

REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 1, 10 + NRS 439.150)

(Reprinted with amendments adopted on May 23, 2019)

SECOND REPRINT

A.B. 66

ASSEMBLY BILL NO. 66—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE WASHOE REGIONAL
BEHAVIORAL HEALTH POLICY BOARD)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to mental health. (BDR
40-486)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 mental health; authorizing the holder of a license to operate a psychiatric hospital that meets certain requirements to obtain an endorsement as a crisis stabilization center; providing for the licensure and regulation of providers of nonemergency secure behavioral health transport services; authorizing a licensed provider of such services to transport persons with mental illness under certain conditions; requiring certain health maintenance organizations and managed care organizations to negotiate with such hospitals to become in network providers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law requires the operator of a psychiatric hospital to obtain a license
- 2 from the Division of Public and Behavioral Health of the Department of Health and
- 3 Human Services. (NRS 449.030) **Section 1** of this bill authorizes the Division to
- 4 issue to the holder of such a license an endorsement as a crisis stabilization center.
- 5 **Section 1** requires a crisis stabilization center to meet certain requirements,
- 6 including providing crisis stabilization services. **Section 1** defines "crisis
- 7 stabilization services" to mean behavioral health services designed to: (1) de-
- 8 escalate or stabilize a behavioral crisis; and (2) avoid admission of a patient to
- 9 another inpatient mental health facility or hospital when appropriate. **Section 9** of



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this bill requires services provided at a crisis stabilization center to be reimbursable under Medicaid.

Existing law authorizes certain entities to transport a person who is the subject of an application for emergency admission to a hospital or mental health facility or an involuntary court-ordered admission to a mental health facility. (NRS 433A.160, 433A.330) **Section 10** of this bill requires the State Board of Health to adopt regulations providing for the licensure and regulation of providers of nonemergency secure behavioral health transport services. **Section 10** defines the term "nonemergency secure behavioral health transport services" to mean the use of a motor vehicle, other than an ambulance or emergency response vehicle, that is specifically designed, equipped and staffed to transport persons with a mental illness or other behavioral health condition. **Sections 11 and 12** of this bill authorize the use of such services to transport a person who is the subject of an application for emergency admission to a hospital or mental health facility or an involuntary court-ordered admission to a mental health facility.

Sections 13 and 15 of this bill require a health maintenance organization and managed care organization that provide health care services to recipients of Medicaid or enrollees in the Children's Health Insurance Program to negotiate in good faith to include such a psychiatric hospital in the network of providers under contract to provide services to such persons. **Sections 2-9 and 14** of this bill make conforming changes. Existing law authorizes the State Board of Health to impose fees for licensing by the Division. (NRS 439.150) Therefore, the State Board will be authorized to impose a fee for the issuance or renewal of a license or endorsement issued pursuant to the provisions of this bill. (NRS 439.150)

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

Section 1. Chapter 449 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Division may issue an endorsement as a crisis stabilization center to the holder of a license to operate a psychiatric hospital that meets the requirements of this section.

2. A psychiatric hospital that wishes to obtain an endorsement as a crisis stabilization center must submit an application in the form prescribed by the Division which must include, without limitation, proof that the applicant meets the requirements of subsection 3.

3. An endorsement as a crisis stabilization center may only be issued if the psychiatric hospital to which the endorsement will apply:

(a) Does not exceed a capacity of 16 beds or constitute an institution for mental diseases, as defined in 42 U.S.C. § 1396d;

(b) Operates in accordance with established administrative protocols, evidenced-based protocols for providing treatment and evidence-based standards for documenting information concerning services rendered and recipients of such services in accordance with best practices for providing crisis stabilization services;



(c) *Delivers crisis stabilization services:*

(1) *To patients for not less than 24 hours in an area devoted to crisis stabilization or detoxification before releasing the patient into the community, referring the patient to another facility or transferring the patient to a bed within the hospital for short-term treatment, if the psychiatric hospital has such beds;*

