this subsection:*

43 *(a) Must be made on a form prescribed by the Administrator or*  
44 *his or her designee that is signed by the insured;*



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1       (b) Expires 1 year after the date on which the insured signed  
2 the form; and

3       (c) May be renewed.

4       4. The Administrator shall adopt any regulations necessary to  
5 carry out the provisions of this section, which may include,  
6 without limitation, regulations establishing:

7       (a) A fee for registering with the Office which may be set at an  
8 amount not to exceed the costs related to registration;

9       (b) The manner in which to apply for registration; and

10      (c) The expiration and renewal of registration.

11      5. As used in this section, "health care records" has the  
12 meaning ascribed to it in NRS 629.021.

13      **Sec. 11.5.** 1. Within the limits of available money, the  
14 Health Division shall establish the Advisory Council on Patient-  
15 Centered Medical Homes to advise and make recommendations to  
16 the Health Division concerning the Office.

17      2. The Administrator shall appoint to the Advisory Council  
18 the following seven voting members:

19      (a) The State Health Officer or his or her designee;

20      (b) The Commissioner of Insurance or his or her designee;

21      (c) The Director of the Department or his or her designee;

22      (d) The Administrator of the Division of Health Care  
23 Financing and Policy of the Department or his or her designee;

24      (e) The Governor or his or her designee;

25      (f) One representative of the health insurance industry who  
26 serves at the pleasure of the Administrator; and

27      (g) One provider of health care who serves at the pleasure of  
28 the Administrator.

29      3. The Legislative Commission shall appoint to the Advisory  
30 Council the following two voting members:

31      (a) One member of the Senate; and

32      (b) One member of the Assembly.

33      4. A majority of the voting members of the Advisory Council  
34 may appoint nonvoting members to the Advisory Council.

35      **Sec. 11.7.** 1. The members of the Advisory Council serve  
36 terms of 2 years and may be reappointed. Vacancies must be filled  
37 in the same manner as the original appointment.

38      2. At its first meeting and annually thereafter, a majority of  
39 the voting members of the Advisory Council shall select a Chair  
40 and a Vice Chair of the Advisory Council.

41      3. A majority of the voting members of the Advisory Council  
42 may appoint committees or subcommittees to study issues relating  
43 to patient-centered medical homes.



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1       4. *The Health Division shall, within the limits of available*  
2 *money, provide the necessary professional staff and a secretary for*  
3 *the Advisory Council.*

4       5. *A majority of the voting members of the Advisory Council*  
5 *constitutes a quorum to transact all business, and a majority of*  
6 *those voting members present, physically or via*  
7 *telecommunications, must concur in any decision.*

8       6. *The Advisory Council shall, within the limits of available*  
9 *money, meet at the call of the Administrator, the Chair or a*  
10 *majority of the voting members of the Advisory Council quarterly*  
11 *or as is necessary.*

12       7. *A member of the Advisory Council who is an officer or*  
13 *employee of this State or a political subdivision of this State must*  
14 *be relieved from his or her duties without loss of regular*  
15 *compensation so that he or she may prepare for and attend*  
16 *meetings of the Advisory Council and perform any work necessary*  
17 *to carry out the duties of the Advisory Council in the most timely*  
18 *manner practicable. A state agency or political subdivision of this*  
19 *State shall not require an officer or employee who is a member of*  
20 *the Advisory Council to:*

21       (a) *Make up the time the member is absent from work to carry*  
22 *out his or her duties as a member of the Advisory Council; or*

23       (b) *Take annual leave or compensatory time for the absence.*

24       8. *The members of the Advisory Council serve without*  
25 *compensation, except that:*

26       (a) *For each day or portion of a day during which a member*  
27 *of the Advisory Council who is a Legislator attends a meeting of*  
28 *the Advisory Council or is otherwise engaged in the business of*  
29 *the Advisory Council, except during a regular or special session*  
30 *of the Legislature, the Legislator is entitled to receive the:*

31       (1) *Compensation provided for a majority of the members*  
32 *of the Legislature during the first 60 days of the preceding regular*  
33 *session;*

34       (2) *Per diem allowance provided for state officers*  
35 *generally; and*

36       (3) *Travel expenses provided pursuant to NRS 218A.655;*  
37 *and*

38       (b) *Each member who is not a Legislator is entitled, while*  
39 *engaged in the business of the Advisory Council and within the*  
40 *limits of available money, to the per diem allowance and travel*  
41 *expenses provided for state officers and employees generally.*

42       9. *The compensation, per diem allowances and travel*  
43 *expenses of the members of the Advisory Council who are*  
44 *Legislators must be paid from the Legislative Fund.*





