

**LCB File No. R175-01**

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE  
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

**NOTICE OF INTENT TO ACT UPON REGULATIONS**

Notice of Hearing for the Adoption of Regulations  
of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 10:00 a.m., on December 13, 2001, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested persons may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Ave., Manufactured Housing Division Conference Room, Second Floor, Las Vegas, Nevada, 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of:

**REGULATIONS CONCERNING THE PROMPT PAYMENT OF  
HEALTH INSURANCE CLAIMS**

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulation was developed in response to S.B. 99 (2001) and is necessary to define what payers of health insurance claims and medical providers must do to facilitate the prompt payment of health insurance claims.
2. The proposed regulation defines “clean claim”, identifies claim forms that must be accepted by payers and the essential elements that must be completed on the forms, establishes a tracking system for payers, and provides direction on how to show substantial compliance.
3. Estimated economic effect of the regulation:  
On the business which it is to regulate:  
The proposed regulation may have both an immediate and a long-term impact on the industry if payers and medical providers must amend billing and payment practices.  
On the public:  
The proposed regulations should have no economic impact on the public.
4. The Division may incur some additional expenses to enforce the proposed regulation that cannot be measured at this time.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation does not establish any new fees or increase an existing fee.

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Written submissions must be received by the Division on or before December 7, 2001. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the **State of Nevada Register of Administrative Regulations** which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Department of Business and Industry  
Division of Insurance  
788 Fairview Drive, Suite 300  
Carson City, NV 89701

Department of Business and Industry  
Division of Insurance  
2501 East Sahara Avenue, Suite 302  
Las Vegas, NV 89104

Legislative Counsel Bureau  
Capitol Complex  
Carson City, NV 89710

Blasdel Building  
Capitol Complex  
Carson City, NV 89710

State Capitol  
Capitol Complex  
Carson City, NV 89710

Capitol Press Room  
State Capitol Basement  
Carson City, NV 89710

County Clerk  
Courthouse  
Carson City, NV 89710

Nevada State Library & Archives  
Capitol Complex  
Carson City, NV 89710

Carson City Library  
900 North Roop Street  
Carson City, NV 89701

Churchill County Library  
553 South Maine Street  
Fallon, NV 89406

Las Vegas Library  
833 Las Vegas Blvd. North

Douglas County Library  
1625 Library Lane

Las Vegas, NV 89101

P.O. Box 337  
Minden, NV 89423

Elko County Library  
720 Court Street  
Elko, NV 89801

Goldfield Public Library  
Fourth & Cook Street  
P.O. Box 430  
Goldfield, NV 89013

Eureka Branch Library  
10190 Monroe Street  
P.O. Box 293  
Eureka, NV 89316

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

Battle Mountain Branch Library  
P.O. Box 141  
Battle Mountain, NV 89820

Lincoln County Library  
93 Main Street  
P.O. Box 330  
Pioche, NV 89043

Mineral County Library  
First & A Street  
P.O. Box 1390  
Hawthorne, NV 89415

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

Tonopah Public Library  
171 Central Street  
P.O. Box 449  
Tonopah, NV 89049

Pershing County Library  
1125 Central Avenue  
P.O. Box 781  
Lovelock, NV 89419

Storey County Library  
95 South R Street  
P.O. Box 14  
Virginia City, NV 89440

Washoe County Library  
301 South Center Street  
P.O. Box 2151  
Reno, NV 89505

White Pine County Library  
950 Campton Street  
Ely, NV 89301

Clark County Library  
1401 East Flamingo Road  
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (702) 687-4270, extension 260.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

By:

ALICE A. MOLASKY-ARMAN  
Commissioner of Insurance

**LCB File No. R175-01**

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE  
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

**REGULATION CONCERNING THE PROMPT PAYMENT  
OF HEALTH INSURANCE CLAIMS**

Authority: NRS 679B.130 and NRS 679B.138

Section 1. Chapter 686A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive of this regulation.