(2) *In accordance with best practices for the delivery of crisis stabilization services; and*

(3) *In a manner that promotes concepts that are integral to recovery for persons with mental illness, including, without limitation, hope, personal empowerment, respect, social connections, self-responsibility and self-determination;*

(d) *Employs qualified persons to provide peer support services, as defined in NRS 449.01566, when appropriate;*

(e) *Uses a data management tool to collect and maintain data relating to admissions, discharges, diagnoses and long-term outcomes for recipients of crisis stabilization services;*

(f) *Accepts all patients, without regard to:*

(1) *The race, ethnicity, gender, socioeconomic status, sexual orientation or place of residence of the patient;*

(2) *Any social conditions that affect the patient;*

(3) *The ability of the patient to pay; or*

(4) *Whether the patient is admitted voluntarily to the psychiatric hospital pursuant to NRS 433A.140 or admitted to the psychiatric hospital under an emergency admission pursuant to NRS 433A.150;*

(g) *Performs an initial assessment on any patient who presents at the psychiatric hospital, regardless of the severity of the behavioral health issues that the patient is experiencing;*

(h) *Has the equipment and personnel necessary to conduct a medical examination of a patient pursuant to NRS 433A.165; and*

(i) *Considers whether each patient would be better served by another facility and transfer a patient to another facility when appropriate.*

4. *Crisis stabilization services that may be provided pursuant to paragraph (c) of subsection 1 may include, without limitation:*

(a) *Case management services, including, without limitation, such services to assist patients to obtain housing, food, primary health care and other basic needs;*

(b) *Services to intervene effectively when a behavioral health crisis occurs and address underlying issues that lead to repeated behavioral health crises;*

(c) *Treatment specific to the diagnosis of a patient; and*



(d) Coordination of aftercare for patients, including, without limitation, at least one follow-up contact with a patient not later than 72 hours after the patient is discharged.

5. An endorsement as a crisis stabilization center must be renewed at the same time as the license to which the endorsement applies. An application to renew an endorsement as a crisis stabilization center must include, without limitation:

(a) The information described in subsection 1; and

(b) Proof that the psychiatric hospital is accredited by the Commission on Accreditation of Rehabilitation Facilities, or its successor organization, or the Joint Commission, or its successor organization.

6. As used in this section, "crisis stabilization services" means behavioral health services designed to:

(a) De-escalate or stabilize a behavioral crisis, including, without limitation, a behavioral health crisis experienced by a person with a co-occurring substance use disorder; and

(b) When appropriate, avoid admission of a patient to another inpatient mental health facility or hospital and connect the patient with providers of ongoing care as appropriate for the unique needs of the patient.

Sec. 2. NRS 449.029 is hereby amended to read as follows:

449.029 As used in NRS 449.029 to 449.240, inclusive, *and section 1 of this act*, unless the context otherwise requires, "medical facility" has the meaning ascribed to it in NRS 449.0151 and includes a program of hospice care described in NRS 449.196.

Sec. 3. NRS 449.0301 is hereby amended to read as follows:

449.0301 The provisions of NRS 449.029 to 449.2428, inclusive, *and section 1 of this act* do not apply to:

1. Any facility conducted by and for the adherents of any church or religious denomination for the purpose of providing facilities for the care and treatment of the sick who depend solely upon spiritual means through prayer for healing in the practice of the religion of the church or denomination, except that such a facility shall comply with all regulations relative to sanitation and safety applicable to other facilities of a similar category.

2. Foster homes as defined in NRS 424.014.

3. Any medical facility, facility for the dependent or facility which is otherwise required by the regulations adopted by the Board pursuant to NRS 449.0303 to be licensed that is operated and maintained by the United States Government or an agency thereof.