1     **Sec. 11.9.** *To assist the Office in carrying out the provisions*  
2 *of sections 2 to 12, inclusive, of this act, the Advisory Council*  
3 *shall, within the limits of available money, investigate, consider*  
4 *and advise the Office on any issue relating to patient-centered*  
5 *medical homes.*

6     **Sec. 12. 1.** *On or before January 1, 2019, the*  
7 *Administrator or his or her designee shall:*

8     *(a) Conduct an evaluation of the effectiveness of patient-*  
9 *centered medical homes in this State and of the efforts of the*  
10 *Office to promote and regulate patient-centered medical homes;*  
11 *and*

12 *(b) Submit a written report compiling the results of the*  
13 *evaluation to the Director of the Legislative Counsel Bureau for*  
14 *transmittal to the next regular session of the Legislature.*

15     **2.** *The evaluation must include information relating to the*  
16 *effects of patient-centered medical homes and the Office on:*

17     *(a) The costs and outcomes of health care;*

18     *(b) The delivery of health care;*

19     *(c) The quality of processes for the delivery of health care;*

20     *(d) Access to services for the coordination of health care;*

21     *(e) Whether the enhanced payments allowed to patient-*  
22 *centered medical homes provide adequate compensation for the*  
23 *expanded services provided by patient-centered medical homes;*

24     *(f) The satisfaction of insureds with the quality and delivery of*  
25 *health care received from patient-centered medical homes;*

26     *(g) The satisfaction of practitioners with the quality and*  
27 *delivery of health care at patient-centered medical homes; and*

28     *(h) Any existing disparities in the ability of different groups of*  
29 *persons to obtain health care.*

30     **Sec. 13.** NRS 629.061 is hereby amended to read as follows:

31     629.061 1. ~~Each~~ *Except as otherwise provided in*  
32 *subsection 8, each* provider of health care shall make the health care  
33 records of a patient available for physical inspection by:

34     (i) The patient or a representative with written authorization  
35 from the patient;

36     (ii) The personal representative of the estate of a deceased  
37 patient;

38     (iii) Any trustee of a living trust created by a deceased patient;

39     (iv) The parent or guardian of a deceased patient who died before  
40 reaching the age of majority;

41     (v) An investigator for the Attorney General or a grand jury  
42 investigating an alleged violation of NRS 200.495, 200.5091 to  
43 200.50995, inclusive, or 422.540 to 422.570, inclusive;

44     (vi) An investigator for the Attorney General investigating an  
45 alleged violation of NRS 616D.200, 616D.220, 616D.240 or





1 616D.300 to 616D.440, inclusive, or any fraud in the administration  
2 of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the  
3 provision of benefits for industrial insurance; or

4 (g) Any authorized representative or investigator of a state  
5 licensing board during the course of any investigation authorized by  
6 law.

7 ➤ The records must be made available at a place within the  
8 depository convenient for physical inspection. If the records are  
9 located within this State, the provider shall make any records  
10 requested pursuant to this section available for inspection within ~~15~~  
11 **15** working days after the request. If the records are located outside  
12 this State, the provider shall make any records requested pursuant to  
13 this section available in this State for inspection within ~~10~~ **20**  
14 working days after the request.

15 2. Except as otherwise provided in subsection 3, the provider  
16 of health care shall also furnish a copy of the records to each person  
17 described in subsection 1 who requests it and pays the actual cost of  
18 postage, if any, the costs of making the copy, not to exceed 60 cents  
19 per page for photocopies and a reasonable cost for copies of X-ray  
20 photographs and other health care records produced by similar  
21 processes. No administrative fee or additional service fee of any  
22 kind may be charged for furnishing such a copy.

23 3. The provider of health care shall also furnish a copy of any  
24 records that are necessary to support a claim or appeal under any  
25 provision of the Social Security Act, 42 U.S.C. §§ 301 et seq., or  
26 under any federal or state financial needs-based benefit program,  
27 without charge, to a patient, or a representative with written  
28 authorization from the patient, who requests it, if the request is  
29 accompanied by documentation of the claim or appeal. A copying  
30 fee, not to exceed 60 cents per page for photocopies and a  
31 reasonable cost for copies of X-ray photographs and other health  
32 care records produced by similar processes, may be charged by the  
33 provider of health care for furnishing a second copy of the records  
34 to support the same claim or appeal. No administrative fee or  
35 additional service fee of any kind may be charged for furnishing  
36 such a copy. The provider of health care shall furnish the copy of  
37 the records requested pursuant to this subsection within 30 days  
38 after the date of receipt of the request, and the provider of health  
39 care shall not deny the furnishing of a copy of the records pursuant  
40 to this subsection solely because the patient is unable to pay the fees  
41 established in this subsection.

