

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 to notify the Department of Health and Human Services of certain transactions; prohibiting a provider of health care from 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:

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 to notify the Department of any merger, acquisition
4 or similar transaction involving the hospital. **Section 1** additionally requires a
5 physician group practice to report certain similar transactions involving the
6 physician group practice if: (1) the physician group practices that are parties to the
7 transaction represent at least 20 percent of the physicians who practice any
8 specialty in a primary service area; and (2) the physician group practice represents
9 the largest number of physicians of any physician group practice that is a party to
10 the transaction. **Section 1** requires the Department to post the information
11 contained in those notices on the Internet and publish an annual report based on that
12 information.

13 Existing law prohibits certain unfair trade practices. (NRS 598A.060) **Section**
14 **20.9** of this bill prohibits a provider of health care, including a facility that provides
15 health care, from entering into, offering to enter into or soliciting a contract that: (1)
16 prohibits a third party insurer from steering covered persons to certain providers of
17 health care or placing providers of health care in tiers; or (2) that places certain
18 other restrictions on the third party insurer. The Attorney General or a person
19 injured by a violation of **section 20.9** would be authorized to bring a civil action



20 against a provider of health care who commits such a violation. (NRS 598A.160,
21 598A.180-598A.210) Additionally, a provider of health care or third party insurer
22 who commits such a violation would be subject to a civil penalty and guilty of a
23 category D felony. (NRS 598A.170, 598A.280)

24 Existing law requires certain business entities that have had a total of five or
25 more investigations commenced against the entity for unfair trade practices which
26 resulted in the imposition of certain penalties or other requirements during a 5-year
27 period to submit to the Secretary of State: (1) a statement concerning each such
28 investigation; and (2) a fee. Existing law requires the Attorney General to use that
29 fee for the purposes of investigating unfair trade practices. (NRS 78.153, 80.115,
30 86.264, 86.5462, 87A.295, 87A.565, 88.397, 88.5915) **Sections 20.1-20.8** of this
31 bill authorize the Attorney General to use those fees to investigate contracting
32 practices prohibited by **section 20.9**.

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

9 *2. A physician group practice shall notify the Department of*
10 *a transaction described in subsection 3 to which the physician*
11 *group practice is a party or any contract for the management of a*
12 *physician group practice not later than 60 days after the*
13 *finalization of the transaction or execution of the contract for*
14 *management, as applicable, if:*

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

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

22 *3. Notice must be provided pursuant to subsection 1 or 2 for*
23 *any:*

24 *(a) Merger of, consolidation of or other affiliation between*
25 *physician group practices;*

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

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



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

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

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

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

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

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

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

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

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

23 5. *The Department shall:*

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

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

31 6. *As used in this section:*

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

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

38 **Sec. 2.** (Deleted by amendment.)

39 **Sec. 3.** (Deleted by amendment.)

40 **Sec. 4.** (Deleted by amendment.)

41 **Sec. 5.** (Deleted by amendment.)

42 **Sec. 6.** (Deleted by amendment.)

43 **Sec. 7.** (Deleted by amendment.)

44 **Sec. 8.** (Deleted by amendment.)

45 **Sec. 9.** (Deleted by amendment.)



1 **Sec. 10.** (Deleted by amendment.)

2 **Sec. 11.** (Deleted by amendment.)

3 **Sec. 12.** (Deleted by amendment.)

4 **Sec. 13.** (Deleted by amendment.)

5 **Sec. 14.** (Deleted by amendment.)

6 **Sec. 15.** (Deleted by amendment.)

7 **Sec. 16.** (Deleted by amendment.)

8 **Sec. 17.** (Deleted by amendment.)

9 **Sec. 18.** (Deleted by amendment.)

10 **Sec. 19.** (Deleted by amendment.)

11 **Sec. 20.** (Deleted by amendment.)

