

SENATE BILL NO. 329—SENATOR LANGE

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.

~

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 to notify the Department of Health and Human Services of certain transactions; prohibiting an insurer, a physician or a health care facility from entering into a contract that contains certain provisions; authorizing the imposition of certain administrative sanctions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides that the Department of Health and Human Services is the
2 agency of this State for health planning and development. (NRS 439A.081) **Section**
3 **1** of this bill requires a hospital or physician group practice to notify the
4 Department of any merger, acquisition or similar transaction involving the hospital
5 or physician group practice. **Section 1** requires the Department to post the
6 information contained in those notices on the Internet and publish an annual report
7 based on that information.

8 Existing law prohibits certain unfair trade practices in the business of
9 insurance. (NRS 686A.010-686A.280) **Sections 2, 10, 11 and 13** of this bill
10 prohibit a health facility, a physician or an insurer from entering into a contract that
11 contains certain provisions that restrain the ability of an insurer to contract with
12 other providers of health care, including health facilities, that are not parties to the
13 contract or the ability of a provider of health care to contract with insurers that are
14 not a party to the contract. **Sections 3 and 4** of this bill make conforming changes
15 to indicate the placement of **section 2** in the Nevada Revised Statutes. **Sections 5-9,**
16 **12, 14 and 15** of this bill provide for the enforcement of **sections 2 and 13,**
17 including through various administrative sanctions. **Sections 16-20** of this bill
18 provide that certain entities that provide health coverage are subject to the
19 provisions of **section 13.**



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

1 **Section 1.** Chapter 439A of NRS is hereby amended by
2 adding thereto a new section to read as follows:

3 1. *A hospital or physician group practice shall notify the*
4 *Department of any merger, acquisition or joint venture to which*
5 *the hospital or physician group practice is a party or any contract*
6 *for the management of the hospital or physician group practice*
7 *not later than 60 days after the finalization of the merger or*
8 *acquisition, commencement of the joint venture or execution of*
9 *the contract, as applicable. The notice must be provided in the*
10 *form prescribed by the Department and must include, without*
11 *limitation:*

12 (a) *The name of each party in the transaction, including,*
13 *without limitation, any person who currently holds at least 5*
14 *percent ownership of any party to the transaction or plans to hold*
15 *at least 5 percent ownership of the newly formed entity;*

16 (b) *A description of the nature of the proposed relationship of*
17 *the parties to the transaction;*

18 (c) *The names and any specialties of each physician who is a*
19 *party or employed by or affiliated with a physician group practice*
20 *that is a party to the transaction;*

21 (d) *The name and address of each business entity that will*
22 *provide health services after the transaction;*

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

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

27 2. *The Department shall:*

28 (a) *Post the information contained in the notices provided*
29 *pursuant to subsection 1 on an Internet website maintained by the*
30 *Department; and*

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

35 3. *As used in this section:*

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

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



1 **Sec. 2.** Chapter 449 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *A medical facility, facility for the dependent or facility*
4 *which is otherwise required by the regulations adopted by the*
5 *Board pursuant to NRS 449.0303 to be licensed shall not enter*
6 *into a contract with an insurer that contains a provision prohibited*
7 *by section 13 of this act.*

8 2. *As used in this section, "insurer" has the meaning ascribed*
9 *to it in NRS 679A.100.*

10 **Sec. 3.** NRS 449.029 is hereby amended to read as follows:

11 449.029 As used in NRS 449.029 to 449.240, inclusive, *and*
12 *section 2 of this act*, unless the context otherwise requires, "medical
13 facility" has the meaning ascribed to it in NRS 449.0151 and
14 includes a program of hospice care described in NRS 449.196.

15 **Sec. 4.** NRS 449.0301 is hereby amended to read as follows:

16 449.0301 The provisions of NRS 449.029 to 449.2428,
17 inclusive, *and section 2 of this act* do not apply to:

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

25 2. Foster homes as defined in NRS 424.014.