Sec. 2. *A “clean claim” is defined as a claim that contains substantially all the required information for the payer to reach a decision and that has no particular or unusual circumstances that would impede the payer from paying the claim within the established timeframe.*

Sec. 3. *The provisions of these sections apply to payers of health insurance claims, which include administrators, individual health insurers, large and small group health insurers, nonprofit hospital, medical and dental service corporations and health maintenance organizations. These sections establish uniform claim standards applicable to these payers. This action is taken to ensure prompt payment of claims to providers of health care.*

Sec. 4. *Payers of health insurance claims must accept claims submitted on properly completed forms approved by the U. S. Department of Health and Human Services for the filing of health insurance claims, and can not require any other billing forms for the purpose of processing the claim. These forms include the Form HCFA-1450, and its successor forms for hospital claims,*

*which is commonly referred to as the UB 92 (formerly UB 82). For claims submitted by persons licensed to practice one of the health professions, a properly completed Form HCFA 1500, or its successor forms must be accepted as proof of loss. Both HCFA Form 1450 and the HCFA Form 1500 can be found in electronic form at [www.HCFA.gov](http://www.HCFA.gov). The HCFA Form 1450 can be obtained from local printers or business form providers found in the yellow pages. The cost of the HCFA Form 1450 ranges from \$35 to \$185 per 1000 depending on the construction. The HCFA Form 1500 can be obtained from the Superintendent of Documents, P. O. Box 37194, Pittsburgh, PA 15250-7954 at a cost of \$16.00 for a package of 100.*

*Sec. 5. Billing codes for both the HCFA-1450 and HCFA-1500 forms are included in the instructions for these forms published by U. S. Department of Health and Human Services. The billing codes used in the claim forms include the diagnosis codes, place of service codes and procedure codes with modifiers. While the number and types of procedure codes and modifiers are always expanding with advances in medical science, the specific codes are defined in the HCFA Common Procedure Coding System (HCPCS) and the Physicians Current Procedural Terminology (CPT) published by the American Medical Association.*

*Sec. 6. Timeframes for payers to adjudicate and pay claims have been established by NRS 683A.0879, 689A.410, 689B.255, 689C.485, 695B.2505 and 695C.185, which are also known as the prompt pay provisions. These timeframes begin with the receipt by the payer of claim form with the essential elements completed as described in Section 7 for healthcare practitioners and Section 8 for hospitals and other institutional providers.*

Sec. 7. *A claim form submitted by a health care practitioner will be considered filed within the meaning of a clean claim with the essential elements completed when the HCFA Form 1500 has been used, and the appropriate fields have been accurately completed.*

*(A) Each claim form must include the following information;*

*(1) Subscriber's plan ID number (HCFA Form 1500, field 1a);*

*(2) Patient's name (HCFA Form 1500, field 2);*

*(3) Patient's date of birth and gender (HCFA Form 1500, field 3);*

*(4) Subscriber's name (HCFA Form 1500, field 4);*

*(5) Patient's address (street or P.O. box, city, and zip code) (HCFA Form 1500, field 5);*

*(6) Patient's relationship to the subscriber (HCFA Form 1500, field 6);*

*(7) Subscriber's address (street or P.O. box, city, and zip code) (HCFA Form 1500, field 7);*

*(8) Except in the case of a laboratory that has been issued a license pursuant to NRS 652, patient status (HCFA Form 1500, field 8);*

*(9) Whether the patient's condition is related to employment (HCFA Form 1500, field 10(a));*

*(10) Whether the patient's condition is related to an auto accident (HCFA Form 1500, field 10(b));*

*(11) Whether the patient's condition is related to an accident other than an auto accident (HCFA Form 1500, field 10(c));*

*(12) Subscriber's policy number (HCFA Form 1500, field 11);*

*(13) Except in the case of a laboratory that has been issued a license pursuant to NRS*

*652, subscriber's birth date and gender (HCFA Form 1500, field 11a);*

*(14) Except in the case of a laboratory that has been issued a license pursuant to NRS 652, name of the payer (HCFA Form 1500, field 11c);*

*(15) Disclosure of any other health benefit plans (HCFA Form 1500, field 11d);*

*(16) Patient's or authorized person's signature or notation that the signature is on file with the health care practitioner (HCFA Form 1500, field 12);*

*(17) Subscriber's or authorized person's signature or notation that the signature is on file with the health care practitioner or person entitled to reimbursement, if applicable (HCFA Form 1500, field 13);*

*(18) Except in the case of a laboratory that has been issued a license pursuant to NRS 652, date of current illness, injury, or pregnancy (HCFA Form 1500, field 14);*

