Amendment No. 453

Receded

Senate Amendment to Senate Bill No. 6 (B.							
Proposed	d by: Se	nate Comr	mittee on Healt	th and	Human Service	ces	
Amends:	Summar	y: No Tit	le: Yes Preambl	le: No	Joint Sponsorsl	nip: No I	Digest: Yes
Adoption of this amendment will REMOVE the 2/3s majority vote requirement from S.B. 6.							
ASSEMB	LY ACT	ION	Initial and Date	SI	ENATE ACTIO)N Initi	al and Date
Adop	ted	Lost		_	Adopted	Lost	
Concurred	l In	Not		1	Concurred In	Not	

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of <u>green bold underlining</u> is language proposed to be added in this amendment; (3) <u>red strikethrough</u> is deleted language in the original bill; (4) <u>purple double strikethrough</u> is language proposed to be deleted in this amendment; (5) <u>orange double underlining</u> is deleted language in the original bill proposed to be retained in this amendment.

Receded Not

EWR/JRS Date: 4/15/2015

S.B. No. 6—Revises provisions relating to the delivery of health care. (BDR 40-63)

* A S B 6 4 5 3 *

SENATE BILL NO. 6–COMMITTEE ON HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE LEGISLATIVE COMMITTEE ON HEALTH CARE)

PREFILED DECEMBER 19, 2014

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to the delivery of health care. (BDR 40-63)

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 formitted material is material to be omitted.

AN ACT relating to health care; Iproviding for the creation of the Office for Patient-Centered Medical Homes within the Division of Public and Behavioral Health of the Department of Health and Human Services: requiring [certification] accreditation before a primary care practice may operate as a patient-centered medical home; fauthorizing the ereation of the Advisory Council on Patient Centered Medical Homes: authorizing insurers that register with the Office to provide payments and incentives to such medical homes; requiring the Administrator of the Division to evaluate patient centered medical homes and provide certain oversight: requiring each operator of a patient-centered medical home to spend a certain amount of his or her working hours providing primary health services for the patient-centered medical home; authorizing the State Board of Health to adopt regulations governing the operation of patient-centered medical homes; authorizing the Commissioner of Insurance to adopt regulations governing insurance coverage for health services provided through patient-centered medical homes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

[Sections 2-20 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 Division of Public and Behavioral Health of the Department of Health and Human Services. Section 13 requires the Administrator of the Division to administer the Office and to adopt regulations to establish certain standards and processes relating to the Office. Section 14 requires a primary care practice to be certified by the Office before operating as a patient centered medical home. Section 15 allows an insurer which registers with the Office: (1) to

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2021. Section 20.2 of this bill defines the term "patient-centered medical home" to mean a primary care practice that: (1) offers family centered, culturally competent health care that is coordinated with outside practitioners and health facilities to provide comprehensive health services; and (2) emphasizes enhanced access to practitioners and preventive care to improve the outcomes for and experiences of patients and lower the costs of health services. Section 20.2 also prohibits a primary care practice from representing itself as a patient-centered medical home unless: (1) it is accredited as such by a nationally recognized organization for accrediting patient-centered medical homes; and (2) each physician or advanced practice registered nurse who operates a patientcentered medical home spends at least 60 percent of his or her working hours providing primary health services for the patient-centered medical home. Sections 20.2 and 20.7 of this bill authorize the State Board of Health and the Commissioner of Insurance to adopt regulations that govern the operation of patient-centered medical homes and insurance coverage for health services provided through patient-centered medical homes. Such regulations: (1) must allow for the operation of patient-centered medical homes to the greatest extent authorized by federal and state antitrust laws; and (2) may allow for coordination between patient-centered medical homes and insurers and incentives provided by insurers to patient-centered medical homes that would otherwise constitute unfair trade practices. Section 21 of this bill authorizes the State Board and the Commissioner to adopt regulations exempting insurance coverage for health services provided through patient-centered medical homes from certain prohibitions on inducements to insurance.