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

30 **Sec. 5.** NRS 449.089 is hereby amended to read as follows:

31 449.089 1. Each license issued pursuant to NRS 449.029 to
32 449.2428, inclusive, *and section 2 of this act* expires on
33 December 31 following its issuance and is renewable for 1 year
34 upon reapplication and payment of all fees required pursuant to
35 NRS 449.050 unless the Division finds, after an investigation, that
36 the facility has not:

37 (a) Satisfactorily complied with the provisions of NRS 449.029
38 to 449.2428, inclusive, *and section 2 of this act* or the standards and
39 regulations adopted by the Board;

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

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

44 2. Each reapplication for an agency to provide personal care
45 services in the home, an agency to provide nursing in the home, a



1 community health worker pool, a facility for intermediate care, a
2 facility for skilled nursing, a provider of community-based living
3 arrangement services, a hospital described in 42 U.S.C. §
4 1395ww(d)(1)(B)(iv), a psychiatric hospital that provides inpatient
5 services to children, a psychiatric residential treatment facility, a
6 residential facility for groups, a program of hospice care, a home for
7 individual residential care, a facility for the care of adults during the
8 day, a facility for hospice care, a nursing pool, a peer support
9 recovery organization, the distinct part of a hospital which meets the
10 requirements of a skilled nursing facility or nursing facility pursuant
11 to 42 C.F.R. § 483.5, a hospital that provides swing-bed services as
12 described in 42 C.F.R. § 482.58 or, if residential services are
13 provided to children, a medical facility or facility for the treatment
14 of alcohol or other substance use disorders must include, without
15 limitation, a statement that the facility, hospital, agency, program,
16 pool, organization or home is in compliance with the provisions of
17 NRS 449.115 to 449.125, inclusive, and 449.174.

18 3. Each reapplication for an agency to provide personal care
19 services in the home, a community health worker pool, a facility for
20 intermediate care, a facility for skilled nursing, a facility for the care
21 of adults during the day, a peer support recovery organization, a
22 residential facility for groups or a home for individual residential
23 care must include, without limitation, a statement that the holder of
24 the license to operate, and the administrator or other person in
25 charge and employees of, the facility, agency, pool, organization or
26 home are in compliance with the provisions of NRS 449.093.

27 **Sec. 6.** NRS 449.160 is hereby amended to read as follows:

28 449.160 1. The Division may deny an application for a
29 license or may suspend or revoke any license issued under the
30 provisions of NRS 449.029 to 449.2428, inclusive, *and section 2 of*
31 *this act* upon any of the following grounds:

32 (a) Violation by the applicant or the licensee of any of the
33 provisions of NRS 439B.410 or 449.029 to 449.245, inclusive, *and*
34 *section 2 of this act* or of any other law of this State or of the
35 standards, rules and regulations adopted thereunder.

36 (b) Aiding, abetting or permitting the commission of any illegal
37 act.

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

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

43 (e) Failure of the applicant to obtain written approval from the
44 Director of the Department of Health and Human Services as
45 required by NRS 439A.100 or as provided in any regulation adopted



1 pursuant to NRS 449.001 to 449.430, inclusive, *and section 2 of*
2 *this act* and 449.435 to 449.531, inclusive, and chapter 449A of
3 NRS if such approval is required.

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

5 (g) Violation of the provisions of NRS 458.112.

6 2. In addition to the provisions of subsection 1, the Division
7 may revoke a license to operate a facility for the dependent if, with
8 respect to that facility, the licensee that operates the facility, or an
9 agent or employee of the licensee:

10 (a) Is convicted of violating any of the provisions of
11 NRS 202.470;

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

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

17 3. The Division shall maintain a log of any complaints that it
18 receives relating to activities for which the Division may revoke the
19 license to operate a facility for the dependent pursuant to subsection
20 2. The Division shall provide to a facility for the care of adults
21 during the day:

22 (a) A summary of a complaint against the facility if the
23 investigation of the complaint by the Division either substantiates
24 the complaint or is inconclusive;

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

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

28 ➔ The facility shall make the information available to the public
29 pursuant to NRS 449.2486.

