

Senate

COMMERCE AND LABOR COMMITTEE

April 17, 1975

The meeting was called to order in Room #213 on Thursday, April 17, 1975, at 12:15 p.m., with Senator Gene Echols in the chair.

PRESENT: Senator Gene Echols
Senator Gary Sheerin
Senator William Raggio
Senator Richard Bryan
Senator Margie Foote
Senator Warren Monroe
Senator Richard Blakemore

OTHERS PRESENT: See Exhibit A

S.B. 511: Restricts credit sales by wholesale liquor dealers to retail liquor stores with delinquent accounts.

The committee had secured amendments which addressed themselves to other areas than just credit. Senator Sheerin said he thought they strengthened the bill.

Senator Bryan moved to amend and do pass.

Senator Sheerin seconded the motion.

The vote was unanimous with all members present and voting.

A.B. 50 and S.B. 20 were discussed briefly. Senator Echols indicated that there were comparable bills being proposed by NIC. Senator Bryan said he felt it would be inappropriate at this time to postpone some Senate Bills based upon expectations that others might come out of the Assembly.

Senator Monroe moved to hold A.B. 50 and S.B. 20.

The motion was seconded by Senator Blakemore.

The vote was unanimous with all members present and voting.

S.B. 343: Places restrictions on cancellation or nonrenewal of automobile liability insurance policies.

After a brief discussion, the following action was taken.

Senator Foote moved to indefinitely postpone.

Senator Raggio seconded the motion.

The vote was unanimous with all members present and voting.

Senator Bryan was asked to send a letter of intent to the insurance commissioner explaining the action taken on the bill. The postponement was done on the recommendation of the insurance commissioner.

S.B. 78: Deletes exemption of certain firms and corporations from licensing and control provisions applicable to mortgage companies.

Senator Echols had the amendments, which were discussed briefly by the committee.

Senator Monroe moved to amend and do pass.

Senator Blakemore seconded the motion.

The vote was unanimous with all members present and voting.

S.B. 381: Prohibits discrimination against credit applicants on basis of sex or marital status.

The amendments were given to the committee for study. Senator Sheerin indicated he had two additional amendments which were not included. He wanted to delete Lines 20 and 21 on Page 2. These two lines give the commissioner the ability to adopt regulations any way they want to. Senator Sheerin said they already have federal laws and federal regulations that somewhat preempt and he is afraid that this is going to be confusing to the business world. A short discussion followed.

Senator Foote asked about the woman who has never established credit in her own name. She could be married and had established credit under her husband's name. Senator Foote asked if this bill now discriminated against her. Senator Sheerin said he didn't think it would. Discussion followed.

Senator Sheerin's next amendment would be to strike Lines 48 and 49 on Page 2. These lines are being taken care of in the community property laws. Discussion followed about this deletion. Senator Sheerin moved to strike these lines and Senator Monroe seconded the motion. However, the motion died for lack of a question.

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The other amendments were discussed by the committee after which the following action was taken:

Senator Bryan moved to amend and do pass.

Senator Raggio seconded the motion.

The vote was unanimous with Senator Echols out of the room and not voting.

S.B. 88: Regulates land subdivision sales.

Gene Milligan, Nevada Association of Realtors was present and indicated there were other bills to replace this bill.

Senator Bryan moved to indefinitely postpone.

Senator Sheerin seconded the motion.

The vote was unanimous with Senators Echols and Foote out of the room and not voting.

S.B. 492: Senator Bryan indicated he had received several calls from people who indicated they would like to testify on this bill. It was decided to hold the bill.

S.B. 513: Makes various changes in provisions relating to real estate brokers and salesmen.

S.B. 514: Makes various changes in provisions relating to real estate brokers and salesmen.

Gene Milligan, Nevada Association of Realtors, testified concerning both of these bills.

Mr. Milligan highlighted S.B. 514, which is a bill sponsored by the organization he represents. The bill represents three areas. (1) it incorporates townhouse in the definition of real estate because they are defined slightly different than other construction in that he believes the description has filtered down from the original commonwall construction. Senator Raggio questioned the descriptive definitions of condominiums. Mr. Milligan replied that realtors have definitions for these types of construction. Senator Sheerin asked about co-ops. Mr. Milligan replied that they have very little dealing with this term now. NRS 645 which is the status which handles the licensing of real estate. Mr. Milligan said NIC had advised the Realtors Association that because there is language in the Chapter that makes references to employers and employees throughout the statute, the Realtors wrote the amendment with the approval of the NIC staff and Mr. James Lorrigan.

