

ASSEMBLY BILL NO. 89—ASSEMBLYMAN SEGERBLOM

PREFILED JANUARY 7, 2011

Referred to Committee on Commerce and Labor

SUMMARY—Requires certain policies of health insurance and health care plans to provide coverage for acupuncture treatments in certain circumstances. (BDR 57-278)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§ 10) (NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; requiring certain policies of health insurance and health care plans to provide coverage for acupuncture treatments in certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires certain public and private health care plans and policies  
2 of insurance to provide coverage for certain procedures, including colorectal cancer  
3 screenings, cytological screening tests and mammograms, in certain circumstances.  
4 (NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374,  
5 695B.1907, 695B.1912, 695C.1731, 695C.1735, 695G.168) Existing law also  
6 requires employers to provide certain benefits to employees, including coverage for  
7 the procedures required to be covered by insurers if the employer provides health  
8 benefits for its employees. (NRS 608.1555) **Sections 1-11** of this bill require those  
9 health care plans and policies of insurance, other than the State Plan for Medicaid,  
10 to also provide coverage for acupuncture treatments in certain circumstances.

11 Existing law requires that if certain health care plans and policies of insurance  
12 provide coverage for acupuncture performed by a physician, then they also must  
13 reimburse for acupuncture performed by a doctor of Oriental medicine. (NRS  
14 689A.0475, 689B.049, 695B.196, 695C.1765) **Section 12** of this bill repeals these  
15 provisions, as their requirements are completely subsumed within the requirements  
16 of **sections 1 and 3-5** of this bill.

17 The provisions of this bill apply prospectively to any policy of insurance or  
18 health care plan issued or renewed on or after October 1, 2011.



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

1       **Section 1.** Chapter 689A of NRS is hereby amended by  
2 adding thereto a new section to read as follows:

3       1. *A policy of health insurance must provide coverage for*  
4 *benefits payable for expenses incurred for treatment by*  
5 *acupuncture, as defined in NRS 634A.020.*

6       2. *A policy subject to the provisions of this chapter which is*  
7 *delivered, issued for delivery or renewed on or after October 1,*  
8 *2011, has the legal effect of including the coverage required by*  
9 *subsection 1, and any provision of the policy or the renewal which*  
10 *is in conflict with subsection 1 is void.*

11       **Sec. 2.** NRS 689A.330 is hereby amended to read as follows:

12       689A.330 If any policy is issued by a domestic insurer for  
13 delivery to a person residing in another state, and if the insurance  
14 commissioner or corresponding public officer of that other state has  
15 informed the Commissioner that the policy is not subject to approval  
16 or disapproval by that officer, the Commissioner may by ruling  
17 require that the policy meet the standards set forth in NRS 689A.030  
18 to 689A.320, inclusive ~~[ ]~~, *and section 1 of this act.*

19       **Sec. 3.** Chapter 689B of NRS is hereby amended by adding  
20 thereto a new section to read as follows:

21       1. *A policy of group health insurance must provide coverage*  
22 *for benefits payable for expenses incurred for treatment by*  
23 *acupuncture, as defined in NRS 634A.020.*

24       2. *A policy subject to the provisions of this chapter which is*  
25 *delivered, issued for delivery or renewed on or after October 1,*  
26 *2011, has the legal effect of including the coverage required by*  
27 *subsection 1, and any provision of the policy or the renewal which*  
28 *is in conflict with subsection 1 is void.*

29       **Sec. 4.** Chapter 695B of NRS is hereby amended by adding  
30 thereto a new section to read as follows:

31       1. *A policy of health insurance issued by a hospital or*  
32 *medical service corporation must provide coverage for benefits*  
33 *payable for expenses incurred for treatment by acupuncture, as*  
34 *defined in NRS 634A.020.*

35       2. *A policy subject to the provisions of this chapter which is*  
36 *delivered, issued for delivery or renewed on or after October 1,*  
37 *2011, has the legal effect of including the coverage required by*  
38 *subsection 1, and any provision of the policy or the renewal which*  
39 *is in conflict with subsection 1 is void.*