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

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

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

37 **Sec. 7.** NRS 449.163 is hereby amended to read as follows:

38 449.163 1. In addition to the payment of the amount required
39 by NRS 449.0308, if a medical facility, facility for the dependent or
40 facility which is required by the regulations adopted by the Board
41 pursuant to NRS 449.0303 to be licensed violates any provision
42 related to its licensure, including any provision of NRS 439B.410 or
43 449.029 to 449.2428, inclusive, *and section 2 of this act* or any
44 condition, standard or regulation adopted by the Board, the



1 Division, in accordance with the regulations adopted pursuant to
2 NRS 449.165, may:

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

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

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

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

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

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

22 (2) Improvements are made to correct the violation.

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

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

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

29 3. The Division may require any facility that violates any
30 provision of NRS 439B.410 or 449.029 to 449.2428, inclusive, *and*
31 *section 2 of this act* or any condition, standard or regulation adopted
32 by the Board to make any improvements necessary to correct the
33 violation.

34 4. Any money collected as administrative penalties pursuant to
35 paragraph (d) of subsection 1 must be accounted for separately and
36 used to administer and carry out the provisions of NRS 449.001 to
37 449.430, inclusive, *and section 2 of this act*, 449.435 to 449.531,
38 inclusive, and chapter 449A of NRS to protect the health, safety,
39 well-being and property of the patients and residents of facilities in
40 accordance with applicable state and federal standards or for any
41 other purpose authorized by the Legislature.

42 **Sec. 8.** NRS 449.220 is hereby amended to read as follows:

43 449.220 1. The Division may bring an action in the name of
44 the State to enjoin any person, state or local government unit or
45 agency thereof from operating or maintaining any facility within the



1 meaning of NRS 449.029 to 449.2428, inclusive **[H]**, *and section 2*
2 *of this act*:

3 (a) Without first obtaining a license therefor; or

4 (b) After his or her license has been revoked or suspended by
5 the Division.

6 2. It is sufficient in such action to allege that the defendant did,
7 on a certain date and in a certain place, operate and maintain such a
8 facility without a license.

9 **Sec. 9.** NRS 449.240 is hereby amended to read as follows:

10 449.240 The district attorney of the county in which the facility
11 is located shall, upon application by the Division, institute and
12 conduct the prosecution of any action for violation of any provisions
13 of NRS 449.029 to 449.245, inclusive **[H]**, *and section 2 of this act*.

14 **Sec. 10.** NRS 630.305 is hereby amended to read as follows:

15 630.305 1. The following acts, among others, constitute
16 grounds for initiating disciplinary action or denying licensure:

17 (a) Directly or indirectly receiving from any person, corporation
18 or other business organization any fee, commission, rebate or other
19 form of compensation which is intended or tends to influence the
20 physician's objective evaluation or treatment of a patient.

21 (b) Dividing a fee between licensees except where the patient is
22 informed of the division of fees and the division of fees is made in
23 proportion to the services personally performed and the
24 responsibility assumed by each licensee.

25 (c) Referring, in violation of NRS 439B.425, a patient to a
26 health facility, medical laboratory or commercial establishment in
27 which the licensee has a financial interest.

28 (d) Charging for visits to the physician's office which did not
29 occur or for services which were not rendered or documented in the
30 records of the patient.

31 (e) Aiding, assisting, employing or advising, directly or
32 indirectly, any unlicensed person to engage in the practice of
33 medicine contrary to the provisions of this chapter or the regulations
34 of the Board.

35 (f) Delegating responsibility for the care of a patient to a person
36 if the licensee knows, or has reason to know, that the person is not
37 qualified to undertake that responsibility.