*(19) Except in the case of a health care practitioner for emergency services, or a laboratory that has been issued a license pursuant to NRS 652, whether the patient has had the same or a similar illness (HCFA Form 1500, field 15);*

*(20) Except in the case of a health care practitioner for emergency services, the name of the referring physician or health maintenance organization (HCFA Form 1500, field 17);*

*(21) Hospitalization dates related to current services, if applicable (HCFA Form 1500, field 18);*

*(22) Diagnosis codes or nature of the illness or injury (HCFA Form 1500, field 21);*

*(23) Date of service (HCFA Form 1500, field 24A);*

*(24) Place of service codes for all claims, as designated by HFCA for Medicare (HCFA Form 1500, field 24B);*

*(25) Procedure code (HCFA Form 1500, field 24D);*

*(26) Diagnosis code by specific service (HCFA Form 1500, field 24E);*

*(27) Charge for each listed service (HCFA Form 1500, field 24F);*

*(28) Number of days, time (minutes), start and stop time, or units (HCFA Form 1500, field 24G);*

*(29) The carrier-assigned rendering provider number until the National Provider Identifier is developed and assigned, if applicable (HCFA Form 1500, field 24K);*

*(30) Health care practitioner's or person entitled to reimbursement's federal tax ID number (HCFA Form 1500, field 25);*

*(31) Patient's account number (HCFA Form 1500, field 26);*

*(32) Total charge (HCFA Form 1500, field 28);*

*(33) For claims:*

*(a) Submitted electronically, a computer-printed name as the signature of the health care practitioner or person entitled to reimbursement (HCFA Form 1500, field 31), or*

*(b) Not submitted electronically, the signature of the health care practitioner who provided the service, or person entitled to reimbursement who provided the service, or notation that the signature is on file with the HMO or preferred provider carrier (HCFA Form 1500, field 31);*

*(34) Name and address of the facility where services were rendered (if other than home or office) (HCFA Form 1500, field 32);*

*(35) The billing name, address, zip code, phone number, and, if applicable, carrier-assigned provider number until the National Provider Identifier (NPI) is developed and assigned to the health care practitioner or person entitled to reimbursement's, (HCFA Form*



*1500, field 33); and*

*(36) Any other field or essential data element necessary to comply with the applicable standard code set.*

*(B) In addition to the data elements required by subsection A of this regulation, a claim submitted by a health care practitioner or person entitled to reimbursement shall include the following data elements if circumstances exist that render the data elements applicable to the specific claim being filed:*

*(1) The other insured's or enrollee's name (HCFA Form 1500, field 9) is applicable if the patient is covered by more than one health benefit plan;*

*(2) The other insured's or enrollee's policy/group number (HCFA Form 1500, field 9a) is applicable if the patient is covered by more than one health benefit plan;*

*(3) The other insured's or enrollee's date of birth (HCFA Form 1500, field 9b) is applicable if the patient is covered by more than one health benefit plan;*

*(4) The other insured's or enrollee's plan name (employer, school, etc.) (HCFA Form 1500, field 9c) is applicable if the patient is covered by more than one health benefit plan;*

*(5) The other insured's or enrollee's HMO or insurer name (HCFA Form 1500, field 9d) is applicable if the patient is covered by more than one health benefit plan;*

*(6) Except in the case of a laboratory issued a license pursuant to NRS 652, the subscriber's plan name (employer, school, etc.) (HCFA Form 1500, field 11(b)) is applicable if the health benefit plan is a group plan;*

*(7) The prior authorization number (HCFA Form 1500, field 23) is applicable when prior authorization is required;*

*(8) A code pursuant to a global contract (HCFA Form 1500, field 24D) is applicable if*

*the claim is between parties to a global contract;*

*(9) A code established by the Medicaid Program (HCFA Form 1500, field 24D) is applicable if the claim is for services rendered pursuant to the Medicaid Program;*

*(10) The modifier code (HCFA Form 1500, field 24(D)) is applicable when a modifier code is used to explain unusual circumstances;*

*(11) Whether an assignment was accepted (HCFA Form 1500, field 27) is applicable when an assignment has been accepted;*

*(12) The amount paid (HCFA Form 1500, field 29) is applicable if an amount has been paid to the health care practitioner or person entitled to reimbursement submitting the claim, by the patient or subscriber, or on behalf of the patient or subscriber; and*