The committee questioned Mr. Milligan about the educational requirements. Mr. Milligan replied that copies of letters had been given to the committee. The Real Estate Advisory Commission asked them to clarify the definition of college level course because after the last session when these changes were made in the licensing requirements, they found the legal definition of college level course includes anything outside of high school. The point was raised that this could be a school of dance, etc. Therefore, nothing was really accomplished in planning for college credits as it was intended. After questions from the committee, Mr. Milligan said members of the Real Estate Advisory Commission has met with Dean Weams of the University of Nevada and Professor Donnolly of the Community College System, who also submitted a letter of endorsement.

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Mike Melner, Director of Department of Commerce, testified in favor of the bill. He said they are now working with the Community College and the University. He said there was a letter to that effect from Dr. Donnally which is in the Committee records. Senator Bryan questioned the way the language of the bill concerning education could be interpreted. Discussion followed concerning the accredited courses. Mr. Milligan explained the makeup of the Community College courses, some of which are transferable to the four year programs at the University. General questions and discussion followed from Senators Bryan and Raggio to clarify the testimony. Mr. Milligan advised that the purpose of this legislation was to set the credit standards of courses which would lead to the application requirements for a broker's license.

Mr. Milligan said that S.B. 513 had already been heard from the Real Estate Divisions and then there had been some amendments made which were suggested by Senator Bryan and others on the Committee. Mr. Milligan said they had met to work these out and it was decided that because of the conflict between the two bills that insertions would be made both to 513 and 514, and that the Real Estate Division would advise the Committee of these. What they are recommending is that S.B. 514 be amended to include S.B. 513 and that S.B. 513 be killed.

Senator Sheerin moved to kill S.B. 513.

Senator Bryan seconded the motion.

The vote was unanimous with Senator Foote absent.

The record will show that the reason S.B. 513 is being killed is that S.B. 514 is being processed with the contents of S.B. 513 in it.

Senator Sheerin moved to do pass S.B. 514 and re-refer to Committee.

Senator Bryan seconded the motion.

The vote was unanimous with Senator Foote absent.

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S.B. 515: Changes funeral director and embalmer licensing qualifications and increases licensing fees.

Senator Jack Schofield testified in favor of the bill. He stated he had been asked to introduce this bill because the educational requirements for embalmers were so demanding, the matter had become a problem to morticians throughout the state. He said the profession was behind this legislation and approved the proposed changes to the law. The proposed bill changes the funeral director and embalmers licensing qualifications. On Page 1, the change would be to say funeral director instead of undertaker. Page 2, Section 3, lines 14 and 15 would add "two academic years of instruction (60 semester or 90 quarter hours) at an accredited college or university." Page 2, line 31, increases the expense of the examination from \$75 to \$100. Lines 33 through 38 would include applicants who had already taken the examination given by the Conference of Funeral Services Examining Boards of the United States, Inc., so that the applicant need not retake this portion and also because the examination is not available in Nevada. Line 49 inserts regulations and deletes "rules and." Line 47, page 3 changes the apprenticeship period from 2 years to 1 from the date of issuance of the certificate by the board. Page 4, Line 6, again changes the fee and line 11 to conform with page three. Lines 16, 17 and 18 "The examination may be taken before the applicant has completed the required one year of apprenticeship." Page 5, the change would be to leave the two years in for the benefit of the rural areas. He continued with the deletions to lines 17, 20, 26, 27, 31, 34, 37, and 39, which deletes undertaker so funeral director can be used.

Senator Raggio said he had received two letters concerning funeral service contracts and reimbursement. He said he found that the statutes did not cover this situation and he wondered if the committee would consider introducing language to cover this problem in this bill. Senator Schofield replied that he had not received any information to this effect.

At the time the meeting was recessed for the Session.

S.B. 449: Enacts Nevada Prepaid Health Care Plan Act.

Richard Morgan, Nevada State Education Committee, testified. He stated he would like to ask the Committee to amend the bill to include one service which is not listed in the bill and that is "vision care". His interest in this is that he presently represents a group which is the largest policy holding group in the state for automobile insurance coverage, for disability insurance coverage, and perhaps for group life insurance. He said his group has been approached by at least three different companies which wish to include vision care in their policies. Upon a question from the committee he said he is referring to vision tests and eye examinations. He said his group replies to insurance companies that initially they are interested in a good rate but secondly, they must be able to go to the insurance commissioner of the state and see what the profit, loss and stability of the company is before they can make recommendation to their members throughout the state about coverage in proper "vision care." They do not want to do business with an insurance company who is not regulated by the insurance commissioner and especially in the area of proper "vision care." He wishes the bill amended to include this as a safeguard. Senator Echols asked a question concerning the suggested, to which Mr. Morgan replied he had been advised by the Insurance Commissioner that it was needed and recommended. Discussion followed. Mr. Morgan suggested "vision care" included Page 1, line 23.