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 20, inclusive, of this act.] (Deleted by amendment.)

Sec. 2. [As used in sections 2 to 20, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 11, inclusive, of this act have the meanings ascribed to them in those sections.] (Deleted by amendment.)

Sec. 3. ["Administrator" means the Administrator of the Division.]
(Deleted by amendment.)

Sec. 4. ["Advisory Council" means the Advisory Council on Patient Centered Medical Homes established pursuant to section 16 of this act.] (Deleted by amendment.)

- "Division" means the Division of Public and Behavioral Health of 1 Sec. 5. 2 the Department. (Deleted by amendment.) 3 Sec. 6. ["Federally qualified health center" has the meaning ascribed to it 4 in 42 U.S.C. § 1396d(t)(2)(B).] (Deleted by amendment.) Sec. 7. "Insured" means a person who receives health coverage or 5 benefits in accordance with state law from an insurer.] (Deleted by amendment.) 6 7 Sec. 8. ["Insurer" means a person or governmental entity that provides 8 health coverage or benefits in accordance with state law. The term includes, 9 without limitation: 10 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental 11 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. 12 13 14 2. The Board of the Public Employees' Benefits Program if the Board 15 provides health insurance through a plan of self-insurance pursuant to NRS 16 17 3. The Division of Health Care Financing and Policy of the Department for 18 the purpose of administering the Medicaid program and the Children's Health 19 Insurance Program pursuant to chapter 122 of NRS. 20 4. An insurer that issues policies of individual health insurance pursuant to 21 chapter 689.4 of NRS or policies of group health insurance pursuant to chapter 22 689B of NRS. 23 A carrier who provides health benefit plans pursuant to chapter 689C of 24 NRS. 25 A fraternal benefit society that provides hospital, medical or nursing 26 benefits pursuant to chapter 695A of NRS. 27 7. A corporation organized for the purpose of maintaining and operating a 28 hospital, medical or dental service plan pursuant to chapter 695B of NRS. 29 8. A health maintenance organization established and operated pursuant to 30 chapter 695C of NRS. 31 9. A managed care organization established and operated pursuant to 32 chapter 695G of NRS. 33 10. The Silver State Health Insurance Exchange established by NRS 34 6951.200.1 (Deleted by amendment.) 35 Sec. 9. ["Office" means the Office for Patient Centered Medical Homes 36 ereated by section 12 of this act. (Deleted by amendment.) 37 Sec. 10. ["Patient centered medical home" means a primary care practice 38 certified by the Office pursuant to section 14 of this act. [(Delêted by 39 amendment.) Sec. 11. ["Primary care practice" means a federally qualified health center 40 41 or a business where health services are provided by one or more advanced practice registered nurses or one or more physicians who are licensed pursuant to 42 43 chapter 630 or 633 of NRS and who practice in the area of family practice, 44
 - internal medicine or pediatries. J (Deleted by amendment.)
 Sec. 12. [I. There is hereby created within the Division the Office for Patient Centered Medical Homes.

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- 2. The Office shall encourage the development of patient centered medical homes and adopt standards to encourage insurers to provide coverage for health services provided to insureds at patient centered medical homes.] (Deleted by amendment.)
- Sec. 13. [1. The Administrator or his or her designee shall administer the Office.

