

SENATE BILL NO. 329—SENATORS LANGE AND DONATE

MARCH 22, 2021

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to competition in health care markets. (BDR 40-998)

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 health care; requiring a hospital or physician group practice, or a person who owns all or substantially all of a physician group practice, to notify the Department of Health and Human Services of certain transactions; prohibiting a provider of health care from willfully entering into a contract that contains certain provisions; authorizing the use of certain fees to investigate such prohibited contracting practices; authorizing certain civil actions; authorizing the imposition of a civil penalty; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that the Department of Health and Human Services is the agency of this State for health planning and development. (NRS 439A.081) **Section 1** of this bill requires a hospital to notify the Department of any merger, acquisition or similar transaction involving the hospital. **Section 1** additionally requires a physician group practice or a person who owns all or substantially all of a physician group practice to report certain similar transactions if: (1) the physician group practices that are parties to the transaction or owned by parties to the transaction represent at least 20 percent of the physicians who practice any specialty in a primary service area; and (2) the physician group practice represents the largest number of physicians of any physician group practice that is a party to the transaction or owned by a party to the transaction. **Section 1** requires the Department to post the information contained in those notices on the Internet and publish an annual report based on that information.

Existing law prohibits certain unfair trade practices. (NRS 598A.060) **Section 20.9** of this bill prohibits a provider of health care, including a facility that provides health care, from willfully entering into, willfully offering to enter into or willfully soliciting a contract that: (1) prohibits a third party insurer from steering covered



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persons to certain providers of health care or placing providers of health care in tiers; or (2) that places certain other restrictions on the third party insurer. The Attorney General or a person injured by a violation of **section 20.9** would be authorized to bring a civil action against a provider of health care who commits such a violation. (NRS 598A.160, 598A.180-598A.210) **Sections 20.9 and 20.95** of this bill also make such a violation a misdemeanor. Additionally, a provider of health care or third party insurer who commits such a violation would be subject to a civil penalty. (NRS 598A.170)

Existing law requires certain business entities that have had a total of five or more investigations commenced against the entity for unfair trade practices which resulted in the imposition of certain penalties or other requirements during a 5-year period to submit to the Secretary of State: (1) a statement concerning each such investigation; and (2) a fee. Existing law requires the Attorney General to use that fee for the purposes of investigating unfair trade practices. (NRS 78.153, 80.115, 86.264, 86.5462, 87A.295, 87A.565, 88.397, 88.5915) **Sections 20.1-20.8** of this bill authorize the Attorney General to use those fees to investigate contracting practices prohibited by **section 20.9**.

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 a new section to read as follows:

1. A hospital shall notify the Department of any merger, acquisition or joint venture with any entity, including, without limitation, a physician group practice, to which the hospital is a party or any contract for the management of the hospital not later than 60 days after the finalization of the transaction or execution of the contract for management, as applicable.

2. A physician group practice or a person who owns all or substantially all of a physician group practice shall notify the Department of a transaction described in subsection 3 to which the physician group practice or person, as applicable, is a party or any contract for the management of the physician group practice not later than 60 days after the finalization of the transaction or execution of the contract for management, as applicable, if:

(a) The physician group practices that are parties to the transaction or contract for management or that are owned by those parties represent at least 20 percent of the physicians who practice any specialty in a primary service area; and

(b) The physician group practice represents the largest number of physicians of any physician group practice that is a party to or owned by a party to the transaction or contract for management.

3. Notice must be provided pursuant to subsection 2 for any:

(a) Merger of, consolidation of or other affiliation between physician group practices, persons who own physician group practices or any combination thereof;



(b) The acquisition of all or substantially all of the properties and assets of a physician group practice;

(c) The acquisition of all or substantially all of the capital stock, membership interests or other equity interests of a physician group practice;

(d) The employment of all or substantially all of the physicians in a physician group practice; or

(e) The acquisition of an insolvent physician group practice.