Stephen Zang, President of Counter Family Doctors of Nevada, testified that his organization is large primary care health provider in southern Nevada. He speaks in favor of SB 449. However, he has two questions before he speaks. (1) Page 1, line 7 and also in relation to Page 2, line 3, "persons offering one and only one health care service. . . "Pg. 2, Section 7, Item 4, which reads "health care delivered by any person or institution licensed in the state to provide such care". He asked if the definition of health care service is specific and exclusionary of hospital care or medical care or dental care or perhaps visual care or is there a whole new category which means anything that provider has to provide? For example, if his organization were to include primary care in medical services and dental services and vision services would that be permissible under this bill? He suggests the bill be amended on Page 1, line 7 to say "one or more health services" rather than "one and only one", the wording would not then be a problem. This goes to the reason why he supports the bill and that is why we are in a period of medical evolution where we are moving toward large health care delivery of services. The establishment of such a facility requires a prohibitive outlay of capital. At present under the law it is an all or nothing proposition either you have every specialty represented in a hospital or you are a solo service. Prepaid medicine is economically viable only under circumstances where the costs are controlled. Costs can be controlled only if the environment is internalized, so that the costs are known. If one deals with independent contracts one runs into serious problems such as the experience already of Nevada Health Plans in Southern Nevada. He said about 70% of HMO Services throughout the country have gone broke because of the need for outside services; Senator Echols clarified with Mr. Zang the suggested amendment. He also asked what the origin of the suggestion was and Mr. Zang replied that the Insurance Commission had proposed this wording in a letter he had received. Replied that the Insurance Commission has proposed this wording in a letter he had received from the department. Senator Raggio questioned whether there was a specific reason for the language, line 19, Section 7,

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"Health Care service". Mr. Zang replied he was not privy to the drafting I was not sure. He concluded that the language is confusing and he would prefer to see the amendment he had proposed. Discussion followed between Mr. Zang and Senator Raggio. Further discussion between Senator Sheerin and Mr. Zang concerned per unit cost of prepaid medical plans from Mr. Zang's organization. He said they do institutional advertising in Clark County. He said the Clark County medical Society complained to the State Board of Medical Examiners. There was a hearing held and it was said that the advertising done was ethical. Discussion about preventive care of patients such as alcoholics in such a system and ambulatory care was held with the Committee. He stated he would make extensive materials available to the Committee in regard to the activities of his organization if they wished to have them. He presented a letter authorized by Mr. Rottman as Exhibit 4.

SB 515: (Testimony continued)

Bruce Robb of the Law Firm of Gill, Hagen and Clark, representing the state Board of Funeral Directors and Embalmers and the Nevada Funeral Service Association. He said this bill was originally drafted by the Nevada Funeral Service Association and has been approved by the State Board of Funeral Directors. He reviewed some of the changes to the law such as decreasing the age to 18 for applicants, etc. He said it restructures one of the academic qualifications. It is an industry bill supported by the State Board and it has been approved by counsel for the board and the state association. Senator Blakemore questions the two year versus one year provision in the language of the bill. Mr. Robb said there was some feeling, especially in the rural areas of the state that the two year period should be continued. However, the Association had consented to the change to one year and Mr. Robb said he felt this was a minor consideration in the bill itself. General discussion with the Committee followed.

AB 112: REQUIRES THAT HEALTH INSURANCE COVERAGE OF NEWBORN INFANTS OF INSURED BEGINS AT TIME OF BIRTH.

Dr. Herman testified that he is with the Bureau of Child Health and Crippled Children of the State Division of Health. He said he had originated the drafting of this bill. The intent was to make certain that families covered by insurance would also have insurance for newborns from the moment of birth. When congenital defects appear in a newborn child the expenses can immediately overwhelm the families. This bill would provide for the immediate coverage of the child. The purpose is to protect families and save them from bankruptcy. He passed out a chart and letter to the Committee, showing a number of cases picked at random, listing various diseases. He reviewed the fact that some parents do not know what they are actually insured for, etc. He said as the bill now stands and with the various amendments he is very satisfied with the bill. Upon questions from the Committee, he said he had not been a member of the subcommittee reviewing the bill.