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

13 78.153 1. At the time of submitting any list required pursuant
14 to NRS 78.150, a corporation that meets the criteria set forth in
15 subsection 2 must submit:

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

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

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

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

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

31 (1) Which concern any alleged contract, combination or
32 conspiracy in restraint of trade, as described in subsection 1 of NRS
33 598A.060, or which concern similar activities prohibited by a
34 substantially similar law of another jurisdiction; and

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

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

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

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



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

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

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

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

17 80.115 1. At the time of submitting any list required pursuant
18 to NRS 80.110, a corporation that meets the criteria set forth in
19 subsection 2 must submit:

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

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

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

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

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

35 (1) Which concern any alleged contract, combination or
36 conspiracy in restraint of trade, as described in subsection 1 of NRS
37 598A.060, or which concern similar activities prohibited by a
38 substantially similar law of another jurisdiction; and

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



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

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

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

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

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

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

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

23 86.264 1. At the time of submitting any list required pursuant
24 to NRS 86.263, a limited-liability company that meets the criteria
25 set forth in subsection 2 must submit:

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

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

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

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

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

42 (1) Which concern any alleged contract, combination or
43 conspiracy in restraint of trade, as described in subsection 1 of NRS
44 598A.060, or which concern similar activities prohibited by a
45 substantially similar law of another jurisdiction; and



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

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

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

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

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

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

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

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

28 86.5462 1. At the time of submitting any list required
29 pursuant to NRS 86.5461, a foreign limited-liability company that
30 meets the criteria set forth in subsection 2 must submit:

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

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

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

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

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



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

3 (1) Which concern any alleged contract, combination or
4 conspiracy in restraint of trade, as described in subsection 1 of NRS
5 598A.060, or which concern similar activities prohibited by a
6 substantially similar law of another jurisdiction; and

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

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

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

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

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

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

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

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

35 87A.295 1. At the time of submitting any list required
36 pursuant to NRS 87A.290, a limited partnership that meets the
37 criteria set forth in subsection 2 must submit:

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

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



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

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

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

11 (1) Which concern any alleged contract, combination or
12 conspiracy in restraint of trade, as described in subsection 1 of NRS
13 598A.060, or which concern similar activities prohibited by a
14 substantially similar law of another jurisdiction; and

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

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

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

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

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

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

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

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

43 87A.565 1. At the time of submitting any list required
44 pursuant to NRS 87A.560, a foreign limited partnership that meets
45 the criteria set forth in subsection 2 must submit:



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

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

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

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

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

17 (1) Which concern any alleged contract, combination or
18 conspiracy in restraint of trade, as described in subsection 1 of NRS
19 598A.060, or which concern similar activities prohibited by a
20 substantially similar law of another jurisdiction; and

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

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

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

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

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

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

41 4. The fee collected pursuant to subsection 1 must be deposited
42 in the Attorney General's Administration Budget Account and used
43 solely for the purpose of investigating any alleged contract,
44 combination or conspiracy in restraint of trade, as described in



1 subsection 1 of NRS 598A.060 ~~§~~ *and subsection 1 of section 20.9*
2 *of this act.*

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

4 88.397 1. At the time of submitting any list required pursuant
5 to NRS 88.395, a limited partnership that meets the criteria set forth
6 in subsection 2 must submit:

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

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

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

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

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

23 (1) Which concern any alleged contract, combination or
24 conspiracy in restraint of trade, as described in subsection 1 of NRS
25 598A.060, or which concern similar activities prohibited by a
26 substantially similar law of another jurisdiction; and

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

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

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

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

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

41 (d) A summary of the outcome of the investigation, including
42 specific information concerning whether any fine or penalty was
43 imposed against the limited partnership and whether the limited
44 partnership was required to divest any holdings or was unable to



1 acquire any holdings as a condition for the settlement, dismissal or
2 resolution of the investigation.

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

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

10 88.5915 1. At the time of submitting any list required
11 pursuant to NRS 88.591, a foreign limited partnership that meets the
12 criteria set forth in subsection 2 must submit:

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

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

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

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

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

29 (1) Which concern any alleged contract, combination or
30 conspiracy in restraint of trade, as described in subsection 1 of NRS
31 598A.060, or which concern similar activities prohibited by a
32 substantially similar law of another jurisdiction; and

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

40 *3. Any provision of a contract that violates the provisions of*
41 *subsection 1 is void and severable from the contract.*

42 *4. As used in this section:*

43 *(a) "Covered person" means a policyholder, subscriber,*
44 *enrollee or other person covered by a third party.*

45 *(b) "Provider of health care" means:*



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

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

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

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

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

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

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

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