4. Notice pursuant to subsection 1 or 2 must be provided in the form prescribed by the Department and must include, without limitation:

(a) The name of each party to the transaction or contract for management, as applicable;

(b) A description of the nature of the proposed relationship of the parties to the transaction or contract for management, as applicable;

(c) The names and any specialties of each physician who is a party or employed by or affiliated with a physician group practice that is a party to or is owned by a party to the transaction or contract for management, as applicable;

(d) The name and address of each business entity that will provide health services after the transaction or contract for management, as applicable;

(e) A description of the health services to be provided at each location of a business entity described in paragraph (d); and

(f) The primary service area to be served by each location of a business entity described in paragraph (d).

5. The Department shall:

(a) Post the information contained in the notices provided pursuant to subsections 1 and 2 on an Internet website maintained by the Department; and

(b) Annually prepare a report regarding market transactions and concentration in health care based on the information in the notices and post the report on an Internet website maintained by the Department.

6. As used in this section:

(a) “Physician group practice” means any business entity organized for the purpose of the practice of medicine or osteopathic medicine by more than one physician.

(b) “Primary service area” means an area comprising the smallest number of zip codes from which the hospital or physician group practice draws at least 75 percent of patients.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)



Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

Sec. 19. (Deleted by amendment.)

Sec. 20. (Deleted by amendment.)

Sec. 20.1. NRS 78.153 is hereby amended to read as follows:

78.153 1. At the time of submitting any list required pursuant to NRS 78.150, a corporation that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A corporation must submit a statement pursuant to this section if the corporation, including its parent and all subsidiaries:

(a) Holds 25 percent or more of the share of the market within this State for any product sold or distributed by the corporation within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the corporation, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060, or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and

(2) Which resulted in the corporation being fined or otherwise penalized or which resulted in the corporation being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.



3. A corporation that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.

(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.

(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the corporation and whether the corporation was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.

4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9 of this act.*

Sec. 20.2. NRS 80.115 is hereby amended to read as follows:

80.115 1. At the time of submitting any list required pursuant to NRS 80.110, a corporation that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A corporation must submit a statement pursuant to this section if the corporation, including its parent and all subsidiaries:

(a) Holds 25 percent or more of the share of the market within this State for any product sold or distributed by the corporation within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the corporation, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060, or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and



(2) Which resulted in the corporation being fined or otherwise penalized or which resulted in the corporation being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.

3. A corporation that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.

(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.

(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the corporation and whether the corporation was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.

4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060 ~~H~~ and subsection 1 of section 20.9 of this act.

Sec. 20.3. NRS 86.264 is hereby amended to read as follows:

86.264 1. At the time of submitting any list required pursuant to NRS 86.263, a limited-liability company that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A limited-liability company must submit a statement pursuant to this section if the limited-liability company, including its parent and all subsidiaries:

(a) Holds 25 percent or more of the share of the market within this State for any product sold or distributed by the limited-liability company within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the limited-liability



company, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060, or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and

(2) Which resulted in the limited-liability company being fined or otherwise penalized or which resulted in the limited-liability company being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.

3. A limited-liability company that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.

(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.

(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the limited-liability company and whether the limited-liability company was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.

4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060 ~~H~~ and subsection 1 of section 20.9 of this act.

Sec. 20.4. NRS 86.5462 is hereby amended to read as follows:

86.5462 1. At the time of submitting any list required pursuant to NRS 86.5461, a foreign limited-liability company that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A foreign limited-liability company must submit a statement pursuant to this section if the foreign limited-liability company, including its parent and all subsidiaries:



(a) Holds 25 percent or more of the share of the market within this State for any product sold or distributed by the foreign limited-liability company within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the foreign limited-liability company, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060, or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and

(2) Which resulted in the foreign limited-liability company being fined or otherwise penalized or which resulted in the foreign limited-liability company being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.

3. A foreign limited-liability company that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.

(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.

(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the foreign limited-liability company and whether the foreign limited-liability company was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.

4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9 of this act.*

Sec. 20.5. NRS 87A.295 is hereby amended to read as follows:

87A.295 1. At the time of submitting any list required pursuant to NRS 87A.290, a limited partnership that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that



1 the statement does not contain any material misrepresentation of
2 fact; and

3 (b) A fee of \$100,000, to be distributed in the manner provided
4 pursuant to subsection 4.