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Milo Terzich representing the American Life Insurance Association and the Health Insurance Association of America, testified that the two groups had an overlapping interest in this bill. If the bill is adopted in its original form, it would provide complete coverage for all newborn babies whether well or sick so Mr. Terzich says the cost of this would be astronomical. He said the language of the bill would include even well baby care from the moment of birth. He said there had been a model bill proposed by the American Academy of Pediatrics with the assistance of the Health Insurance Association of America. After testifying at the Assembly Committee, Mr. Terzich was one of the members appointed to the subcommittee and worked with them and agreed completely with all the amendments passed by the committee. He said what they did was prepare amendments to AB 112. These all passed in committee, and cleared the bill drafters office. After the bill was in the general file, he talked with Assemblyman Robinson who advised the bill be passed out and then refer the amendments which the subcommittee advised to the Senate Committee upon hearing. Page 2, subsection 1, line 26, strike the word include and insert the word provide, strike the word provided and include the word specified. Second amendment would be to amend Section 2, subsection 3, line 47, by striking the period and adding "to the extent such costs are charged by such treatment. Section 3, 4, and 5 should also be amended the same as in Item 1 and 2 with the same language. For example Section 3, line 47, strike the word include, insert the word provide, line 48 strike the word provided and include the word specify. Subsection 3, you would strike the period and add the sentence "to the extent...." Section 4 is exactly the

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as line 18, section 3, strike the word include and include the word provide, strike the word provided, insert the word specified and subsection 3, strike the period and add that sentence. One additional change in subsection 5, this was an error that was pointed out but not corrected, line 4, strike the words available or, Page 3, line 34, type the words available or. Also, add section 6 which is also in the language of the model act. The purpose of this particular provision was to permit the insurance companies to submit their policies to the Insurance Commissioner. He mentions SB 138 which is a similar bill introduced by Senator Wilson which is not as extensive as AB 112. He said, Dr. Pickering testified and he is the one who proposed covering transportation costs, to be included to the nearest treatment center. The purpose being for the small towns such as Ely where there are no immediate treatment centers. The amendment is offered for Exhibit.

Senator Monroe - Amend and "Do Pass"

Senator Blakemore - 2nd

Motion carried.

Senators Foote and Bryan - Absent

AB 9
AB 9: ALLOWS APPLICANTS TO TAKE REAL ESTATE BROKER'S EXAMINATION FOR LICENSE
UPON COMPLETION OF EDUCATIONAL REQUIREMENTS.

Assemblyman Virgil Getto testified. He said last session of the Legislature required two years of experience before a salesman or brokers license could be obtained. He said the bill from that Session only presided from January 1, until July, 1974 and then SB 444 took effect. This requires that an applicant must go to school and then secure a salesman license and get two years of experience., then must apply for the broker's license. General discussion ensued about the present requirements for salesman and brokers.

SB 508: IMPOSED ADDITIONAL REGULATIONS ON SUBDIVISION LAND SALES.

Senator Monroe - Moved to hold bill

Senator Echols - 2nd

Motion Carried.

Senators Bryan and Foote - Absent

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SB 512: EXPANDS JURISDICTION OF REAL ESTATE DIVISION OF DEPARTMENT OF
COMMERCE OVER LAND SUBDIVISION SALES.

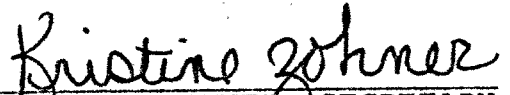
Jeanne Hanifin, Deputy Administrator, Real Estate Division, with Robert Edmonson, Attorney General's office assisting, explained the changes in the bill.

Don McNelley, Reno developer, testified that he was not in favor of the bill.

The Committee decided to have people testify who are not in favor of the bill. This was agreed to and a hearing will be held later.

There being no further business, the meeting was adjourned.

RESPECTFULLY SUBMITTED:


KRISTINE ZOHNER, SECRETARY

APPROVED BY:


SENATOR GENE ECHOLS, CHAIRMAN

SENATE Commerce and Labor COMMITTEE

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ROOM # 213

DAY Thursday DATE April 17, 1975

NAME	ORGANIZATION	ADDRESS	PHONE NUMBER
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*NOTE: PLEASE PRINT ALL THE INFORMATION CLEARLY.