*(13) The balance due (HCFA Form 1500, field 30) is applicable if an amount has been paid to the health care practitioner or person entitled to reimbursement submitting the claim, by the patient or subscriber, or on behalf of the patient or subscriber.*

*C. A payer may not use or require a health care practitioner or person entitled to reimbursement to use any field for purposes that are inconsistent with these essential data elements or in addition to the applicable standard code set.*

*D. A health care practitioner or person entitled to reimbursement may elect to include data elements in addition to those set forth in subsections A and B of this regulation.*

*Sec. 8. A claim form submitted by a hospital will be considered filed within the meaning of a clean claim with the essential elements completed when the HCFA Form 1450 has been used, and the appropriate fields have been accurately completed.*

*(A) Each claim form must include the following information:*

- (1) Hospital's, or person entitled to reimbursement's, name, address, and telephone number (HCFA Form 1450, field 1);*
- (2) Patient's control number (HCFA Form 1450, field 3);*
- (3) Type of bill code (HCFA Form 1450, field 4);*
- (4) Hospital's, or person entitled to reimbursement's, federal tax ID number (HCFA Form 1450, field 5);*
- (5) Beginning and ending date of claim period (HCFA Form 1450, field 6);*
- (6) Patient's name (HCFA Form 1450, field 12);*
- (7) Patient's address (HCFA Form 1450, field 13);*
- (8) Patient's date of birth (HCFA Form 1450, field 14);*
- (9) Patient's gender (HCFA Form 1450, field 15);*
- (10) Patient's marital status (HCFA Form 1450, field 16);*
- (11) Date of admission (HCFA Form 1450, field 17);*
- (12) Admission hour (HCFA Form 1450, field 18);*
- (13) Type of admission (for example, emergency, urgent, elective, newborn) (HCFA Form 1450, field 19);*
- (14) Source of admission code (HCFA Form 1450, field 20);*
- (15) Patient-status-at-discharge code (HCFA Form 1450, field 22);*
- (16) Medical record number (HCFA Form 1450, field 23);*
- (17) Responsible party name and address (HCFA Form 1450, field 38);*
- (18) Value code and amounts (HCFA Form 1450, fields 39—41);*
- (19) Applicable revenue code (HCFA Form 1450, field 42) of the National or State*

*Uniform Billing Data Elements Specifications;*

- (20) Revenue description (HCFA Form 1450, field 43);*
- (21) Service date (HCFA Form 1450, field 45);*
- (22) Units of service (HCFA Form 1450, field 46);*
- (23) Total charge (HCFA Form 1450, field 47);*
- (24) Non-covered charges (HCFA Form 1450, field 48);*
- (25) Name of the payer (HCFA Form 1450, field 50);*
- (26) Provider number (HCFA Form 1450, field 51);*
- (27) Release of information (HCFA Form 1450, field 52);*
- (28) Assignment of benefits (HCFA Form 1450, field 53);*
- (29) Estimated amount due (HCFA Form 1450, field 55);*
- (30) Subscriber's name (HCFA Form 1450, field 58);*
- (31) Patient's relationship to the subscriber (HCFA Form 1450, field 59);*
- (32) Patient's/subscriber's certificate number, health claim number, and ID number (HCFA Form 1450, field 60);*
- (33) Treatment authorization code (HCFA Form 1450, field 63);*
- (34) Principal diagnosis code (HCFA Form 1450, field 67);*
- (35) Admitting diagnosis (HCFA Form 1450, field 76);*
- (36) Attending physician ID (HCFA Form 1450, field 82);*
- (37) Other physician ID (HCFA Form 1450, field 83);*
- (38) Signature of the provider representative or notation that the signature is on file with the payer (HCFA Form 1450, field 85);*
- (39) Date the bill was submitted (HCFA Form 1450, field 86); and*

*(40) Any other field or essential data element necessary to comply with the applicable standard code set.*

*(B). In addition to the data elements required by subsection A of this regulation, a claim submitted to a payer by a hospital, or person entitled to reimbursement, shall include the following data elements if circumstances exist that render the data elements applicable to the specific claim being filed:*

*(1) Covered days (HCFA Form 1450, field 7) is applicable if Medicare is a primary or secondary payer;*

*(2) Noncovered days (HCFA Form 1450, field 8) is applicable if Medicare is a primary or secondary payer;*