38 (g) Failing to disclose to a patient any financial or other conflict
39 of interest.

40 (h) Failing to initiate the performance of community service
41 within 1 year after the date the community service is required to
42 begin, if the community service was imposed as a requirement of
43 the licensee's receiving loans or scholarships from the Federal
44 Government or a state or local government for the licensee's
45 medical education.



1 *(i) Entering into a contract that contains a provision*
2 *prohibited by section 13 of this act.*

3 2. Nothing in this section prohibits a physician from forming
4 an association or other business relationship with an optometrist
5 pursuant to the provisions of NRS 636.373.

6 **Sec. 11.** NRS 633.511 is hereby amended to read as follows:

7 633.511 1. The grounds for initiating disciplinary action
8 pursuant to this chapter are:

9 (a) Unprofessional conduct.

10 (b) Conviction of:

11 (1) A violation of any federal or state law regulating the
12 possession, distribution or use of any controlled substance or any
13 dangerous drug as defined in chapter 454 of NRS;

14 (2) A felony relating to the practice of osteopathic medicine
15 or practice as a physician assistant;

16 (3) A violation of any of the provisions of NRS 616D.200,
17 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive;

18 (4) Murder, voluntary manslaughter or mayhem;

19 (5) Any felony involving the use of a firearm or other deadly
20 weapon;

21 (6) Assault with intent to kill or to commit sexual assault or
22 mayhem;

23 (7) Sexual assault, statutory sexual seduction, incest,
24 lewdness, indecent exposure or any other sexually related crime;

25 (8) Abuse or neglect of a child or contributory delinquency;
26 or

27 (9) Any offense involving moral turpitude.

28 (c) The suspension of a license to practice osteopathic medicine
29 or to practice as a physician assistant by any other jurisdiction.

30 (d) Malpractice or gross malpractice, which may be evidenced
31 by a claim of malpractice settled against a licensee.

32 (e) Professional incompetence.

33 (f) Failure to comply with the requirements of NRS 633.527.

34 (g) Failure to comply with the requirements of subsection 3 of
35 NRS 633.471.

36 (h) Failure to comply with the provisions of NRS 633.694.

37 (i) Operation of a medical facility, as defined in NRS 449.0151,
38 at any time during which:

39 (1) The license of the facility is suspended or revoked; or

40 (2) An act or omission occurs which results in the suspension
41 or revocation of the license pursuant to NRS 449.160.

42 ➔ This paragraph applies to an owner or other principal responsible
43 for the operation of the facility.

44 (j) Failure to comply with the provisions of subsection 2 of
45 NRS 633.322.



1 (k) Signing a blank prescription form.

2 (l) Knowingly or willfully procuring or administering a
3 controlled substance or a dangerous drug as defined in chapter 454
4 of NRS that is not approved by the United States Food and Drug
5 Administration, unless the unapproved controlled substance or
6 dangerous drug:

7 (1) Was procured through a retail pharmacy licensed
8 pursuant to chapter 639 of NRS;

9 (2) Was procured through a Canadian pharmacy which is
10 licensed pursuant to chapter 639 of NRS and which has been
11 recommended by the State Board of Pharmacy pursuant to
12 subsection 4 of NRS 639.2328;

13 (3) Is cannabis being used for medical purposes in
14 accordance with chapter 678C of NRS; or

15 (4) Is an investigational drug or biological product prescribed
16 to a patient pursuant to NRS 630.3735 or 633.6945.

17 (m) Attempting, directly or indirectly, by intimidation, coercion
18 or deception, to obtain or retain a patient or to discourage the use of
19 a second opinion.

20 (n) Terminating the medical care of a patient without adequate
21 notice or without making other arrangements for the continued care
22 of the patient.

23 (o) In addition to the provisions of subsection 3 of NRS
24 633.524, making or filing a report which the licensee knows to be
25 false, failing to file a record or report that is required by law or
26 knowingly or willfully obstructing or inducing another to obstruct
27 the making or filing of such a record or report.