ROBERT PAISS	LIONEL SAWYER ETAL	L.V.	385-2188
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GRANT SAWYER	"	"	"
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Joe Murray	Manney Dist. Co.	Reno	329-1151
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FRED DAVIS	WINE/SPIRITS/WHOLESALERS GENL.		323-1877
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Arthur Semini	Beacon Dist. Co.	Reno	323-3101
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Jim J. Hipe	V+D Wheel Supply	Reno	323-5135
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Tom Knafelc	O.K. Distributors	Reno	329-1294
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JACK McLOY	Luce & Son	Reno	786-1200
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PAUL BALLEW	BEST BRANDS	RENO	747-1243
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Milos TERZICH	American Life Ins. Assoc. Z.C.		882-6790
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GINO DEL CARLO	NEV. BANKERS ASSOC.	RENO	322-6996
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GENE MILLIGAN	NEVADA ASSOC OF REALTORS C.C.		882-2220
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DON McWELLEN	McCulloch/Holly DEVELOPMENT Co.	RNO	786-2552
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Judy P. Kinnell	member 16 counties adv. comm. for ag. C.C.		
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William J. Davis		Zephyr Cove	
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MARGE MADDUX		ZEPHYR COVE	
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Gene Hilgare		zephyr cove	
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Stephen Zang M.D. JD	Family Doctor of Nevada	LV	732-9950
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SENATE Commerce & Labor COMMITTEE

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ROOM # 213
 DAY Thursday DATE April 17, 1975

NAME ORGANIZATION ADDRESS PHONE NUMBER

*NOTE: PLEASE PRINT ALL THE INFORMATION CLEARLY.

DR. I. V. ALEXANDER 1338" E. ST. SPARKS, 359-0000

BRUCE ROBB - NEV. FUNERAL SERVICE ASSOCIATION

102 ROFF WAY 886-2366

MARK L. HERMAN MD HEALTH DIVISION 201 S. FALL 885-4740

Richard L Morgan NSEA 151 E Park Pl

Gann-Haenafue URED 111 W Telegraph 885-4280

Jane Milligan Woods Case & Realtors 882-2220

Robert E. Edmondson City General 885-4246

DON MCNELLEY

Tom McElroy McCulloch/Holly DEVELOPMENT Co 786-2552

ASSEMBLY ACTION

SENATE ACTION

Exhibit D ASSEMBLY / SENATE AMENDMENT BLANK

Adopted
 Lost
 Date: _____
 Initial: _____
 Concurred in
 Not concurred in
 Date: _____
 Initial: _____

Adopted
 Lost
 Date: _____
 Initial: _____
 Concurred in
 Not concurred in
 Date: _____
 Initial: _____

Amendments to Assembly / Senate
 579
 Bill / Joint Resolution No. 71 (BDR 54-131)
 Proposed by Committee on Commerce and Labor

Amendment No 7790

Replaces Amendment No. 7394.

Amend section 1, page 1, delete lines 23 through 25 and insert:

"able to perform the given function if he advertises as being able to do so."

Amend sec. 2, page 2, line 4, delete "[an] a reasonable" and insert: "an".

Amend sec. 2, page 2, line 5, delete "[no less than \$50,000,]" and insert:

"no less than [\$50,000,] \$10,000,".

Amend sec. 3, page 3, line 11, delete open bracket before "Any".

Amend sec. 3, page 3, line 12, insert open bracket before "a".



Amendment No. 7799 to Senate Bill No. 72 (BDR 64-194) Page

Amend sec. 3, page 3, delete line 14 and insert:

"tion.] the Federal National Mortgage Association as an approved seller or servicer.".

Amend sec. 3, page 3, line 15, delete "4.]" and insert: "4."



FAMILY DOCTORS OF NEVADA LTD.

October 11, 1974

Dick Rottman, Ph.d.
Commissioner of Insurance
State of Nevada
201 South Roll Street
Carson, City, Nev. 89701

Dear Dr. Rottman:

This letter is a followup to a conversation I had with Mrs. Irma Edwards of your department. I am attempting to explore acceptable alternatives that would enable my group of physicians to provide medical care and services with sound cost and quality controls on behalf of our patients. In this letter I hope to present a brief outline of our current status and our anticipated evolution. The most important component, however, is my request to you for suggestions as to which direction to pursue; either one that I might have anticipated, or one of several that you might recommend from your broader vantage. My true objective is to discover a route to health care delivery compatible with all rules and regulations and with our ability to perform.