Sec. 4. NRS 449.089 is hereby amended to read as follows:

449.089 1. Each license issued pursuant to NRS 449.029 to 449.2428, inclusive, *and section 1 of this act* expires on December 31 following its issuance and is renewable for 1 year upon



1 reapplication and payment of all fees required pursuant to NRS
2 449.050 unless the Division finds, after an investigation, that the
3 facility has not:

4 (a) Satisfactorily complied with the provisions of NRS 449.029
5 to 449.2428, inclusive, *and section 1 of this act* or the standards and
6 regulations adopted by the Board;

7 (b) Obtained the approval of the Director of the Department of
8 Health and Human Services before undertaking a project, if such
9 approval is required by NRS 439A.100; or

10 (c) Conformed to all applicable local zoning regulations.

11 2. Each reapplication for an agency to provide personal care
12 services in the home, an agency to provide nursing in the home, a
13 community health worker pool, a facility for intermediate care, a
14 facility for skilled nursing, a hospital described in 42 U.S.C. §
15 1395ww(d)(1)(B)(iv) which accepts payment through Medicare, a
16 psychiatric hospital that provides inpatient services to children, a
17 psychiatric residential treatment facility, a residential facility for
18 groups, a program of hospice care, a home for individual residential
19 care, a facility for the care of adults during the day, a facility for
20 hospice care, a nursing pool, a peer support recovery organization,
21 the distinct part of a hospital which meets the requirements of a
22 skilled nursing facility or nursing facility pursuant to 42 C.F.R. §
23 483.5, a hospital that provides swing-bed services as described in 42
24 C.F.R. § 482.58 or, if residential services are provided to children, a
25 medical facility or facility for the treatment of abuse of alcohol or
26 drugs must include, without limitation, a statement that the facility,
27 hospital, agency, program, pool, organization or home is in
28 compliance with the provisions of NRS 449.115 to 449.125,
29 inclusive, and 449.174.

30 3. Each reapplication for an agency to provide personal care
31 services in the home, a community health worker pool, a facility for
32 intermediate care, a facility for skilled nursing, a facility for the care
33 of adults during the day, a peer support recovery organization, a
34 residential facility for groups or a home for individual residential
35 care must include, without limitation, a statement that the holder of
36 the license to operate, and the administrator or other person in
37 charge and employees of, the facility, agency, pool, organization or
38 home are in compliance with the provisions of NRS 449.093.

39 **Sec. 5.** NRS 449.160 is hereby amended to read as follows:

40 449.160 1. The Division may deny an application for a
41 license or may suspend or revoke any license issued under the
42 provisions of NRS 449.029 to 449.2428, inclusive, *and section 1 of*
43 *this act* upon any of the following grounds:

44 (a) Violation by the applicant or the licensee of any of the
45 provisions of NRS 439B.410 or 449.029 to 449.245, inclusive, *and*



1 *section 1 of this act* or of any other law of this State or of the
2 standards, rules and regulations adopted thereunder.

3 (b) Aiding, abetting or permitting the commission of any illegal
4 act.

5 (c) Conduct inimical to the public health, morals, welfare and
6 safety of the people of the State of Nevada in the maintenance and
7 operation of the premises for which a license is issued.

8 (d) Conduct or practice detrimental to the health or safety of the
9 occupants or employees of the facility.

10 (e) Failure of the applicant to obtain written approval from the
11 Director of the Department of Health and Human Services as
12 required by NRS 439A.100 or as provided in any regulation adopted
13 pursuant to NRS 449.001 to 449.430, inclusive, *and section 1 of*
14 *this act* and 449.435 to 449.531, inclusive, and chapter 449A of
15 NRS if such approval is required.

16 (f) Failure to comply with the provisions of NRS 449.2486.

17 2. In addition to the provisions of subsection 1, the Division
18 may revoke a license to operate a facility for the dependent if, with
19 respect to that facility, the licensee that operates the facility, or an
20 agent or employee of the licensee:

21 (a) Is convicted of violating any of the provisions of
22 NRS 202.470;

23 (b) Is ordered to but fails to abate a nuisance pursuant to
24 NRS 244.360, 244.3603 or 268.4124; or

25 (c) Is ordered by the appropriate governmental agency to correct
26 a violation of a building, safety or health code or regulation but fails
27 to correct the violation.

