

Senate Bill No. 146—Senators Lange,
Spearman; and Donate

CHAPTER.....

AN ACT relating to health care; revising provisions governing the regulation of hospitals; prohibiting a health carrier from denying certain providers of health care from entering into a contract to join the network of the health carrier under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the State Board of Health to adopt regulations establishing licensing standards for hospitals. (NRS 449.0302) Existing regulations require a doctor of medicine or osteopathic medicine to perform a physical examination and complete a medical history of a patient seeking admission to a hospital not more than 7 days before or more than 48 hours after the patient is admitted to the hospital. (NAC 449.358) **Section 1** of this bill requires those regulations to authorize a certified nurse-midwife to perform such a physical examination or obtain such a medical history before or after a patient is admitted to a hospital for the purpose of giving birth.

Existing law requires a health carrier to comply with certain provisions governing the network plans that the health carrier offers or issues. (NRS 687B.600-687B.850) **Section 4** of this bill prohibits a health carrier from denying a request from a provider of health care to enter into a provider network contract to join the network established by the health carrier if the provider of health care: (1) meets and accepts the terms and conditions for participation in the network plan of the health carrier; (2) is employed by or has accepted an offer of employment from a school of medicine or school of osteopathic medicine in this State; (3) does not have a clinical practice already established in this State; and (4) requests to become a participating provider of health care in the network of the health carrier. **Section 4** authorizes a health carrier to deny a request from such a provider of health care to enter into such a provider network contract for certain reasons. **Section 4** also clarifies that a health carrier is authorized to terminate such a provider of health care from participating in the network of the health carrier for any grounds authorized under the provider contract. **Sections 6 and 7** of this bill make conforming changes to indicate the proper placement of **section 4** in the Nevada Revised Statutes. **Sections 2 and 3** of this bill require the State or a local government to comply with **section 4** if it offers a health insurance policy to its officers and employees.

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

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

Section 1. NRS 449.0302 is hereby amended to read as follows:

449.0302 1. The Board shall adopt:



(a) Licensing standards for each class of medical facility or facility for the dependent covered by NRS 449.029 to 449.2428, inclusive, and for programs of hospice care.

(b) Regulations governing the licensing of such facilities and programs.

(c) Regulations governing the procedure and standards for granting an extension of the time for which a natural person may provide certain care in his or her home without being considered a residential facility for groups pursuant to NRS 449.017. The regulations must require that such grants are effective only if made in writing.

(d) Regulations establishing a procedure for the indemnification by the Division, from the amount of any surety bond or other obligation filed or deposited by a facility for refractive surgery pursuant to NRS 449.068 or 449.069, of a patient of the facility who has sustained any damages as a result of the bankruptcy of or any breach of contract by the facility.

(e) Regulations that prescribe the specific types of discrimination prohibited by NRS 449.101.

(f) Regulations requiring a hospital or independent center for emergency medical care to provide training to each employee who provides care to victims of sexual assault or attempted sexual assault concerning appropriate care for such persons, including, without limitation, training concerning the requirements of NRS 449.1885.

(g) Any other regulations as it deems necessary or convenient to carry out the provisions of NRS 449.029 to 449.2428, inclusive.

2. The Board shall adopt separate regulations governing the licensing and operation of:

(a) Facilities for the care of adults during the day; and

(b) Residential facilities for groups,

↳ which provide care to persons with Alzheimer's disease or other severe dementia, as described in paragraph (a) of subsection 2 of NRS 449.1845.

3. The Board shall adopt separate regulations for:

(a) The licensure of rural hospitals which take into consideration the unique problems of operating such a facility in a rural area.

(b) The licensure of facilities for refractive surgery which take into consideration the unique factors of operating such a facility.

(c) The licensure of mobile units which take into consideration the unique factors of operating a facility that is not in a fixed location.

4. The Board shall require that the practices and policies of each medical facility or facility for the dependent provide



adequately for the protection of the health, safety and physical, moral and mental well-being of each person accommodated in the facility.

5. In addition to the training requirements prescribed pursuant to NRS 449.093, the Board shall establish minimum qualifications for administrators and employees of residential facilities for groups. In establishing the qualifications, the Board shall consider the related standards set by nationally recognized organizations which accredit such facilities.

6. The Board shall adopt separate regulations regarding the assistance which may be given pursuant to NRS 453.375 and 454.213 to an ultimate user of controlled substances or dangerous drugs by employees of residential facilities for groups. The regulations must require at least the following conditions before such assistance may be given:

(a) The ultimate user's physical and mental condition is stable and is following a predictable course.

(b) The amount of the medication prescribed is at a maintenance level and does not require a daily assessment.

(c) A written plan of care by a physician or registered nurse has been established that:

(1) Addresses possession and assistance in the administration of the medication; and

(2) Includes a plan, which has been prepared under the supervision of a registered nurse or licensed pharmacist, for emergency intervention if an adverse condition results.

(d) Except as otherwise authorized by the regulations adopted pursuant to NRS 449.0304, the prescribed medication is not administered by injection or intravenously.