28 (p) Failure to report any person the licensee knows, or has
29 reason to know, is in violation of the provisions of this chapter or
30 the regulations of the Board within 30 days after the date the
31 licensee knows or has reason to know of the violation.

32 (q) Failure by a licensee or applicant to report in writing, within
33 30 days, any criminal action taken or conviction obtained against the
34 licensee or applicant, other than a minor traffic violation, in this
35 State or any other state or by the Federal Government, a branch of
36 the Armed Forces of the United States or any local or federal
37 jurisdiction of a foreign country.

38 (r) Engaging in any act that is unsafe in accordance with
39 regulations adopted by the Board.

40 (s) Failure to comply with the provisions of NRS 629.515.

41 (t) Failure to supervise adequately a medical assistant pursuant
42 to the regulations of the Board.

43 (u) Failure to obtain any training required by the Board pursuant
44 to NRS 633.473.

45 (v) Failure to comply with the provisions of NRS 633.6955.



1 (w) Failure to comply with the provisions of NRS 453.163,
2 453.164, 453.226, 639.23507, 639.23535 and 639.2391 to
3 639.23916, inclusive, and any regulations adopted by the State
4 Board of Pharmacy pursuant thereto.

5 (x) Fraudulent, illegal, unauthorized or otherwise inappropriate
6 prescribing, administering or dispensing of a controlled substance
7 listed in schedule II, III or IV.

8 (y) Failure to comply with the provisions of NRS 454.217 or
9 629.086.

10 (z) *Entering into a contract that contains a provision*
11 *prohibited by section 13 of this act.*

12 2. As used in this section, "investigational drug or biological
13 product" has the meaning ascribed to it in NRS 454.351.

14 **Sec. 12.** NRS 654.190 is hereby amended to read as follows:

15 654.190 1. The Board may, after notice and an opportunity
16 for a hearing as required by law, impose an administrative fine of
17 not more than \$10,000 for each violation on, recover reasonable
18 investigative fees and costs incurred from, suspend, revoke, deny
19 the issuance or renewal of or place conditions on the license of, and
20 place on probation or impose any combination of the foregoing on
21 any licensee who:

22 (a) Is convicted of a felony relating to the practice of
23 administering a nursing facility or residential facility or of any
24 offense involving moral turpitude.

25 (b) Has obtained his or her license by the use of fraud or deceit.

26 (c) Violates any of the provisions of this chapter.

27 (d) Aids or abets any person in the violation of any of the
28 provisions of NRS 449.029 to 449.2428, inclusive, *and section 2 of*
29 *this act*, as those provisions pertain to a facility for skilled nursing,
30 facility for intermediate care or residential facility for groups.

31 (e) Violates any regulation of the Board prescribing additional
32 standards of conduct for licensees, including, without limitation, a
33 code of ethics.

34 (f) Engages in conduct that violates the trust of a patient or
35 resident or exploits the relationship between the licensee and the
36 patient or resident for the financial or other gain of the licensee.

37 2. If a licensee requests a hearing pursuant to subsection 1, the
38 Board shall give the licensee written notice of a hearing pursuant to
39 NRS 233B.121 and 241.034. A licensee may waive, in writing, his
40 or her right to attend the hearing.

41 3. The Board may compel the attendance of witnesses or the
42 production of documents or objects by subpoena. The Board may
43 adopt regulations that set forth a procedure pursuant to which the
44 Chair of the Board may issue subpoenas on behalf of the Board.
45 Any person who is subpoenaed pursuant to this subsection may



1 request the Board to modify the terms of the subpoena or grant
2 additional time for compliance.

3 4. An order that imposes discipline and the findings of fact and
4 conclusions of law supporting that order are public records.