Family Doctors of Nevada, Ltd. currently consists of ten (10) family physicians, a pediatrician, and two (2) physician assistants. Most are young, recent graduates still idealistic and enthusiastic. They are all corporate employees. Thus, provider costs are fixed, or controlled. There is no monetary incentive for any physician to do more, or less than is medically indicated for any patient.

Our facility is open twenty-four (24) hours, seven (7) days a week. There is always a physician on the premises. We have full X-ray capacity, using Picker equipment. Our laboratory is fully equipped with Coulter counter system for hematology, a Centrifichem centrifugal force Kinetic 30-specimen analyzer, Dow spectrophotometer, Curtis nuclear scientific counter and other comparable instrumentation. In brief, there is no compromise in quality of staff or equipment.

Additionally I have developed a computerized system which effectively minimizes administrative costs by about sixty (60) percent.

and which will monitor the quality of medical care rendered by the physician, sort of an outpatient on-line PSRO program.

John Renner, M.D. the Director of Family Practice at the University of Wisconsin Medical Center, and H. Winter Griffith, M.D. the Director of Family Practice at the University of Arizona Medical Center have both inspected our facilities and systems, and have requested that Family Doctors of Nevada, Ltd. serve as a teaching extension for their respective medical centers. They intend to rotate senior residents in Family Practice through our facility as part of their required program. These rotations will begin, subject to approval by the Nevada State Board of Medical Examiners at their 12/4/74 meeting, sometime in early 1975.

In summary our current status is that of a ten man family practice group, fee-for-service, operating a fully equipped 24 hour medical facility. Because of my sole ownership, this is a fixed cost practice since the physician-employees have only limited profit incentives.

During the ensuing year, we anticipate rapid growth and penetration of the medical market in Las Vegas, based predominantly on our increased availability and total out-patient services. Hopefully, the high quality of our practice will also attract patients. To be implemented during this period will be a full disclosure patient letter which will explain to the patient their diagnosis, their treatments, and their prognosis. These will be uniquely formatted, printed and delivered to each patient by the computer system before the patient leaves the facility.

Additionally, we anticipate adding more family practitioners at the rate of one per fifteen hundred patient files. At such time as the patient base warrants, specialists will be added to the group. The current facility has twenty-seven (27) exam rooms with space available to expand to sixty (60).

In summary we anticipate improved service to patients over the ensuing year, with innovations in patient care and convenience. We anticipate and have provided for rapid growth and expansion without compromise or dilution of our primary care responsibilities.

It would be unrealistic and medically irresponsible for Family Doctors of Nevada, Ltd. to propose a full service medical capitation or HMO plan. However, as an evolutionary stage, Family Doctors of Nevada, Ltd. could develop some type of limited prepaid medical agreement with its own patients.

For example, we could offer for a fixed fee payable in advance on a monthly or a quarterly basis, all the preventive and crisis medical care and services within our present ability to perform. This would include annual history, physical, X-rays, electrocardiography, hematology, urine analysis and blood chemistries, and additionally outpatient management of illnesses, injuries and minor surgery within the ability of our staff physicians and capacity of our facility. There would be no third party solicitation. There would be an explicit statement clearly disclaiming any liability or other fiscal responsibility for any care or services rendered by independent physicians, or by independent facilities. Family Doctors of Nevada, Ltd. would not enter into any agreement with any other physicians, providers or facilities such that in effect Family Doctors of Nevada, Ltd. would or could be placed in the capacity of a fiscal agent or insurer for any patient.

The advantages of this approach would accrue both to our patients, and to Family Doctors of Nevada, Ltd.

First, a ceiling price would be placed on routine care and diagnostic studies. This cost could be budgeted.

Second, preventive medical care would be greatly encouraged. Treatment of acute illnesses would less likely be deferred. Management of chronic illness would not be cost prohibitive.

Third, physician exploitation of third party payors would be minimized. There would be no incentive to do extraneous testing, or excessive procedures. Contrarise, since Family Doctors of Nevada, Ltd. is essentially a fixed cost system, there would be no financial incentive to omit indicated procedures and studies.

Fourth, Family Doctors of Nevada, Ltd. would have an opportunity to enter the Health Care Delivery Market in a fiscally responsible manner; that is with no financial risks beyond its own internal control, since it would never be placed in a posture whereby it would be required to pay out funds on behalf of a patient.

Fifth, patients would deal directly with the provider, and not with some intermediary supported by a maze of independent contractors.

Sixth, the agreement would be periodic, monthly or quarterly such that patients could reevaluate their options at realistic, not annual, intervals.