28 3. The Division shall maintain a log of any complaints that it
29 receives relating to activities for which the Division may revoke the
30 license to operate a facility for the dependent pursuant to subsection
31 2. The Division shall provide to a facility for the care of adults
32 during the day:

33 (a) A summary of a complaint against the facility if the
34 investigation of the complaint by the Division either substantiates
35 the complaint or is inconclusive;

36 (b) A report of any investigation conducted with respect to the
37 complaint; and

38 (c) A report of any disciplinary action taken against the facility.

39 ➤ The facility shall make the information available to the public
40 pursuant to NRS 449.2486.

41 4. On or before February 1 of each odd-numbered year, the
42 Division shall submit to the Director of the Legislative Counsel
43 Bureau a written report setting forth, for the previous biennium:

44 (a) Any complaints included in the log maintained by the
45 Division pursuant to subsection 3; and



(b) Any disciplinary actions taken by the Division pursuant to subsection 2.

Sec. 6. NRS 449.163 is hereby amended to read as follows:

449.163 1. In addition to the payment of the amount required by NRS 449.0308, if a medical facility, facility for the dependent or facility which is required by the regulations adopted by the Board pursuant to NRS 449.0303 to be licensed violates any provision related to its licensure, including any provision of NRS 439B.410 or 449.029 to 449.2428, inclusive, *and section 1 of this act* or any condition, standard or regulation adopted by the Board, the Division, in accordance with the regulations adopted pursuant to NRS 449.165, may:

(a) Prohibit the facility from admitting any patient until it determines that the facility has corrected the violation;

(b) Limit the occupancy of the facility to the number of beds occupied when the violation occurred, until it determines that the facility has corrected the violation;

(c) If the license of the facility limits the occupancy of the facility and the facility has exceeded the approved occupancy, require the facility, at its own expense, to move patients to another facility that is licensed;

(d) Impose an administrative penalty of not more than \$5,000 per day for each violation, together with interest thereon at a rate not to exceed 10 percent per annum; and

(e) Appoint temporary management to oversee the operation of the facility and to ensure the health and safety of the patients of the facility, until:

(1) It determines that the facility has corrected the violation and has management which is capable of ensuring continued compliance with the applicable statutes, conditions, standards and regulations; or

(2) Improvements are made to correct the violation.

2. If the facility fails to pay any administrative penalty imposed pursuant to paragraph (d) of subsection 1, the Division may:

(a) Suspend the license of the facility until the administrative penalty is paid; and

(b) Collect court costs, reasonable attorney's fees and other costs incurred to collect the administrative penalty.

3. The Division may require any facility that violates any provision of NRS 439B.410 or 449.029 to 449.2428, inclusive, *and section 1 of this act* or any condition, standard or regulation adopted by the Board to make any improvements necessary to correct the violation.

4. Any money collected as administrative penalties pursuant to paragraph (d) of subsection 1 must be accounted for separately and



used to administer and carry out the provisions of NRS 449.001 to 449.430, inclusive, *and section 1 of this act*, 449.435 to 449.531, inclusive, and chapter 449A of NRS to protect the health, safety, well-being and property of the patients and residents of facilities in accordance with applicable state and federal standards or for any other purpose authorized by the Legislature.

Sec. 7. NRS 449.240 is hereby amended to read as follows:

449.240 The district attorney of the county in which the facility is located shall, upon application by the Division, institute and conduct the prosecution of any action for violation of any provisions of NRS 449.029 to 449.245, inclusive, *and section 1 of this act*.