1       **Sec. 5.** Chapter 695C of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3       **1. A health care plan issued by a health maintenance**  
4 **organization must provide coverage for benefits payable for**  
5 **expenses incurred for treatment by acupuncture, as defined in**  
6 **NRS 634A.020.**

7       **2. An evidence of coverage for a health care plan subject to**  
8 **the provisions of this chapter which is delivered, issued for**  
9 **delivery or renewed on or after October 1, 2011, has the legal**  
10 **effect of including the coverage required by subsection 1, and any**  
11 **provision of the evidence of coverage or the renewal which is in**  
12 **conflict with subsection 1 is void.**

13       **Sec. 6.** NRS 695C.050 is hereby amended to read as follows:

14       695C.050 1. Except as otherwise provided in this chapter or  
15 in specific provisions of this title, the provisions of this title are not  
16 applicable to any health maintenance organization granted a  
17 certificate of authority under this chapter. This provision does not  
18 apply to an insurer licensed and regulated pursuant to this title  
19 except with respect to its activities as a health maintenance  
20 organization authorized and regulated pursuant to this chapter.

21       2. Solicitation of enrollees by a health maintenance  
22 organization granted a certificate of authority, or its representatives,  
23 must not be construed to violate any provision of law relating to  
24 solicitation or advertising by practitioners of a healing art.

25       3. Any health maintenance organization authorized under this  
26 chapter shall not be deemed to be practicing medicine and is exempt  
27 from the provisions of chapter 630 of NRS.

28       4. The provisions of NRS 695C.110, 695C.125, 695C.1691,  
29 695C.1693, 695C.170 to 695C.173, inclusive, **and section 5 of this**  
30 **act, NRS** 695C.1733 to 695C.200, inclusive, 695C.250 and  
31 695C.265 do not apply to a health maintenance organization that  
32 provides health care services through managed care to recipients of  
33 Medicaid under the State Plan for Medicaid or insurance pursuant to  
34 the Children's Health Insurance Program pursuant to a contract with  
35 the Division of Health Care Financing and Policy of the Department  
36 of Health and Human Services. This subsection does not exempt a  
37 health maintenance organization from any provision of this chapter  
38 for services provided pursuant to any other contract.

39       5. The provisions of NRS 695C.1694, 695C.1695 and  
40 695C.1731 apply to a health maintenance organization that provides  
41 health care services through managed care to recipients of Medicaid  
42 under the State Plan for Medicaid.

43       **Sec. 7.** NRS 695C.330 is hereby amended to read as follows:

44       695C.330 1. The Commissioner may suspend or revoke any  
45 certificate of authority issued to a health maintenance organization



1 pursuant to the provisions of this chapter if the Commissioner finds  
2 that any of the following conditions exist:

3 (a) The health maintenance organization is operating  
4 significantly in contravention of its basic organizational document,  
5 its health care plan or in a manner contrary to that described in and  
6 reasonably inferred from any other information submitted pursuant  
7 to NRS 695C.060, 695C.070 and 695C.140, unless any amendments  
8 to those submissions have been filed with and approved by the  
9 Commissioner;

10 (b) The health maintenance organization issues evidence of  
11 coverage or uses a schedule of charges for health care services  
12 which do not comply with the requirements of NRS 695C.1691 to  
13 695C.200, inclusive, *and section 5 of this act*, or NRS 695C.207;

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

16 (d) The State Board of Health certifies to the Commissioner that  
17 the health maintenance organization:

18 (1) Does not meet the requirements of subsection 2 of NRS  
19 695C.080; or

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

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

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

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

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

33 (2) Conducting external reviews of final adverse  
34 determinations that comply with the provisions of NRS 695G.241 to  
35 695G.310, inclusive;

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

39 (i) The continued operation of the health maintenance  
40 organization would be hazardous to its enrollees;

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

43 (k) The health maintenance organization has otherwise failed to  
44 comply substantially with the provisions of this chapter.



1 2. A certificate of authority must be suspended or revoked only  
2 after compliance with the requirements of NRS 695C.340.