Such an approach would provide an important and innovative field study of a perhaps more flexible approach to implementation of HMO's. Family Doctors of Nevada, Ltd. would be intermediary between the full-fledged giant impersonalized institutional provider, and the fee-for-service solo practitioner or small group.

A major drawback in the development of a Health Care Delivery System is that the amount of capital necessary to initiate such an entity effectively bars otherwise potentially good providers from the effort. Under the usual approach, no one can start small, provide a responsible and community responsive product, and then grow with demand and mature with experience. To start with a full blown system means to start with full blown problems which may never be resolved.

The plan proposed for Family Doctors of Nevada, Ltd. can be closely supervised, and can be modified without untoward compromise of any reliance that might have been induced. The plan allows for natural growth and expansion at a rate commensurate with capital resources. Increased patient participation means both increased scale economies whereby the more frequently utilized specialists can be integrated as physician employees, and whereby, concurrent with increased demand for service, there would be increased capital to fund internalization of such services.

Obviously, it would be unrealistic on my part to assume that what is proposed can be resolved by return mail. Accordingly, I wish to extend to you, to members of your staff, and to any other party you deem interested, my personal invitation to tour through our unique facility and to discuss in detail how we might, in the best interests of the general community, implement some evolutionary stage toward responsible, cost and quality controlled health care delivery.

Respectfully submitted,

Stephen M. Zang, M.D.
President
Family Doctors of Nevada, Ltd.

Amendments to A.B. 112 First Reprint.

1. Amend Section 2, Subsection 1, line 26, by striking the word "include" and inserting the word "provide" and by striking the word "provided" and inserting the word "specified".

2. Amend Section 2, Subsection 3, line 38, by striking the period and inserting the following language: "to the extent such costs are charged by such treatment center".

3. Amend Section ^{3, 4, 5}4 in the same manner as specified in paragraphs 1 and 2 above.

4. Amend Section 5 in the same manner specified in paragraphs 1 and 2 above and also amend Section 5, Subsection 1, line 34 by striking the words "available or".

5. Add Section 6 to the bill to provide as follows:

Sec. 6. The requirements of this act shall apply to all insurance policies and subscriber contracts delivered or issued for delivery in this state after August 31, 1975.

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 511

 SENATE BILL NO. 511—COMMITTEE ON
 COMMERCE AND LABOR

APRIL 10, 1975

 Referred to Committee on Commerce and Labor

 SUMMARY—Restricts credit sales by wholesale liquor dealers to retail liquor stores with delinquent accounts. Fiscal Note: No. (BDR 32-1373)

 EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to intoxicating liquor; prohibiting acquisition or control of a retail liquor store by a wholesale liquor dealer; restricting certain transactions between wholesale dealers and retail liquor stores; providing penalties; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 369 of NRS is hereby amended by adding
 2 thereto a new section which shall read as follows:
 3 1. *The legislature hereby declares:*
 4 (a) *That it is a privilege to engage in the business of selling intoxicating*
 5 *liquor at the wholesale or retail level in this state;*
 6 (b) *That the legislature finds it necessary to impose certain restrictions*
 7 *on the exercise of such privilege; and*
 8 (c) *That it is the policy of this state to preclude the acquisition or con-*
 9 *trol of any retail liquor store by a wholesale liquor dealer.*
 10 2. *As used in this section, unless the context requires otherwise:*
 11 (a) *“Delinquent payment” means the failure of a retail liquor store to*
 12 *make payment to a wholesale dealer for liquor on or before the 15th day*
 13 *of the month following delivery by the wholesale dealer.*
 14 (b) *“Payment” means the full legal discharge of the debt by the whole-*
 15 *sale dealer’s receipt of cash or its equivalent, including ordinary and*
 16 *recognized means for discharge of indebtedness excepting notes, pledges*
 17 *or other promises to pay at a future date. A postdated check, a check not*
 18 *promptly deposited for collection or a check dishonored on presentation*
 19 *for payment does not constitute payment.*
 20 (c) *“Payment in cash” means the full legal discharge of the debt by*
 21 *delivery of cash, money order, certified check or a cashier’s or similar*
 22 *bank officer’s check.*