5 5. The expiration of a license by operation of law or by order
6 or decision of the Board or a court, or the voluntary surrender of a
7 license, does not deprive the Board of jurisdiction to proceed with
8 any investigation of, or action or disciplinary proceeding against, the
9 licensee or to render a decision suspending or revoking the license.

10 **Sec. 13.** Chapter 686A of NRS is hereby amended by adding
11 thereto a new section to read as follows:

12 *1. An insurer shall not enter into a contract with a provider
13 of health care that:*

14 *(a) Restricts the ability of the insurer to direct a covered
15 person to a provider of health care that is not a party to the
16 contract or requires the insurer to offer incentives to encourage a
17 covered person to utilize specific providers of health care;*

18 *(b) Prohibits or authorizes the insurer to prohibit the provider
19 of health care from entering into a contract to provide health care
20 services at a lower price than the price specified in the contract
21 with the insurer;*

22 *(c) Requires or authorizes the insurer to require the provider
23 of health care to accept a lower rate of reimbursement from the
24 insurer if the provider of health care enters into a contract
25 described in paragraph (b); or*

26 *(d) Requires or authorizes the insurer to require termination
27 or renegotiation of the contract with the provider of health care if
28 the provider of health care enters into a contract described in
29 paragraph (b);*

30 *(e) Requires the provider of health care to disclose to the
31 insurer the rates of reimbursement provided to the provider of
32 health care pursuant to a contract with another insurer;*

33 *(f) Requires the insurer to contract with all providers of health
34 care affiliated with a business entity as a condition of including
35 any provider of health care affiliated with that business entity in
36 the network plan of the insurer;*

37 *(g) Prohibits the provider of health care from contracting with
38 an insurer that is not a party to the contract or penalizes the
39 provider of health care for entering into such a contract;*

40 *(h) Prohibits the insurer from contracting with a provider of
41 health care that is not a party to the contract or penalizes the
42 insurer for entering into such a contract; or*

43 *(i) Includes a clause equivalent to those described in
44 paragraphs (a) to (h), inclusive.*

45 *2. As used in this section:*



1 (a) "Covered person" means a policyholder, subscriber,
2 enrollee or other person participating in a network plan.

3 (b) "Health care plan" means a policy, contract, certificate or
4 agreement offered or issued by an insurer to provide, deliver,
5 arrange for, pay for or reimburse any of the costs of health care
6 services.

7 (c) "Network plan" means a health care plan offered or issued
8 by an insurer under which the financing and delivery of health
9 care services, including, without limitation, items and services
10 paid for as health care services, are provided, in whole or in part,
11 through a defined set of providers of health care under contract
12 with the insurer. The term does not include an arrangement for
13 the financing of premiums.

14 (d) "Provider of health care" means:

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

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

23 **Sec. 14.** NRS 686A.160 is hereby amended to read as follows:

24 686A.160 If the Commissioner has cause to believe that any
25 person has been engaged or is engaging, in this state, in any unfair
26 method of competition or any unfair or deceptive act or practice
27 prohibited by NRS 686A.010 to 686A.310, inclusive, *and section*
28 *13 of this act*, and that a proceeding by the Commissioner in respect
29 thereto would be in the interest of the public, the Commissioner may
30 issue and serve upon such person a statement of the charges and a
31 notice of the hearing to be held thereon. The statement of charges
32 and notice of hearing shall comply with the requirements of NRS
33 679B.320 and shall be served upon such person directly or by
34 certified or registered mail, return receipt requested.

35 **Sec. 15.** NRS 686A.183 is hereby amended to read as follows:

36 686A.183 1. After the hearing provided for in NRS
37 686A.160, the Commissioner shall issue an order on hearing
38 pursuant to NRS 679B.360. If the Commissioner determines that the
39 person charged has engaged in an unfair method of competition or
40 an unfair or deceptive act or practice in violation of NRS 686A.010
41 to 686A.310, inclusive, *and section 13 of this act*, the
42 Commissioner shall order the person to cease and desist from
43 engaging in that method of competition, act or practice, and may
44 order one or both of the following:



1 (a) If the person knew or reasonably should have known that he
2 or she was in violation of NRS 686A.010 to 686A.310, inclusive,
3 *and section 13 of this act*, payment of an administrative fine of not
4 more than \$5,000 for each act or violation, except that as to licensed
5 agents, brokers, solicitors and adjusters, the administrative fine must
6 not exceed \$500 for each act or violation.