- 2. The Administrator or his or her designee shall adopt regulations to earry out the provisions of sections 2 to 20, inclusive, of this act, which may include, without limitation, regulations to establish:
- (a) Standards for the qualification and operation of a patient centered medical homes
- (b) Standards for submitting claims to an insurer for health services received by an insured at a patient centered medical home;
- (e) Standards for any payment for services associated with the coordination of eare or incentive that may be provided by an insurer to a patient centered medical home pursuant to section 15 of this act;
- (d) A method to measure the effectiveness in the delivery of health services to patients at a patient centered medical home; and
- (c) A process for an insured to determine whether to receive health services from a patient centered medical home when such services are available.
- 3. In adopting regulations pursuant to this section, the Administrator or his or her designees may adopt the standards of the National Committee for Quality Assurance, or its successor organization, and the certification process of that organization which relate to patient centered medical homes.
- 4. In adopting regulations pursuant to this section, the Administrator or his or her designee shall:
- (a) Ensure that the Office carries out its duties in the public interest and in such a manner as to promote the efficient and effective provision of health services:
- (b) Consider the use of health information technology, including, without limitation, electronic medical records;
- (c) Consider the relationship between patient centered medical homes and other practitioners and health facilities;
- (d) Consider the ability of patient centered medical homes to foster partnerships with insureds and provide health services to insureds in a timely manner; and
- (c) Consider the use of comprehensive management of medication to improve outcomes.
- 5. The Administrator shall monitor insurers and patient centered medical homes and adopt such regulations as necessary to ensure that the insurers and patient centered medical homes may engage in the activities authorized pursuant to sections 2 to 20, inclusive, of this act and any regulations adopted pursuant thereto to the greatest extent possible without violating federal antitrust laws. Any act of an insurer or a patient centered medical home which is in compliance with sections 2 to 20, inclusive, of this act and any regulations adopted pursuant thereto does not constitute an unfair trade practice for the purposes of chapter 598.4 of NRS.1 (Deleted by amendment.)
- Sec. 14. [1. Before a primary care practice may operate as a patientcentered medical home, the primary care practice must be certified by the Office.
- 2. The Office must certify a primary care practice for the purpose of operating as a patient centered medical home if the primary care practice demonstrates to the Office that:
- (a) Insureds will receive health services from a team of medical professionals who are directed by one or more physicians who practice in the area of family practice, internal medicine or pediatries;
- (b) The provision of health services at the patient centered medical home will be evidence based and provided on a comprehensive and ongoing basis;

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As used in this section, "health care records" has the meaning ascribed to it in NRS 629.021.1 (Deleted by amendment.)

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

2. The Administrator shall appoint to the Advisory Council the following six voting members:

(a) The Chief Medical Officer or his or her designee;

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

The Director or his or her designee; 2 (d) The Administrator of the Division of Health Care Financing and Policy 3 of the Department or his or her designee; 4 (c) One representative of the health insurance industry who serves at the 5 pleasure of the Administrator; and 6 7 (f) One provider of health care who serves at the pleasure of Administrator. 8 3. The Legislative Commission shall appoint to the Advisory Council the 9 following two voting members: 10 (a) One member of the Senate; and 11 (b) One member of the Assembly. 12 In addition to the members appointed pursuant to subsections 2 and 3, 13 the following persons shall serve on the Advisory Council as voting members: (a) The Governor or his or her designee; and 14 15 (b) One representative of consumers of health care who is appointed by and 16 serves at the pleasure of the Governor. 17 5. A majority of the voting members of the Advisory Council may appoint nonvoting members to the Advisory Council. (Deleted by amendment.) 18 19 Sec. 17. 11. The members of the Advisory Council serve for a term of 2 20 years and may be reappointed. Vacancies must be filled in the same manner as 21 the original appointment. 22 2. At its first meeting and annually thereafter, a majority of the voting 23 members of the Advisory Council shall select a Chair and a Vice Chair of the 24 Advisory Council. 25 3. A majority of the voting members of the Advisory Council may appoint 26 committees or subcommittees to study issues relating to patient centered medical 27 homes. 28 4. The Division shall, within the limits of available money, provide the 29 necessary professional staff and a secretary for the Advisory Council. 30 5. A majority of the voting members of the Advisory Council constitutes a 31 quorum to transact all business, and a majority of those voting members present, 32 physically or via telecommunications, must concur in any decision. 33 6. The Advisory Council shall, within the limits of available money, meet 34 quarterly at the eall of the Administrator, the Chair or a majority of the voting 35 members of the Advisory Council or as is necessary. 36 A member of the Advisory Council who is an officer or employee of this 37 State or a political subdivision of this State must be relieved from his or her 38 duties without loss of regular compensation so that he or she may prepare for and 39 attend meetings of the Advisory Council and perform any work necessary to earry out the duties of the Advisory Council in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or 40 41 42 employee who is a member of the Advisory Council to: 43 (a) Make up the time the member is absent from work to earry out his or her 44 duties as a member of the Advisory Council; or 45 (b) Take annual leave or compensatory time for the absence. 8. The members of the Advisory Council serve without compensation, 46 47 except that: 48 (a) For each day or portion of a day during which a member of the Advisory 49 Council who is a Legislator attends a meeting of the Advisory Council or is 50 otherwise engaged in the business of the Advisory Council, except during a 51 regular or special session of the Legislature, the Legislator is entitled to receive