42 4. Each person who owns or operates an ambulance in this  
43 State shall make the records regarding a sick or injured patient  
44 available for physical inspection by:



(a) The patient or a representative with written authorization from the patient;

(b) The personal representative of the estate of a deceased patient;

(c) Any trustee of a living trust created by a deceased patient;

(d) The parent or guardian of a deceased patient who died before reaching the age of majority; or

(e) Any authorized representative or investigator of a state licensing board during the course of any investigation authorized by law.

➤ The records must be made available at a place within the depository convenient for physical inspection, and inspection must be permitted at all reasonable office hours and for a reasonable length of time. The person who owns or operates an ambulance shall also furnish a copy of the records to each person described in this subsection who requests it and pays the actual cost of postage, if any, and the costs of making the copy, not to exceed 60 cents per page for photocopies. No administrative fee or additional service fee of any kind may be charged for furnishing a copy of the records.

5. Records made available to a representative or investigator must not be used at any public hearing unless:

(a) The patient named in the records has consented in writing to their use; or

(b) Appropriate procedures are utilized to protect the identity of the patient from public disclosure.

6. Subsection 5 does not prohibit:

(a) A state licensing board from providing to a provider of health care or owner or operator of an ambulance against whom a complaint or written allegation has been filed, or to his or her attorney, information on the identity of a patient whose records may be used in a public hearing relating to the complaint or allegation, but the provider of health care or owner or operator of an ambulance and the attorney shall keep the information confidential.

(b) The Attorney General from using health care records in the course of a civil or criminal action against the patient or provider of health care.

7. A provider of health care or owner or operator of an ambulance and his or her agents and employees are immune from any civil action for any disclosures made in accordance with the provisions of this section or any consequential damages.

8. *A provider of health care described in subsection 1 of NRS 629.031 who has transferred custody of a health care record to a facility that maintains the health care records of patients is not required to perform any other action to comply with the requirements of this section unless the person is notified by the*



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1 *facility that additional information is required by the facility to*  
2 *comply with the requirements of this section.*

3 9. For the purposes of this section:

4 (a) "Guardian" means a person who has qualified as the  
5 guardian of a minor pursuant to testamentary or judicial  
6 appointment, but does not include a guardian ad litem.

7 (b) "Living trust" means an inter vivos trust created by a natural  
8 person:

9 (1) Which was revocable by the person during the lifetime of  
10 the person; and

11 (2) Who was one of the beneficiaries of the trust during the  
12 lifetime of the person.

13 (c) "Parent" means a natural or adoptive parent whose parental  
14 rights have not been terminated.

15 (d) "Personal representative" has the meaning ascribed to it in  
16 NRS 132.265.

17 **Sec. 13.5.** NRS 686A.110 is hereby amended to read as  
18 follows:

19 686A.110 Except as otherwise expressly provided by law,  
20 *including, without limitation, section 11 of this act*, no person shall  
21 knowingly:

22 1. Permit to be made or offer to make or make any contract of  
23 life insurance, life annuity or health insurance, or agreement as to  
24 such contract, other than as plainly expressed in the contract issued  
25 thereon, or pay or allow, or give or offer to pay, allow or give,  
26 directly or indirectly, or knowingly accept, as an inducement to such  
27 insurance or annuity, any rebate of premiums payable on the  
28 contract, or any special favor or advantage in the dividends or other  
29 benefits thereon, or any paid employment or contract for services of  
30 any kind, or any valuable consideration or inducement whatever not  
31 specified in the contract; or

32 2. Directly or indirectly give or sell or purchase or offer or  
33 agree to give, sell, purchase, or allow as an inducement to such  
34 insurance or annuity or in connection therewith, whether or not to be  
35 specified in the policy or contract, any agreement of any form or  
36 nature promising returns and profits, or any stocks, bonds or other  
37 securities, or interest present or contingent therein or as measured  
38 thereby, of any insurer or other corporation, association or  
39 partnership, or any dividends or profits accrued or to accrue thereon.

40 **Sec. 14.** NRS 630.405 is hereby repealed.

41 **Sec. 15.** 1. This section becomes effective upon passage and  
42 approval.

43 2. Sections 13 and 14 of this act become effective on  
44 October 1, 2013.



1       3. Sections 1 to 12, inclusive, and 13.5 of this act become  
2 effective:

3       (a) Upon passage and approval for the purpose of adopting  
4 regulations and performing any other preparatory administrative  
5 tasks that are necessary to carry out the provisions of this act; and

6       (b) On January 1, 2014, for all other purposes.

7       4. Sections 1 to 12, inclusive, and 13.5 of this act expire by  
8 limitation on June 30, 2019.

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### TEXT OF REPEALED SECTION

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**630.405 Penalty for failure to make records concerning health care available for inspection or copying.** A physician licensed pursuant to this chapter who willfully fails or refuses to make the health care records of a patient available for physical inspection or copying as provided in NRS 629.061 is guilty of a misdemeanor.

