

ASSEMBLY BILL NO. 220—COMMITTEE ON  
HEALTH AND HUMAN SERVICES

MARCH 4, 2015

Referred to Committee on Health and Human Services

SUMMARY—Requires the Commissioner of Insurance to study the adequacy of the network plans of health insurers. (BDR S-577)

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; requiring the Commissioner of Insurance to study the adequacy of network plans offered for sale in this State by health insurers and report the results of the study to the Governor and the Legislative Committee on Health Care; requiring the Committee to study the report and make recommendations to the Legislature for legislation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law requires a health insurer to demonstrate to the Commissioner of  
2 Insurance the capacity of a network plan to deliver services adequately before  
3 offering the network plan for sale in this State. The Commissioner is also required  
4 to make an annual determination concerning the availability and accessibility of  
5 health care services of any network plan offered for sale in this State. (NRS  
6 687B.490) This bill requires the Commissioner to study the capacity of network  
7 plans offered for sale in this State to deliver services to insureds in this State and  
8 submit a report of the information obtained from the study to the Governor and the  
9 Legislative Committee on Health Care. The Committee is required to study the  
10 report and provide the Legislature with recommendations for legislation to improve  
11 the capacity of network plans offered for sale in this State to address the needs of  
12 insureds.

1 WHEREAS, Network plans of providers of health care  
2 established by insurers are currently insufficient to provide high



1 quality, affordable health care to many residents of both urban and  
2 rural areas of this State; and

3 WHEREAS, Patients are frequently required to travel long  
4 distances to reach providers of health care who meet their needs or  
5 forced to pay high costs for services provided by out-of-network  
6 providers; and

7 WHEREAS, A scarcity of in-network providers of health care in a  
8 geographic area severely limits the choices of providers for patients  
9 in such an area, preventing such patients from finding providers who  
10 provide the services the patients need and with whom patients are  
11 comfortable; and

12 WHEREAS, Ensuring that network plans established by insurers  
13 are adequate to provide the services needed by insureds is essential  
14 to improving the quality, cost and availability of health care in this  
15 State; and

16 WHEREAS, The Legislature recognizes the importance of  
17 addressing the problem of inadequate networks of providers to  
18 ensure that all residents of this State have access to high quality  
19 health care; now, therefore,

20  
21 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
22 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:  
23

24 **Section 1.** 1. The Commissioner of Insurance shall study the  
25 capacity of network plans offered for sale in this State to deliver  
26 services to insureds in this State and, on or before March 1, 2016,  
27 submit a report thereof to the Governor and the Legislative  
28 Committee on Health Care. The study and report must include,  
29 without limitation:

30 (a) An analysis of the coverage provided by each network plan  
31 offered for sale in this State, including, without limitation, a  
32 determination of the capacity of the network plan to provide access  
33 to the types of services and providers of health care needed by  
34 insureds;

35 (b) Identification of geographic areas and populations in this  
36 State that do not have adequate access to health care services and  
37 types of providers of health care to which large groups of insureds  
38 do not have adequate access;

39 (c) An analysis of the capacity of network plans offered for sale  
40 in other states to provide access to the types of services and  
41 providers of health care needed by insureds in those states and any  
42 laws enacted or other measures taken in those states to improve the  
43 ability of network plans offered for sale to meet the needs of  
44 insureds; and



(d) Recommendations for legislation to improve access to health care by insureds in this State, including, without limitation, legislation that will ensure the adequacy of network plans offered for sale in this State. Such legislation may include, without limitation, legislation that provides a standard for evaluating network plans that balances the interests of insureds, insurers and providers of health care while ensuring that insureds in every geographic area of this State have access to high quality providers of health care.

2. The Legislative Committee on Health Care shall study the report received from the Commissioner of Insurance pursuant to subsection 1 and provide to the Legislature, as a result of its consideration of the report, appropriate recommendations for legislation to improve the capacity of network plans offered for sale in this State to address the needs of insureds.

3. As used in this section, “network plan” means a health benefit plan offered by a health insurer under which the financing and delivery of medical care, including items and services paid for as medical care, are provided, in whole or in part, through a defined set of providers under contract with the insurer. The term does not include an arrangement for the financing of premiums.

**Sec. 2.** This act becomes effective on July 1, 2015.