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centered medical homes; and

(b) Each physician or advanced practice registered nurse who operates a

patient-centered medical home spends at least 60 percent of his or her working

hours providing primary health services for the patient-centered medical home.

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- 2. The Department shall post on an Internet website maintained by the Department links to nationally recognized organizations for the accrediting of patient-centered medical homes and any other information specified by the Department to allow patients to find a patient-centered medical home that meets the requirements of this section and any regulations adopted pursuant thereto.
- 3. The State Board of Health may, in consultation with the Commissioner of Insurance, adopt regulations governing the operation of patient-centered medical homes. Such regulations must allow for the operation of patient-centered medical homes to the greatest extent authorized by federal and state antitrust laws, and may, without limitation, establish:
- (a) An advisory council to provide input to the Department concerning patient-centered medical homes; and
- (b) Means of measuring the quality of health services provided by patient-centered medical homes and the effectiveness of patient-centered medical homes at reducing the cost of health services.
- 4. Any coordination between an insurer and a patient-centered medical home or acceptance of an incentive from an insurer by a patient-centered medical home that is authorized under the regulations adopted pursuant to this section and section 20.7 of this act shall not be deemed to be an unfair method of competition or an unfair or deceptive trade practice or other act or practice prohibited by the provisions of chapter 598 or 686A of NRS.
 - 5. As used in this section:
 - (a) "Patient-centered medical home" means a primary care practice that:
- (1) Offers family centered, culturally competent health services that are coordinated with outside practitioners and health facilities to provide comprehensive health services; and
- (2) Emphasizes enhanced access to practitioners and preventive care to improve the outcomes for and experiences of patients and lower the costs of health services.
- (b) "Primary care practice" means a federally-qualified health center, as defined in 42 U.S.C. § 1396(1)(2)(B), or a business where health services are provided by one or more advanced practice registered nurses or one or more physicians who are licensed pursuant to chapter 630 or 633 of NRS and who practice in the area of family practice, internal medicine, obstetrics and gynecology or pediatrics.
- Sec. 20.7. Chapter 679B of NRS is hereby amended by adding thereto a new section to read as follows:
- 1. The Commissioner may, in consultation with the State Board of Health, adopt regulations governing insurance coverage for health services provided to patients through a patient-centered medical home. Such regulations must facilitate the operation of patient-centered medical homes and the coverage for health services provided through patient-centered medical homes to the greatest extent authorized by federal and state antitrust laws. Such regulations must not require an insurer to cover health services provided through patient-centered medical homes and may, without limitation, authorize an insurer to:
- (a) Provide an incentive to a patient-centered medical home that offers health services to its insureds. The regulations may prescribe the manner in which such an incentive must be provided and the maximum amount of the incentive.
- (b) Pay a patient-centered medical home for services associated with the coordination of care for any health services provided to an insured.
- (c) With the authorization of an insured, share health care records and other related information about an insured who has elected to receive health services

from a patient-centered medical home with the patient-centered medical home 123456789and any other practitioner or health facility that provides health services to the insured. 2. Any coordination between an insurer and a patient-centered medical

home or provision of an incentive by an insurer to a patient-centered medical home that is authorized under the regulations adopted pursuant to this section and section 20.2 of this act shall not be deemed to be an unfair method of competition or an unfair or deceptive trade practice or other act or practice prohibited by the provisions of chapter 598 or 686A of NRS.