5 2. A limited partnership must submit a statement pursuant to
6 this section if the limited partnership, including its parent and all
7 subsidiaries:

8 (a) Holds 25 percent or more of the share of the market within
9 this State for any product sold or distributed by the limited
10 partnership within this State; and

11 (b) Has had, during the previous 5-year period, a total of five or
12 more investigations commenced against the limited partnership, its
13 parent or its subsidiaries in any jurisdiction within the United States,
14 including all state and federal investigations:

15 (1) Which concern any alleged contract, combination or
16 conspiracy in restraint of trade, as described in subsection 1 of NRS
17 598A.060, or which concern similar activities prohibited by a
18 substantially similar law of another jurisdiction; and

19 (2) Which resulted in the limited partnership being fined or
20 otherwise penalized or which resulted in the limited partnership
21 being required to divest any holdings or being unable to acquire any
22 holdings as a condition for the settlement, dismissal or resolution of
23 those investigations.

24 3. A limited partnership that meets the criteria set forth in
25 subsection 2 shall submit a statement which includes the following
26 information with respect to each investigation:

27 (a) The jurisdiction in which the investigation was commenced.

28 (b) A summary of the nature of the investigation and the facts
29 and circumstances surrounding the investigation.

30 (c) If the investigation resulted in criminal or civil litigation, a
31 copy of all pleadings filed in the investigation by any party to the
32 litigation.

33 (d) A summary of the outcome of the investigation, including
34 specific information concerning whether any fine or penalty was
35 imposed against the limited partnership and whether the limited
36 partnership was required to divest any holdings or was unable to
37 acquire any holdings as a condition for the settlement, dismissal or
38 resolution of the investigation.

39 4. The fee collected pursuant to subsection 1 must be deposited
40 in the Attorney General's Administration Budget Account and used
41 solely for the purpose of investigating any alleged contract,
42 combination or conspiracy in restraint of trade, as described in
43 subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9*
44 *of this act.*



Sec. 20.6. NRS 87A.565 is hereby amended to read as follows:

87A.565 1. At the time of submitting any list required pursuant to NRS 87A.560, a foreign limited partnership that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A foreign limited partnership must submit a statement pursuant to this section if the foreign limited partnership, including its parent and all subsidiaries:

(a) Holds 25 percent or more of the share of the market within this State for any product sold or distributed by the foreign limited partnership within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the foreign limited partnership, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060, or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and

(2) Which resulted in the foreign limited partnership being fined or otherwise penalized or which resulted in the foreign limited partnership being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.

3. A foreign limited partnership that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.

(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.

(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the foreign limited partnership and whether the foreign limited partnership was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.



4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9 of this act.*

Sec. 20.7. NRS 88.397 is hereby amended to read as follows:

88.397 1. At the time of submitting any list required pursuant to NRS 88.395, a limited partnership that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A limited partnership must submit a statement pursuant to this section if the limited partnership, including its parent and all subsidiaries:

(a) Holds 25 percent or more of the share of the market within this State for any product sold or distributed by the limited partnership within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the limited partnership, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060, or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and

(2) Which resulted in the limited partnership being fined or otherwise penalized or which resulted in the limited partnership being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.

3. A limited partnership that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.

(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.



(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the limited partnership and whether the limited partnership was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.

4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9 of this act.*

Sec. 20.8. NRS 88.5915 is hereby amended to read as follows:

88.5915 1. At the time of submitting any list required pursuant to NRS 88.591, a foreign limited partnership that meets the criteria set forth in subsection 2 must submit:

(a) The statement required pursuant to subsection 3, accompanied by a declaration under penalty of perjury attesting that the statement does not contain any material misrepresentation of fact; and

(b) A fee of \$100,000, to be distributed in the manner provided pursuant to subsection 4.