3 3. If the certificate of authority of a health maintenance  
4 organization is suspended, the health maintenance organization shall  
5 not, during the period of that suspension, enroll any additional  
6 groups or new individual contracts, unless those groups or persons  
7 were contracted for before the date of suspension.

8 4. If the certificate of authority of a health maintenance  
9 organization is revoked, the organization shall proceed, immediately  
10 following the effective date of the order of revocation, to wind up its  
11 affairs and shall conduct no further business except as may be  
12 essential to the orderly conclusion of the affairs of the organization.  
13 It shall engage in no further advertising or solicitation of any kind.  
14 The Commissioner may, by written order, permit such further  
15 operation of the organization as the Commissioner may find to be in  
16 the best interest of enrollees to the end that enrollees are afforded  
17 the greatest practical opportunity to obtain continuing coverage for  
18 health care.

19 **Sec. 8.** Chapter 695G of NRS is hereby amended by adding  
20 thereto a new section to read as follows:

21 *1. A health care plan issued by a managed care organization*  
22 *must provide coverage for benefits payable for expenses incurred*  
23 *for treatment by acupuncture, as defined in NRS 634A.020.*

24 *2. An evidence of coverage for a health care plan subject to*  
25 *the provisions of this chapter which is delivered, issued for*  
26 *delivery or renewed on or after October 1, 2011, has the legal*  
27 *effect of including the coverage required by subsection 1, and any*  
28 *provision of the evidence of coverage or the renewal which is in*  
29 *conflict with subsection 1 is void.*

30 **Sec. 9.** NRS 695G.090 is hereby amended to read as follows:

31 695G.090 1. Except as otherwise provided in subsection 3,  
32 the provisions of this chapter apply to each organization and insurer  
33 that operates as a managed care organization and may include,  
34 without limitation, an insurer that issues a policy of health  
35 insurance, an insurer that issues a policy of individual or group  
36 health insurance, a carrier serving small employers, a fraternal  
37 benefit society, a hospital or medical service corporation and a  
38 health maintenance organization.

39 2. In addition to the provisions of this chapter, each managed  
40 care organization shall comply with:

41 (a) The provisions of chapter 686A of NRS, including all  
42 obligations and remedies set forth therein; and

43 (b) Any other applicable provision of this title.

44 3. The provisions of NRS 695G.164, 695G.1645, 695G.200 to  
45 695G.230, inclusive, and 695G.430 *and section 8 of this act* do not



1 apply to a managed care organization that provides health care  
2 services to recipients of Medicaid under the State Plan for Medicaid  
3 or insurance pursuant to the Children's Health Insurance Program  
4 pursuant to a contract with the Division of Health Care Financing  
5 and Policy of the Department of Health and Human Services. This  
6 subsection does not exempt a managed care organization from any  
7 provision of this chapter for services provided pursuant to any other  
8 contract.

9 **Sec. 10.** NRS 287.010 is hereby amended to read as follows:

10 287.010 1. The governing body of any county, school  
11 district, municipal corporation, political subdivision, public  
12 corporation or other local governmental agency of the State of  
13 Nevada may:

14 (a) Adopt and carry into effect a system of group life, accident  
15 or health insurance, or any combination thereof, for the benefit of its  
16 officers and employees, and the dependents of officers and  
17 employees who elect to accept the insurance and who, where  
18 necessary, have authorized the governing body to make deductions  
19 from their compensation for the payment of premiums on the  
20 insurance.

21 (b) Purchase group policies of life, accident or health insurance,  
22 or any combination thereof, for the benefit of such officers and  
23 employees, and the dependents of such officers and employees, as  
24 have authorized the purchase, from insurance companies authorized  
25 to transact the business of such insurance in the State of Nevada,  
26 and, where necessary, deduct from the compensation of officers and  
27 employees the premiums upon insurance and pay the deductions  
28 upon the premiums.