Sec. 8. NRS 232.320 is hereby amended to read as follows:

232.320 1. The Director:

(a) Shall appoint, with the consent of the Governor, administrators of the divisions of the Department, who are respectively designated as follows:

(1) The Administrator of the Aging and Disability Services Division;

(2) The Administrator of the Division of Welfare and Supportive Services;

(3) The Administrator of the Division of Child and Family Services;

(4) The Administrator of the Division of Health Care Financing and Policy; and

(5) The Administrator of the Division of Public and Behavioral Health.

(b) Shall administer, through the divisions of the Department, the provisions of chapters 63, 424, 425, 427A, 432A to 442, inclusive, 446 to 450, inclusive, 458A and 656A of NRS, NRS 127.220 to 127.310, inclusive, 422.001 to 422.410, inclusive, *and section 9 of this act*, 422.580, 432.010 to 432.133, inclusive, 432B.621 to 432B.626, inclusive, 444.002 to 444.430, inclusive, and 445A.010 to 445A.055, inclusive, and all other provisions of law relating to the functions of the divisions of the Department, but is not responsible for the clinical activities of the Division of Public and Behavioral Health or the professional line activities of the other divisions.

(c) Shall administer any state program for persons with developmental disabilities established pursuant to the Developmental Disabilities Assistance and Bill of Rights Act of 2000, 42 U.S.C. §§ 15001 et seq.

(d) Shall, after considering advice from agencies of local governments and nonprofit organizations which provide social services, adopt a master plan for the provision of human services in this State. The Director shall revise the plan biennially and deliver a



copy of the plan to the Governor and the Legislature at the beginning of each regular session. The plan must:

(1) Identify and assess the plans and programs of the Department for the provision of human services, and any duplication of those services by federal, state and local agencies;

(2) Set forth priorities for the provision of those services;

(3) Provide for communication and the coordination of those services among nonprofit organizations, agencies of local government, the State and the Federal Government;

(4) Identify the sources of funding for services provided by the Department and the allocation of that funding;

(5) Set forth sufficient information to assist the Department in providing those services and in the planning and budgeting for the future provision of those services; and

(6) Contain any other information necessary for the Department to communicate effectively with the Federal Government concerning demographic trends, formulas for the distribution of federal money and any need for the modification of programs administered by the Department.

(e) May, by regulation, require nonprofit organizations and state and local governmental agencies to provide information regarding the programs of those organizations and agencies, excluding detailed information relating to their budgets and payrolls, which the Director deems necessary for the performance of the duties imposed upon him or her pursuant to this section.

(f) Has such other powers and duties as are provided by law.

2. Notwithstanding any other provision of law, the Director, or the Director's designee, is responsible for appointing and removing subordinate officers and employees of the Department, other than the State Public Defender of the Office of State Public Defender who is appointed pursuant to NRS 180.010.

Sec. 9. Chapter 422 of NRS is hereby amended by adding thereto a new section to read as follows:

The Department shall take any action necessary to ensure that crisis stabilization services provided at a psychiatric hospital established pursuant to section 1 of this act are reimbursable under Medicaid to the same extent as if the services were provided in another covered facility.

Sec. 10. Chapter 433 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The State Board of Health shall adopt regulations providing for the licensure and regulation of providers of nonemergency secure behavioral health transport services by the Division.



2. *As used in this section, “nonemergency secure behavioral health transport services” means the use of a motor vehicle, other than an ambulance, as defined in NRS 450B.040, or other emergency response vehicle, that is specifically designed, equipped and staffed to transport a person with a mental illness or other behavioral health condition in a manner that:*

(a) *Allows observation of the person being transported; and*

(b) *Prevents the person being transported from escaping from the vehicle or accessing the driver or the means of controlling the vehicle.*

Sec. 11. NRS 433A.160 is hereby amended to read as follows:

433A.160 1. Except as otherwise provided in subsection 2, an application for the emergency admission of a person alleged to be a person with mental illness for evaluation, observation and treatment may only be made by an accredited agent of the Department, an officer authorized to make arrests in the State of Nevada or a physician, physician assistant, psychologist, marriage and family therapist, clinical professional counselor, social worker or registered nurse. The agent, officer, physician, physician assistant, psychologist, marriage and family therapist, clinical professional counselor, social worker or registered nurse may:

(a) Without a warrant:

(1) Take a person alleged to be a person with mental illness into custody to apply for the emergency admission of the person for evaluation, observation and treatment; and

(2) Transport the person alleged to be a person with mental illness to a public or private mental health facility or hospital for that purpose, or arrange for the person to be transported by:

(I) A local law enforcement agency;

(II) A system for the nonemergency medical transportation of persons whose operation is authorized by the Nevada Transportation Authority;

(III) An entity that is exempt pursuant to NRS 706.745 from the provisions of NRS 706.386 or 706.421; ~~for~~

(IV) *A provider of nonemergency secure behavioral health transport services licensed under the regulations adopted pursuant to section 10 of this act; or*

(V) If medically necessary, an ambulance service that holds a permit issued pursuant to the provisions of chapter 450B of NRS,

➡ only if the agent, officer, physician, physician assistant, psychologist, marriage and family therapist, clinical professional counselor, social worker or registered nurse has, based upon his or her personal observation of the person alleged to be a person with mental illness, probable cause to believe that the person has a



1 mental illness and, because of that illness, is likely to harm himself
2 or herself or others if allowed his or her liberty.

3 (b) Apply to a district court for an order requiring:

4 (1) Any peace officer to take a person alleged to be a person
5 with mental illness into custody to allow the applicant for the order
6 to apply for the emergency admission of the person for evaluation,
7 observation and treatment; and

8 (2) Any agency, system , *provider* or service described in
9 subparagraph (2) of paragraph (a) to transport the person alleged to
10 be a person with mental illness to a public or private mental health
11 facility or hospital for that purpose.

12 ➤ The district court may issue such an order only if it is satisfied
13 that there is probable cause to believe that the person has a mental
14 illness and, because of that illness, is likely to harm himself or
15 herself or others if allowed his or her liberty.

16 2. An application for the emergency admission of a person
17 alleged to be a person with mental illness for evaluation, observation
18 and treatment may be made by a spouse, parent, adult child or legal
19 guardian of the person. The spouse, parent, adult child or legal
20 guardian and any other person who has a legitimate interest in the
21 person alleged to be a person with mental illness may apply to a
22 district court for an order described in paragraph (b) of subsection 1.

23 3. The application for the emergency admission of a person
24 alleged to be a person with mental illness for evaluation, observation
25 and treatment must reveal the circumstances under which the person
26 was taken into custody and the reasons therefor.

27 4. Except as otherwise provided in this subsection, each person
28 admitted to a public or private mental health facility or hospital
29 under an emergency admission must be evaluated at the time of
30 admission by a psychiatrist or a psychologist. If a psychiatrist or a
31 psychologist is not available to conduct an evaluation at the time of
32 admission, a physician or an advanced practice registered nurse who
33 has the training and experience prescribed by the State Board of
34 Nursing pursuant to NRS 632.120 may conduct the evaluation. Each
35 such emergency admission must be approved by a psychiatrist.

36 5. As used in this section, "an accredited agent of the
37 Department" means any person appointed or designated by the
38 Director of the Department to take into custody and transport to a
39 mental health facility pursuant to subsections 1 and 2 those persons
40 in need of emergency admission.

41 **Sec. 12.** NRS 433A.330 is hereby amended to read as follows:

42 433A.330 1. When an involuntary court admission to a
43 mental health facility is ordered under the provisions of this chapter,
44 the involuntarily admitted person, together with the court orders and
45 certificates of the physicians, certified psychologists, advanced



1 practice registered nurses or evaluation team and a full and complete
2 transcript of the notes of the official reporter made at the
3 examination of such person before the court, must be delivered to
4 the sheriff of the county who shall:

5 (a) Transport the person; or

6 (b) Arrange for the person to be transported by:

7 (1) A system for the nonemergency medical transportation of
8 persons whose operation is authorized by the Nevada Transportation
9 Authority; ~~for~~

10 (2) *A provider of nonemergency secure behavioral health*
11 *transport services licensed under the regulations adopted pursuant*
12 *to section 10 of this act; or*

13 (3) If medically necessary, an ambulance service that holds a
14 permit issued pursuant to the provisions of chapter 450B of NRS,
15 to the appropriate public or private mental health facility.

