

SENATE BILL NO. 393—SENATOR HAMMOND

MARCH 20, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Clarifies provisions concerning payments for treatment relating to mental illness or the abuse of alcohol or drugs. (BDR 57-576)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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; clarifying provisions concerning payments for treatment relating to mental illness or the abuse of alcohol or drugs; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires that: (1) a payment made pursuant to a policy of health
2 insurance for treatment relating solely to mental health or the abuse of alcohol or
3 drugs must be made directly to the provider of the treatment rather than to the
4 person receiving the treatment if the provider is an out-of-network provider who
5 has an assignment of benefits which meets certain qualifications; and (2) such a
6 provider must refund to a person who pays such a provider directly for such
7 treatment certain amounts that the person paid to the provider. (NRS 687B.409)
8 This bill clarifies that the provisions of existing law apply to every payment made
9 by an insurer or its authorized representative pursuant to a policy of health
10 insurance to a provider of health care for treatment relating solely to mental health
11 or the abuse of alcohol or drugs regardless of whether the insurer issued or
12 otherwise provided the policy of health insurance in Nevada, maintains an office in
13 Nevada or otherwise does business or transacts insurance in Nevada.

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

1 **Section 1.** NRS 687B.409 is hereby amended to read as
2 follows:
3 687B.409 1. Every payment made pursuant to a policy of
4 health insurance to pay for treatment relating solely to mental health



1 or the abuse of alcohol or drugs must be made directly to the
2 provider of health care that provides the treatment if the provider:

3 (a) Is an out-of-network provider; and

4 (b) Has obtained and delivered to the insurer or an authorized
5 representative of the insurer, including, without limitation, a third-
6 party administrator, a written assignment of benefits pursuant to
7 which the insured has assigned to the provider the insured's benefits
8 under the policy of health insurance with regard to the treatment.

9 2. An out-of-network provider that receives payment pursuant
10 to subsection 1:

11 (a) Shall, if a person paid the provider directly for the treatment
12 described in subsection 1, refund to the person the amount that the
13 person paid directly to the provider for the treatment, less any
14 applicable deductible, copayment or coinsurance, not later than 45
15 days after the provider receives payment pursuant to subsection 1;
16 and

17 (b) Must indemnify and hold harmless the insurer against any
18 claim made against the insurer by the person who receives the
19 treatment described in subsection 1 for any amount paid by the
20 insurer to the provider in compliance with this section.

21 3. An assignment of benefits described in paragraph (b) of
22 subsection 1 is irrevocable for the period:

23 (a) Beginning on the date the insured gives to the out-of-
24 network provider the assignment of benefits; and

25 (b) Ending on the later of:

26 (1) The date on which the out-of-network provider receives
27 from the insurer the final payment for the treatment; or

28 (2) The date of the final resolution, including, without
29 limitation, by settlement or trial, of all claims relating to all
30 payments which relate to the treatment.

31 4. Nothing in this section shall be construed to require an
32 insurer to make a payment to an out-of-network provider:

33 (a) Who is not authorized by law to provide the treatment;

34 (b) Who provides the treatment in violation of any law; or

35 (c) In an amount which exceeds the amount required by the
36 policy of health insurance to be paid for out-of-network treatment.

37 5. *The provisions of this section apply to every payment made*
38 *by an insurer or its authorized representative pursuant to a policy*
39 *of health insurance to a provider of health care for treatment*
40 *relating solely to mental health or the abuse of alcohol or drugs*
41 *regardless of whether the insurer:*

42 (a) *Issued or otherwise provided the policy of health insurance*
43 *in this State;*

44 (b) *Maintains an office in this State; or*



1 (c) *Otherwise does business or transacts insurance in this*
2 *State.*

3 6. As used in this section:

4 (a) "Health care services" means services for the diagnosis,
5 prevention, treatment, care or relief of a health condition, illness,
6 injury or disease.

7 (b) "Insured" means a person who receives benefits pursuant to
8 a policy of health insurance.

9 (c) "Insurer" means a person, including, without limitation, a
10 governmental entity, who issues or otherwise provides a policy of
11 health insurance.

12 (d) "Network plan" has the meaning ascribed to it in
13 NRS 689B.570.

14 (e) "Out-of-network provider" means a provider of health care
15 who:

16 (1) Provides health care services;

17 (2) Is paid, pursuant to a policy of health insurance, for
18 providing the health care services; and

19 (3) Is not under contract to provide the health care services as
20 part of any network plan associated with the policy of health
21 insurance.

22 (f) "Policy of health insurance" includes, without limitation, a
23 policy, contract, certificate, plan or agreement, as applicable, issued
24 pursuant to or otherwise governed by NRS 287.0402 to 287.049,
25 inclusive, or chapter 608, 689A, 689B, 689C, 695A, 695B, 695C,
26 695F or 695G of NRS for the provision of, delivery of, arrangement
27 for, payment for or reimbursement for any of the costs of health care
28 services.

29 (g) "Provider of health care" has the meaning ascribed to it in
30 NRS 695G.070.

31 **Sec. 2.** This act becomes effective on July 1, 2019.