7 (b) Suspension or revocation of the person's license if the
8 person knew or reasonably should have known that he or she was in
9 violation of NRS 686A.010 to 686A.310, inclusive **H**, *and section*
10 *13 of this act*.

11 2. Until the expiration of the time allowed for taking an appeal,
12 pursuant to NRS 679B.370, if no petition for review has been filed
13 within that time, or, if a petition for review has been filed within that
14 time, until the official record in the proceeding has been filed with
15 the court, the Commissioner may, at any time, upon such notice and
16 in such manner as the Commissioner deems proper, modify or set
17 aside, in whole or in part, any order issued by him or her under this
18 section.

19 3. After the expiration of the time allowed for taking an appeal,
20 if no petition for review has been filed, the Commissioner may at
21 any time, after notice and opportunity for hearing, reopen and alter,
22 modify or set aside, in whole or in part, any order issued by him or
23 her under this section whenever in the opinion of the Commissioner
24 conditions of fact or of law have so changed as to require such
25 action or if the public interest so requires.

26 **Sec. 16.** NRS 686A.520 is hereby amended to read as follows:

27 686A.520 1. The provisions of NRS 683A.341, 683A.451,
28 683A.461 and 686A.010 to 686A.310, inclusive, *and section 13 of*
29 *this act*, apply to companies.

30 2. For the purposes of subsection 1, unless the context requires
31 that a section apply only to insurers, any reference in those sections
32 to "insurer" must be replaced by a reference to "company."

33 **Sec. 17.** NRS 695B.320 is hereby amended to read as follows:

34 695B.320 1. Nonprofit hospital and medical or dental service
35 corporations are subject to the provisions of this chapter, and to the
36 provisions of chapters 679A and 679B of NRS, NRS 686A.010 to
37 686A.315, inclusive, *and section 13 of this act*, 687B.010 to
38 687B.040, inclusive, 687B.070 to 687B.140, inclusive, 687B.150,
39 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270,
40 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430,
41 687B.500 and chapters 692B, 692C, 693A and 696B of NRS, to the
42 extent applicable and not in conflict with the express provisions of
43 this chapter.



1 2. For the purposes of this section and the provisions set forth
2 in subsection 1, a nonprofit hospital and medical or dental service
3 corporation is included in the meaning of the term "insurer."

4 **Sec. 18.** NRS 695C.300 is hereby amended to read as follows:

5 695C.300 1. No health maintenance organization or
6 representative thereof may cause or knowingly permit the use of
7 advertising which is untrue or misleading, solicitation which is
8 untrue or misleading or any form of evidence of coverage which is
9 deceptive. For purposes of this chapter:

10 (a) A statement or item of information shall be deemed to be
11 untrue if it does not conform to fact in any respect which is or may
12 be significant to an enrollee of, or person considering enrollment in,
13 a health care plan.

14 (b) A statement or item of information shall be deemed to be
15 misleading, whether or not it may be literally untrue if, in the total
16 context in which such statement is made or such item of information
17 is communicated, such statement or item of information may be
18 reasonably understood by a reasonable person not possessing special
19 knowledge regarding health care coverage, as indicating any benefit
20 or advantage or the absence of any exclusion, limitation or
21 disadvantage of possible significance to an enrollee of, or person
22 considering enrollment in, a health care plan if such benefit or
23 advantage or absence of limitation, exclusion or disadvantage does
24 not in fact exist.