(e) The employee has successfully completed training and examination approved by the Division regarding the authorized manner of assistance.

7. The Board shall adopt separate regulations governing the licensing and operation of residential facilities for groups which provide assisted living services. The Board shall not allow the licensing of a facility as a residential facility for groups which provides assisted living services and a residential facility for groups shall not claim that it provides "assisted living services" unless:

(a) Before authorizing a person to move into the facility, the facility makes a full written disclosure to the person regarding what services of personalized care will be available to the person and the amount that will be charged for those services throughout the resident's stay at the facility.



(b) The residents of the facility reside in their own living units which:

(1) Except as otherwise provided in subsection 8, contain toilet facilities;

(2) Contain a sleeping area or bedroom; and

(3) Are shared with another occupant only upon consent of both occupants.

(c) The facility provides personalized care to the residents of the facility and the general approach to operating the facility incorporates these core principles:

(1) The facility is designed to create a residential environment that actively supports and promotes each resident's quality of life and right to privacy;

(2) The facility is committed to offering high-quality supportive services that are developed by the facility in collaboration with the resident to meet the resident's individual needs;

(3) The facility provides a variety of creative and innovative services that emphasize the particular needs of each individual resident and the resident's personal choice of lifestyle;

(4) The operation of the facility and its interaction with its residents supports, to the maximum extent possible, each resident's need for autonomy and the right to make decisions regarding his or her own life;

(5) The operation of the facility is designed to foster a social climate that allows the resident to develop and maintain personal relationships with fellow residents and with persons in the general community;

(6) The facility is designed to minimize and is operated in a manner which minimizes the need for its residents to move out of the facility as their respective physical and mental conditions change over time; and

(7) The facility is operated in such a manner as to foster a culture that provides a high-quality environment for the residents, their families, the staff, any volunteers and the community at large.

8. The Division may grant an exception from the requirement of subparagraph (1) of paragraph (b) of subsection 7 to a facility which is licensed as a residential facility for groups on or before July 1, 2005, and which is authorized to have 10 or fewer beds and was originally constructed as a single-family dwelling if the Division finds that:

(a) Strict application of that requirement would result in economic hardship to the facility requesting the exception; and



(b) The exception, if granted, would not:

(1) Cause substantial detriment to the health or welfare of any resident of the facility;

(2) Result in more than two residents sharing a toilet facility;
or

(3) Otherwise impair substantially the purpose of that requirement.

9. The Board shall, if it determines necessary, adopt regulations and requirements to ensure that each residential facility for groups and its staff are prepared to respond to an emergency, including, without limitation:

(a) The adoption of plans to respond to a natural disaster and other types of emergency situations, including, without limitation, an emergency involving fire;

(b) The adoption of plans to provide for the evacuation of a residential facility for groups in an emergency, including, without limitation, plans to ensure that nonambulatory patients may be evacuated;

(c) Educating the residents of residential facilities for groups concerning the plans adopted pursuant to paragraphs (a) and (b); and

(d) Posting the plans or a summary of the plans adopted pursuant to paragraphs (a) and (b) in a conspicuous place in each residential facility for groups.

10. The regulations governing the licensing and operation of facilities for transitional living for released offenders must provide for the licensure of at least three different types of facilities, including, without limitation:

(a) Facilities that only provide a housing and living environment;

(b) Facilities that provide or arrange for the provision of supportive services for residents of the facility to assist the residents with reintegration into the community, in addition to providing a housing and living environment; and

(c) Facilities that provide or arrange for the provision of programs for alcohol and other substance use disorders, in addition to providing a housing and living environment and providing or arranging for the provision of other supportive services.

↳ The regulations must provide that if a facility was originally constructed as a single-family dwelling, the facility must not be authorized for more than eight beds.

11. The Board shall adopt regulations applicable to providers of community-based living arrangement services which:



(a) Except as otherwise provided in paragraph (b), require a natural person responsible for the operation of a provider of community-based living arrangement services and each employee of a provider of community-based living arrangement services who supervises or provides support to recipients of community-based living arrangement services to complete training concerning the provision of community-based living arrangement services to persons with mental illness and continuing education concerning the particular population served by the provider;

(b) Exempt a person licensed or certified pursuant to title 54 of NRS from the requirements prescribed pursuant to paragraph (a) if the Board determines that the person is required to receive training and continuing education substantially equivalent to that prescribed pursuant to that paragraph;

(c) Require a natural person responsible for the operation of a provider of community-based living arrangement services to receive training concerning the provisions of title 53 of NRS applicable to the provision of community-based living arrangement services; and

(d) Require an applicant for a license to provide community-based living arrangement services to post a surety bond in an amount equal to the operating expenses of the applicant for 2 months, place that amount in escrow or take another action prescribed by the Division to ensure that, if the applicant becomes insolvent, recipients of community-based living arrangement services from the applicant may continue to receive community-based living arrangement services for 2 months at the expense of the applicant.