16 2. No person with mental illness may be transported to the
17 mental health facility without at least one attendant of the same sex
18 or a relative in the first degree of consanguinity or affinity being in
19 attendance.

20 **Sec. 13.** Chapter 695C of NRS is hereby amended by adding
21 thereto a new section to read as follows:

22 *A health maintenance organization that provides health care*
23 *services to recipients of Medicaid under the State Plan for*
24 *Medicaid or insurance pursuant to the Children's Health*
25 *Insurance Program pursuant to a contract with the Division of*
26 *Health Care Financing and Policy of the Department of Health*
27 *and Human Services shall negotiate in good faith to enter into a*
28 *contract with a psychiatric hospital with an endorsement as a*
29 *crisis stabilization center pursuant to section 1 of this act to*
30 *include the psychiatric hospital in the network of providers under*
31 *contract with the health maintenance organization to provide*
32 *services to recipients of Medicaid or enrollees in the Children's*
33 *Health Insurance Program, as applicable.*

34 **Sec. 14.** NRS 695C.330 is hereby amended to read as follows:

35 695C.330 1. The Commissioner may suspend or revoke any
36 certificate of authority issued to a health maintenance organization
37 pursuant to the provisions of this chapter if the Commissioner finds
38 that any of the following conditions exist:

39 (a) The health maintenance organization is operating
40 significantly in contravention of its basic organizational document,
41 its health care plan or in a manner contrary to that described in and
42 reasonably inferred from any other information submitted pursuant
43 to NRS 695C.060, 695C.070 and 695C.140, unless any amendments
44 to those submissions have been filed with and approved by the
45 Commissioner;



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

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

(d) The Commissioner certifies that the health maintenance organization:

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

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

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

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

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

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

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

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

(i) The continued operation of the health maintenance organization would be hazardous to its enrollees or creditors or to the general public;

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

(k) The health maintenance organization has otherwise failed to 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



1 following the effective date of the order of revocation, to wind up its
2 affairs and shall conduct no further business except as may be
3 essential to the orderly conclusion of the affairs of the organization.
4 It shall engage in no further advertising or solicitation of any kind.
5 The Commissioner may, by written order, permit such further
6 operation of the organization as the Commissioner may find to be in
7 the best interest of enrollees to the end that enrollees are afforded
8 the greatest practical opportunity to obtain continuing coverage for
9 health care.

10 **Sec. 15.** Chapter 695G of NRS is hereby amended by adding
11 thereto a new section to read as follows:

12 *A managed care organization that provides health care services*
13 *to recipients of Medicaid under the State Plan for Medicaid or*
14 *insurance pursuant to the Children's Health Insurance Program*
15 *pursuant to a contract with the Division of Health Care Financing*
16 *and Policy of the Department of Health and Human Services shall*
17 *negotiate in good faith to enter into a contract with a psychiatric*
18 *hospital with an endorsement as a crisis stabilization center*
19 *pursuant to section 1 of this act to include the psychiatric hospital*
20 *in the network of providers under contract with the managed care*
21 *organization to provide services to recipients of Medicaid or*
22 *insureds in the Children's Health Insurance Program, as*
23 *applicable.*

24 **Sec. 16.** This act becomes effective:

25 1. Upon passage and approval for the purpose of performing
26 any preparatory administrative tasks that are necessary to carry out
27 the provisions of this act; and

28 2. On January 1, 2020, for all other purposes.