25 (c) An evidence of coverage shall be deemed to be deceptive if
26 the evidence of coverage taken as a whole, and with consideration
27 given to typography and format as well as language, shall be such as
28 to cause a reasonable person not possessing special knowledge
29 regarding health care plans and evidences of coverage therefor to
30 expect benefits, services, charges or other advantages which the
31 evidence of coverage does not provide or which the health care plan
32 issuing such evidence of coverage does not regularly make available
33 for enrollees covered under such evidence of coverage.

34 2. NRS 686A.010 to 686A.310, inclusive, *and section 13 of*
35 *this act* shall be construed to apply to health maintenance
36 organizations, health care plans and evidences of coverage except to
37 the extent that the nature of health maintenance organizations,
38 health care plans and evidences of coverage render the sections
39 therein clearly inappropriate.

40 3. An enrollee may not be cancelled or not renewed except for
41 the failure to pay the charge for such coverage or for cause as
42 determined in the master contract.

43 4. No health maintenance organization, unless licensed as an
44 insurer, may use in its name, contracts, or literature any of the words
45 "insurance," "casualty," "surety," "mutual" or any other words



1 descriptive of the insurance, casualty or surety business or
2 deceptively similar to the name or description of any insurance or
3 surety corporation doing business in this State.

4 5. No person not certificated under this chapter shall use in its
5 name, contracts or literature the phrase "health maintenance
6 organization" or the initials "HMO."

7 **Sec. 19.** NRS 695D.290 is hereby amended to read as follows:

8 695D.290 The provisions of NRS 686A.010 to 686A.310,
9 inclusive, *and section 13 of this act* relating to trade practices and
10 frauds apply to organizations for dental care.

11 **Sec. 20.** NRS 695F.090 is hereby amended to read as follows:

12 695F.090 1. Prepaid limited health service organizations are
13 subject to the provisions of this chapter and to the following
14 provisions, to the extent reasonably applicable:

15 (a) NRS 687B.310 to 687B.420, inclusive, concerning
16 cancellation and nonrenewal of policies.

17 (b) NRS 687B.122 to 687B.128, inclusive, concerning
18 readability of policies.

19 (c) The requirements of NRS 679B.152.

20 (d) The fees imposed pursuant to NRS 449.465.

21 (e) NRS 686A.010 to 686A.310, inclusive, *and section 13 of*
22 *this act* concerning trade practices and frauds.

23 (f) The assessment imposed pursuant to NRS 679B.700.

24 (g) Chapter 683A of NRS.

25 (h) To the extent applicable, the provisions of NRS 689B.340 to
26 689B.580, inclusive, and chapter 689C of NRS relating to the
27 portability and availability of health insurance.

28 (i) NRS 689A.035, 689A.0463, 689A.410, 689A.413 and
29 689A.415.

30 (j) NRS 680B.025 to 680B.039, inclusive, concerning premium
31 tax, premium tax rate, annual report and estimated quarterly tax
32 payments. For the purposes of this subsection, unless the context
33 otherwise requires that a section apply only to insurers, any
34 reference in those sections to "insurer" must be replaced by a
35 reference to "prepaid limited health service organization."

36 (k) Chapter 692C of NRS, concerning holding companies.

37 (l) NRS 689A.637, concerning health centers.

38 2. For the purposes of this section and the provisions set forth
39 in subsection 1, a prepaid limited health service organization is
40 included in the meaning of the term "insurer."

41 **Sec. 21.** The amendatory provisions of sections 2, 10, 11 and
42 13 of this act do not apply to any contract existing on
43 October 1, 2021, but apply to any renewal of such a contract.

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



- 1 2. Sections 1 to 21, inclusive, of this act become effective:
2 (a) Upon passage and approval for the purpose of adopting any
3 regulations and performing any other preparatory administrative
4 tasks that are necessary to carry out the provisions of this act; and
5 (b) On October 1, 2021, for all other purposes.

