REQUIRES TWO-THIRDS MAJORITY VOTE
(§§ 14, 15)

S.B. 6

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 [~~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 within the Division of Public and Behavioral Health of the Department of Health and Human Services; requiring certification before a primary care practice may operate as a patient-centered medical home; authorizing the creation 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; 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 pay incentives to a patient-centered medical home for the coordination of care for insureds; and

(2) 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 14 and 15** 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 19 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 of each odd-numbered year. **Section 22** of this bill requires the Administrator, to the extent that money is available for that purpose and as soon as practicable, to adopt certain regulations relating to certain payments made by insurers to patient-centered medical homes and federal antitrust laws. **Section 22** also requires the Administrator to carry out the provisions of this bill relating to patient-centered medical homes as soon as practicable after receiving money to cover the costs necessary to carry out those provisions. **Section 23** of this bill makes the provisions of this bill: (1) effective on the date on which the Administrator determines that sufficient money has been received to carry out those provisions; and (2) expire by limitation on June 30, 2021.

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.

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.***

Sec. 3. ***"Administrator" means the Administrator of the Division.***

Sec. 4. ***"Advisory Council" means the Advisory Council on Patient-Centered Medical Homes established pursuant to section 16 of this act.***

Sec. 5. ***"Division" means the Division of Public and Behavioral Health of the Department.***

Sec. 6. ***"Federally qualified health center" has the meaning ascribed to it in 42 U.S.C. § 1396d(l)(2)(B).***

Sec. 7. ***"Insured" means a person who receives health coverage or benefits in accordance with state law from an insurer.***

Sec. 8. ***"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 program and the Children's Health Insurance Program pursuant to chapter 422 of NRS.

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

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

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

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

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

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

10. The Silver State Health Insurance Exchange established by NRS 695I.200.

Sec. 9. *"Office" means the Office for Patient-Centered Medical Homes created by section 12 of this act.*

Sec. 10. *"Patient-centered medical home" means a primary care practice certified by the Office pursuant to section 14 of this act.*

Sec. 11. *"Primary care practice" means a federally qualified health center 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 or pediatrics.*

Sec. 12. *1. There is hereby created within the Division the Office for Patient-Centered Medical Homes.*

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.

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 carry 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 home;

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

(c) Standards for any payment for services associated with the coordination of care 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

(e) 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

(e) 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 598A of NRS.

Sec. 14. *1. Before a primary care practice may operate as a patient-centered 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 pediatrics;

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

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

(d) Health information technology will be used to improve the delivery of health services to insureds at the patient-centered medical home;

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

(f) The practice complies with any other requirements established by the Administrator by regulation.

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

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

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

(c) The expiration and renewal of certification.

Sec. 15. *1. An insurer that registers with the Office may provide an incentive to a patient-centered medical home that offers health services to its insureds in the manner and amount authorized by the Administrator by regulation.*

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

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

(b) Except as otherwise provided in subsection 3, share health care records and other related information about an insured who

has elected to receive services from a patient-centered medical home with the patient-centered medical home and any other practitioner or health facility that provides health services to the insured.

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

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

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

(c) May be renewed.

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

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

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

(c) The expiration and renewal of registration.

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

Sec. 16. *1. Within the limits of available money, the Division shall 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;

(c) The Director or his or her designee;

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

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

(f) One provider of health care who serves at the pleasure of the Administrator.

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

(a) One member of the Senate; and

(b) One member of the Assembly.

4. In addition to the members appointed pursuant to subsections 2 and 3, the following persons shall serve on the Advisory Council as voting members:

(a) The Governor or his or her designee; and

(b) One representative of consumers of health care who is appointed by and serves at the pleasure of the Governor.

5. A majority of the voting members of the Advisory Council may appoint nonvoting members to the Advisory Council.

Sec. 17. ***1. The members of the Advisory Council serve for a term of 2 years and may be reappointed. Vacancies must be filled in the same manner as the original appointment.***

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

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

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

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

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

7. A member of the Advisory Council who is an officer or employee of this State or a political subdivision of this State must be relieved from his or her duties without loss of regular compensation so that he or she may prepare for and attend meetings of the Advisory Council and perform any work necessary to carry 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 employee who is a member of the Advisory Council to:

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

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

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

(a) For each day or portion of a day during which a member of the Advisory Council who is a Legislator attends a meeting of the Advisory Council or is otherwise engaged in the business of

the Advisory Council, except during a regular or special session of the Legislature, the Legislator is entitled to receive the:

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

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

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

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

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

Sec. 18. *To assist the Office in carrying out the provisions of sections 2 to 20, inclusive, of this act, the Advisory Council shall, within the limits of available money, investigate, consider and advise the Office on:*

1. Standards that relate to patient-centered medical homes; and

2. Any other issue relating to patient-centered medical homes.

Sec. 19. *1. On or before January 1 of each odd-numbered year, the Administrator or his or her designee shall:*

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

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

2. The evaluation must include, without limitation, information relating to the effects of patient-centered medical homes and the Office on:

(a) The costs and outcomes of health care;

(b) The delivery of health care;

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

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

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

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

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

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

Sec. 20. ***The Division and the Office may accept gifts, grants, donations and bequests from any source to carry out the provisions of sections 2 to 20, inclusive, of this act.***

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

686A.110 Except as otherwise expressly provided by law, ***including, without limitation, section 15 of this act,*** no person shall knowingly:

1. 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

2. 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. 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 carry out the provisions of paragraph (c) 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.

Sec. 23. 1. This section and sections 20 and 22 of this act become 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.

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