*(3) Coinsurance days (HCFA Form 1450, field 9) is applicable if Medicare is a primary or secondary payer;*

*(4) Lifetime reserve days (HCFA Form 1450, field 10) is applicable if Medicare is a primary or secondary payer and the patient was an inpatient;*

*(5) The discharge hour (HCFA Form 1450, field 21) is applicable if the patient was an inpatient or was admitted for outpatient observation;*

*(6) The condition codes (HCFA Form 1450, fields 24—30) are applicable if the HCFA Form 1450 manual contains a condition code appropriate to the patient's condition;*

*(7) The occurrence codes and dates (HCFA Form 1450, fields 32—35) are applicable if the HCFA Form 1450 manual contains an occurrence code appropriate to the patient's condition;*

*(8) The occurrence span code and from and through dates (HCFA Form 1450 field 36) are applicable if the HCFA Form 1450 manual contains an occurrence span code appropriate*

*to the patient's condition;*

*(9) HCPCS/Rates (HCFA Form 1450, field 44) are applicable if there is a primary or secondary payer;*

*(10) A code pursuant to a global contract (HCFA Form 1450, field 44) is applicable if the claim is between parties to a global contract;*

*(11) Prior payments (HCFA Form 1450, field 54) are applicable if payments have been made to the hospital by the patient or another payer;*

*(12) The employment status code (HCFA Form 1450, field 64) is applicable if there are payers of higher priority than the payer, including workers' compensation;*

*(13) The employer name (HCFA Form 1450, field 65) is applicable if there are payers of higher priority than the payer, including workers' compensation;*

*(14) The employer location (HCFA Form 1450, field 66) is applicable if there is workers' compensation involvement;*

*(15) Diagnoses codes other than the principal diagnosis code (HCFA Form 1450, fields 68—75) are applicable if there are diagnoses other than the principal diagnosis;*

*(16) Diagnoses codes describing the patient's signs, or presenting symptoms, or both (HCFA Form 1450, fields 68—75) are applicable for services provided in a hospital emergency department;*

*(17) The procedure coding methods used (HCFA Form 1450, field 79) are applicable if the HCFA Form 1450 manual indicates a procedural coding method appropriate to the patient's condition;*

*(18) The principal procedure code (HCFA Form 1450, field 80) is applicable if the patient has undergone an inpatient or outpatient surgical procedure; and*

*(19) Other procedure codes (HCFA Form 1450, field 81) are applicable as an extension of §B(17) of this regulation if additional surgical procedures were performed.*

*C. A payer may not use or require a hospital to use any field for purposes that are inconsistent with these data elements or in addition to the applicable standard code set.*

*D. A hospital, or person entitled to reimbursement, may elect to include data elements in addition to those set forth in Subsections A and B of this regulation.*

Sec. 9. *Each payer must establish a tracking system to monitor the timeliness of their claim processing.*

*(A) Each payer shall:*

*(1) Date-stamp the claim with the date received; for a written claim; or*

*(2) Assign to the document a batch number that includes the date received for an electronic claim.*

*(B) Each payer shall maintain a written or electronic record of the date of receipt of a claim.*

*(C) Except as provided in subsection E of this section, a claim is presumed to have been received by a payer according to the date of receipt of the claim stated in the written or electronic record required under subsection B of this section.*

*(D) Pursuant to a request for claim receipt verification by a health care practitioner, hospital, or person entitled to reimbursement, a payer shall provide within 20 working days verification of the date of claim receipt as stated in the written or electronic record, either in:*

*(1) Electronic form, if the request was for electronic verification; or*

*(2) Written form, including microfilm, if the request was for written verification.*

*(E) A claim is presumed to have been received by a payer:*

*(1) 3 working days from the date the submitting health care practitioner, hospital, or person entitled to reimbursement placed the claim in the U.S. mail, if the health care practitioner, hospital, or person entitled to reimbursement maintains the stamped certificate of mailing for the claim; or*

*(2) On the date recorded by the courier, if the claim was delivered by courier.*

Sec. 10. *Payers may be required to show substantial compliance with the prompt pay provisions. Proof that claims are being paid by a payer within the specified limits would include records demonstrating that a tracking system required by section 9 has been developed and implemented. The Division may request reports from payers demonstrating compliance with these provisions when violations are identified during examinations, violations are found as a result of complaints filed with the Division or when a pattern of violation extends over a period of three months.*