29 (c) Provide group life, accident or health coverage through a  
30 self-insurance reserve fund and, where necessary, deduct  
31 contributions to the maintenance of the fund from the compensation  
32 of officers and employees and pay the deductions into the fund. The  
33 money accumulated for this purpose through deductions from the  
34 compensation of officers and employees and contributions of the  
35 governing body must be maintained as an internal service fund as  
36 defined by NRS 354.543. The money must be deposited in a state or  
37 national bank or credit union authorized to transact business in the  
38 State of Nevada. Any independent administrator of a fund created  
39 under this section is subject to the licensing requirements of chapter  
40 683A of NRS, and must be a resident of this State. Any contract  
41 with an independent administrator must be approved by the  
42 Commissioner of Insurance as to the reasonableness of  
43 administrative charges in relation to contributions collected and  
44 benefits provided. The provisions of NRS 687B.408, 689B.030 to



1 689B.050, inclusive, *and section 3 of this act, NRS* 689B.287 and  
2 689B.575 apply to coverage provided pursuant to this paragraph.

3 (d) Defray part or all of the cost of maintenance of a self-  
4 insurance fund or of the premiums upon insurance. The money for  
5 contributions must be budgeted for in accordance with the laws  
6 governing the county, school district, municipal corporation,  
7 political subdivision, public corporation or other local governmental  
8 agency of the State of Nevada.

9 2. If a school district offers group insurance to its officers and  
10 employees pursuant to this section, members of the board of trustees  
11 of the school district must not be excluded from participating in the  
12 group insurance. If the amount of the deductions from compensation  
13 required to pay for the group insurance exceeds the compensation to  
14 which a trustee is entitled, the difference must be paid by the trustee.

15 3. In any county in which a legal services organization exists,  
16 the governing body of the county, or of any school district,  
17 municipal corporation, political subdivision, public corporation or  
18 other local governmental agency of the State of Nevada in the  
19 county, may enter into a contract with the legal services  
20 organization pursuant to which the officers and employees of the  
21 legal services organization, and the dependents of those officers and  
22 employees, are eligible for any life, accident or health insurance  
23 provided pursuant to this section to the officers and employees, and  
24 the dependents of the officers and employees, of the county, school  
25 district, municipal corporation, political subdivision, public  
26 corporation or other local governmental agency.

27 4. If a contract is entered into pursuant to subsection 3, the  
28 officers and employees of the legal services organization:

29 (a) Shall be deemed, solely for the purposes of this section, to be  
30 officers and employees of the county, school district, municipal  
31 corporation, political subdivision, public corporation or other local  
32 governmental agency with which the legal services organization has  
33 contracted; and

34 (b) Must be required by the contract to pay the premiums or  
35 contributions for all insurance which they elect to accept or of which  
36 they authorize the purchase.

37 5. A contract that is entered into pursuant to subsection 3:

38 (a) Must be submitted to the Commissioner of Insurance for  
39 approval not less than 30 days before the date on which the contract  
40 is to become effective.

41 (b) Does not become effective unless approved by the  
42 Commissioner.

43 (c) Shall be deemed to be approved if not disapproved by the  
44 Commissioner within 30 days after its submission.



1 6. As used in this section, "legal services organization" means  
2 an organization that operates a program for legal aid and receives  
3 money pursuant to NRS 19.031.

4 **Sec. 11.** NRS 287.04335 is hereby amended to read as  
5 follows:

6 287.04335 If the Board provides health insurance through a  
7 plan of self-insurance, it shall comply with the provisions of NRS  
8 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645, 695G.170,  
9 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230, inclusive,  
10 695G.241 to 695G.310, inclusive, and 695G.405, *and section 8 of*  
11 *this act* in the same manner as an insurer that is licensed pursuant to  
12 title 57 of NRS is required to comply with those provisions.

13 **Sec. 12.** NRS 689A.0475, 689B.049, 695B.196 and  
14 695C.1765 are hereby repealed.

15 **Sec. 13.** The provisions of NRS 354.599 do not apply to any  
16 additional expenses of a local government that are related to the  
17 provisions of this act.

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### LEADLINES OF REPEALED SECTIONS

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**689A.0475 Acupuncture.**

**689B.049 Reimbursement for acupuncture.**

**695B.196 Reimbursement for acupuncture.**

**695C.1765 Reimbursement for acupuncture.**