2. A foreign limited partnership must submit a statement pursuant to this section if the foreign limited partnership, including its parent and all subsidiaries:

(a) Holds 25 percent or more of the share of the market within this state for any product sold or distributed by the foreign limited partnership within this State; and

(b) Has had, during the previous 5-year period, a total of five or more investigations commenced against the foreign limited partnership, its parent or its subsidiaries in any jurisdiction within the United States, including all state and federal investigations:

(1) Which concern any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060, or which concern similar activities prohibited by a substantially similar law of another jurisdiction; and

(2) Which resulted in the foreign limited partnership being fined or otherwise penalized or which resulted in the foreign limited partnership being required to divest any holdings or being unable to acquire any holdings as a condition for the settlement, dismissal or resolution of those investigations.

3. A foreign limited partnership that meets the criteria set forth in subsection 2 shall submit a statement which includes the following information with respect to each investigation:

(a) The jurisdiction in which the investigation was commenced.



(b) A summary of the nature of the investigation and the facts and circumstances surrounding the investigation.

(c) If the investigation resulted in criminal or civil litigation, a copy of all pleadings filed in the investigation by any party to the litigation.

(d) A summary of the outcome of the investigation, including specific information concerning whether any fine or penalty was imposed against the foreign limited partnership and whether the foreign limited partnership was required to divest any holdings or was unable to acquire any holdings as a condition for the settlement, dismissal or resolution of the investigation.

4. The fee collected pursuant to subsection 1 must be deposited in the Attorney General's Administration Budget Account and used solely for the purpose of investigating any alleged contract, combination or conspiracy in restraint of trade, as described in subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9 of this act.*

Sec. 20.9. Chapter 598A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A violation of this subsection constitutes a contract in restraint of trade. A provider of health care shall not willfully enter into, willfully offer to enter into or willfully solicit a contract with a third party that directly or indirectly:

(a) Restricts the third party from offering incentives to a covered person to use specific providers of health care or otherwise steering a covered person to a specific provider of health care;

(b) Restricts the third party from assigning providers of health care into tiers for the purpose of encouraging the use of certain providers of health care;

(c) Requires the third party to place all providers of health care affiliated with a business entity in the same tier;

(d) Requires the third party to contract with a business entity affiliated with a provider of health care as a condition of entering into a contract with the provider of health care; or

(e) Prohibits the third party from contracting with a provider of health care that is not a party to the contract or penalizes the third party for entering into such a contract.

2. A contract between a provider of health care and a third party may include any provisions not expressly prohibited by subsection 1 or otherwise prohibited by law.

3. The provisions of this section do not authorize a third party to subcontract for the performance of obligations under a contract with a provider of health care or delegate such obligations in a manner that is inconsistent with the terms of the contract.



4. Any provision of a contract that is described in paragraphs (a) to (e), inclusive, of subsection 1 is void and severable from the contract.

5. Any person who conspires to, or does, violate any of the provisions of this section is guilty of a misdemeanor.

6. As used in this section:

(a) “Affiliated” means any entity or person who directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a specified entity or person.

(b) “Covered person” means a policyholder, subscriber, enrollee or other person covered by a third party.

(c) “Provider of health care” means:

(1) A physician or other health care practitioner who is licensed or otherwise authorized in this State to furnish any health care service; or

(2) An institution providing health care services or other setting in which health care services are provided, including, without limitation, a hospital, surgical center for ambulatory patients, facility for skilled nursing, residential facility for groups, laboratory and any other such licensed facility.

(d) “Third party” means any insurer, governmental entity or other organization providing health coverage or benefits in accordance with state or federal law.

Sec. 20.95. NRS 598A.280 is hereby amended to read as follows:

598A.280 ~~{A}~~ Except as otherwise provided in section 20.9 of this act, a person who conspires to, or does, violate any of the provisions of this chapter is guilty of a category D felony and shall be punished as provided in NRS 193.130.

Sec. 21. The amendatory provisions of section 20.9 of this act do not apply to any contract existing on October 1, 2021, but apply to any renewal of such a contract.

Sec. 22. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 21, inclusive, of this act become effective:

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

(b) On October 1, 2021, for all other purposes.