As used in this section:

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(a) "Health services" has the meaning ascribed to it in NRS 439A.017.
(b) "Patient-centered medical home" means a primary care practice that:

(1) Offers family centered, culturally competent health services that are coordinated with outside practitioners and health facilities to provide comprehensive health services; and

(2) Emphasizes enhanced access to practitioners and preventive care to improve outcomes and experience for patients and lower the costs of health services.

Sec. 21. NRS 686A.110 is hereby amended to read as follows:

686A.110 Except as otherwise expressly provided by law_[, including, without limitation, and any regulations adopted pursuant to section [15] 20.7 of this act, no person shall knowingly:

- Permit to be made or offer to make or make any contract of life insurance, life annuity or health insurance, or agreement as to such contract, other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, or knowingly accept, as an inducement to such insurance or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever not specified in the contract; or
- Directly or indirectly give or sell or purchase or offer or agree to give, sell, purchase, or allow as an inducement to such insurance or annuity or in connection therewith, whether or not to be specified in the policy or contract, any agreement of any form or nature promising returns and profits, or any stocks, bonds or other securities, or interest present or contingent therein or as measured thereby, of any insurer or other corporation, association or partnership, or any dividends or profits accrued or to accrue thereon.

Sec. 21.5. NRS 690C.120 is hereby amended to read as follows:

690C.120 1. Except as otherwise provided in this chapter, the marketing, issuance, sale, offering for sale, making, proposing to make and administration of service contracts are not subject to the provisions of title 57 of NRS, except, when applicable, the provisions of:

(a) NRS 679B.020 to 679B.152, inclusive [;], and section 20.7 of this act;

(b) NRS 679B.159 to 679B.300, inclusive;

(c) NRS 679B.310 to 679B.370, inclusive;

- (d) NRS 679B.600 to 679B.690, inclusive;
- (e) NRS 685B.090 to 685B.190, inclusive;
- (f) NRS 686A.010 to 686A.095, inclusive;
- (g) NRS 686A.160 to 686A.187, inclusive; and
- (h) NRS 686A.260, 686A.270, 686A.280, 686A.300 and 686A.310.
- A provider, person who sells service contracts, administrator or any other person is not required to obtain a certificate of authority from the Commissioner

pursuant to chapter 680A of NRS to issue, sell, offer for sale or administer service contracts.

Sec. 22. [The Administrator of the Division of Public and Behavioral Health of the Department of Health and Human Services shall:

- 1. To the extent that money is available for that purpose and as soon as practicable, adopt the regulations necessary to earry out the provisions of paragraph (e) of subsection 2 of section 13 of this act and subsection 5 of that section.
- 2. Carry out the provisions of sections 2 to 20, inclusive, of this act, other than the adoption of regulations described in subsection 1, as soon as practicable after adopting the regulations described in subsection 1 and receiving money through gifts, grants, donations or bequests or other money made available to cover the costs necessary to carry out those provisions.] (Deleted by amendment.)
- Sec. 23. [1.] This [section and sections 20 and 22 of this] act [become] becomes effective upon passage and approval.
- [2. Sections 1 to 19, inclusive, and 21 of this act become effective on the date on which the Administrator of the Division of Public and Behavioral Health of the Department of Health and Human Services determines that sufficient money has been received to carry out the provisions of sections 2 to 20, inclusive, of this act.
- 3. Sections 1 to 21, inclusive, of this act expire by limitation on June 30, 2021.