12. The Board shall adopt separate regulations governing the licensing and operation of freestanding birthing centers. Such regulations must:

(a) Align with the standards established by the American Association of Birth Centers, or its successor organization, the accrediting body of the Commission for the Accreditation of Birth Centers, or its successor organization, or another nationally recognized organization for accrediting freestanding birthing centers; and

(b) Allow the provision of supervised training to providers of health care, as appropriate, at a freestanding birthing center.

13. *If the regulations adopted pursuant to this section require a physical examination to be performed on a patient or the medical history of a patient to be obtained before or after the patient is admitted to a hospital, those regulations must authorize a certified nurse-midwife to perform such a physical examination*



or obtain such a medical history before or after a patient is admitted to a hospital for the purpose of giving birth.

14. As used in this section ~~[, "living"]~~:

(a) *"Certified nurse-midwife" means a person who is:*

- (1) *Certified as a Certified Nurse-Midwife by the American Midwifery Certification Board, or its successor organization; and*
- (2) *Licensed as an advanced practice registered nurse pursuant to NRS 632.237.*

(b) *"Living unit" means an individual private accommodation designated for a resident within the facility.*

Sec. 2. NRS 287.010 is hereby amended to read as follows:

287.010 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 may:

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

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

(c) Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank or credit union authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this State. Any contract with an independent administrator must be approved by the



Commissioner of Insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided. The provisions of NRS 686A.135, 687B.352, 687B.408, 687B.723, 687B.725, 689B.030 to 689B.050, inclusive, 689B.265, 689B.287 and 689B.500 *and section 4 of this act* apply to coverage provided pursuant to this paragraph, except that the provisions of NRS 689B.0378, 689B.03785 and 689B.500 only apply to coverage for active officers and employees of the governing body, or the dependents of such officers and employees.

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

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

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

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

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

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



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

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

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

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

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

Sec. 3. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the Board provides health insurance through a plan of self-insurance, it shall comply with the provisions of NRS 686A.135, 687B.352, 687B.409, 687B.723, 687B.725, 689B.0353, 689B.255, 695C.1723, 695G.150, 695G.155, 695G.160, 695G.162, 695G.1635, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.1675, 695G.170 to 695G.174, inclusive, 695G.176, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, *and section 4 of this act*, in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.

Sec. 4. Chapter 687B of NRS is hereby amended by adding thereto a new section to read as follows:

1. A health carrier which offers or issues a network plan may not deny a request from a provider of health care to enter into a provider network contract with the health carrier if the provider of health care:

(a) Meets and accepts the terms and conditions for participation in the network of the health carrier, including, without limitation:

(1) Meeting any credentialing requirement of the health carrier;

(2) Agreeing to all provisions of the provider network contract, including, without limitation, provisions setting forth the grounds and procedures for terminating providers of health care from participation in the network; and

(3) Agreeing to participate in a review of the performance and experience of the provider of health care at least once each year or as otherwise required by the health carrier;

(b) Is employed by or has accepted an offer of employment from a school of medicine or school of osteopathic medicine in this State to serve in a position where the provider of health care



teaches students studying to become providers of health care or resident physicians at least 50 percent of the time the provider of health care is performing his or her duties for the school;

(c) Does not have a clinical practice already established in this State at the time the request to enter into a provider network contract is made; and

(d) Requests to be a participating provider of health care in the network of the health carrier.

2. A health carrier which offers or issues a network plan may deny a request from a provider of health care to enter into a provider network contract with the health carrier if:

(a) The health carrier contracts with a third party for the delivery of services to covered persons;

(b) Participating providers of health care are paid through capitation agreements; or

(c) Accepting the provider of health care into the network plan would disrupt existing provider network contracts.

3. A health carrier may terminate a provider network contract entered into pursuant to subsection 1 for any grounds authorized under the contract. Such grounds may include, without limitation, failure to maintain the employment described in paragraph (b) of subsection 1 or issues of inconsistency with other participating providers of health care with regard to:

(a) Access for covered persons to the services of the provider of health care;

(b) The cost of the services of the provider of health care;

(c) The quality of care provided by the provider of health care;

or

(d) Other issues relating to the utilization of the services of the provider of health care.

Sec. 5. NRS 687B.600 is hereby amended to read as follows:

687B.600 As used in NRS 687B.600 to 687B.850, inclusive, **and section 4 of this act**, unless the context otherwise requires, the words and terms defined in NRS 687B.602 to 687B.665, inclusive, have the meanings ascribed to them in those sections.

Sec. 6. NRS 687B.670 is hereby amended to read as follows:

687B.670 If a health carrier offers or issues a network plan, the health carrier shall, with regard to that network plan:

1. Comply with all applicable requirements set forth in NRS 687B.600 to 687B.850, inclusive **§**, **and section 4 of this act**;

2. As applicable, ensure that each contract entered into for the purposes of the network plan between a participating provider of health care and the health carrier complies with the requirements set



forth in NRS 687B.600 to 687B.850, inclusive ~~§~~, *and section 4 of this act*; and

3. As applicable, ensure that the network plan complies with the requirements set forth in NRS 687B.600 to 687B.850, inclusive ~~§~~, *and section 4 of this act*.

Sec. 7. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 6, 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, 2023, for all other purposes.