S. B. 343

SENATE BILL NO. 343—SENATOR HERR

MARCH 17, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Places restrictions on cancellation or nonrenewal of automobile liability insurance policies. Fiscal Note: No. (BDR 57-1233)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to insurance contracts; placing restrictions on the cancellation or nonrenewal of automobile liability insurance policies by an insurer; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 687B of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 7, inclusive, of this act.
- 3 SEC. 2. *An insurer shall not issue an automobile liability insurance*
4 *policy unless the cancellation and renewal provisions of such policy or*
5 *the endorsement thereon include the limitations set forth in section 3 of*
6 *this act.*
- 7 SEC. 3. *An insurer shall not cancel or fail to renew an automobile*
8 *liability insurance policy that has been in effect for at least 60 days or*
9 *that has been renewed unless:*
- 10 1. *The named insured fails to pay a premium when due;*
11 2. *The insurance was obtained through fraudulent misrepresentation;*
12 *or*
13 3. *The named insured, any person who resides in the same household*
14 *as the named insured and customarily operates a motor vehicle insured*
15 *under the policy, or any other person who regularly and frequently*
16 *operates a motor vehicle insured under the policy:*
- 17 (a) *Has had his driver's license suspended or revoked during the term*
18 *of the policy.*
- 19 (b) *Becomes permanently disabled, either physically or mentally, and*
20 *such person does not produce a certificate from a physician testifying to*
21 *his ability to operate a motor vehicle.*
- 22 (c) *Is convicted during the term of the policy, or has been convicted*
23 *during the 36 months immediately preceding the effective date of the pol-*
24 *icy, of:*

(REPRINTED WITH ADOPTED AMENDMENTS)

FOURTH REPRINT

S. B. 78

SENATE BILL NO. 78—COMMITTEE ON
COMMERCE AND LABOR

JANUARY 29, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Deletes exemption of certain firms and corporations from licensing and control provisions applicable to mortgage companies. Fiscal Note: No. (BDR 54-184)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to licensing and control of mortgage companies; clarifying a definition; revising the list of exemptions; revising requirement for bond; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 645B.010 is hereby amended to read as follows:
 2 645B.010 As used in this chapter, unless the context otherwise
 3 requires:
 4 1. "Commissioner" means the commissioner of savings associations.
 5 2. "Mortgage company" means any person who, [either on his own
 6 account or as an agent, provides funds for investment in loans secured by
 7 a lien on property, or who, in conjunction with such lending business, col-
 8 lects any funds which are:
 9 (a) In payment of the principal or interest on such loans on behalf
 10 of another person; or
 11 (b) In payment for any taxes or insurance premiums on property pur-
 12 chased through the use of such loans.] *directly or indirectly:*
 13 (a) *Holds himself out for hire to serve as an agent for any person in an*
 14 *attempt to obtain a loan which will be secured by a lien on real property;*
 15 (b) *Holds himself out for hire to serve as an agent for any person who*
 16 *has money to loan, which loan is or will be secured by a lien on real prop-*
 17 *erty;*
 18 (c) *Holds himself out as being able to make loans secured by liens on*
 19 *real property; or*
 20 (d) *Holds himself out as being able to service loans secured by liens on*
 21 *real property.*
 22 *For the purposes of this subsection, a person holds himself out as being*
 23 *able to perform the given function only if he advertises as being able to*
 24 *do so.*

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 381

SENATE BILL NO. 381—SENATORS GOJACK, SHEERIN, HIL-
BRECHT, FOOTE, NEAL, SCHOFIELD, WALKER, BRYAN,
BLAKEMORE, ECHOLS, CLOSE, YOUNG, WILSON, RAG-
GIO AND HERR

MARCH 25, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Prohibits discrimination against credit applicants on basis of sex or marital status. Fiscal Note: Yes. (BDR 52-432).

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to trade regulations and practices; prohibiting discrimination against credit applicants on the basis of their sex or marital status; requiring the banking division of the department of commerce to enforce the prohibition; providing penalties; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 598 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 19, inclusive, of this act.
3 SEC. 2. *Sections 2 to 19, inclusive, of this act may be cited as the*
4 *Nevada Equal Credit Opportunity Law.*
5 SEC. 3. *It is hereby declared to be the public policy of the State of*
6 *Nevada that all people in the state desiring to obtain credit shall be*
7 *afforded equal opportunity to have their creditworthiness evaluated under*
8 *the same relevant economic standards and without any discrimination on*
9 *the basis of their sex or marital status.*
10 SEC. 4. *As used in sections 2 to 19, inclusive, of this act unless the*
11 *context otherwise requires, the words and terms defined in sections 5 to*
12 *9, inclusive, of this act have the meanings ascribed to them in such sec-*
13 *tions.*
14 SEC. 5. *"Applicant" means any person who applies to a creditor*
15 *directly for an extension, renewal or continuation of credit, or applies to*
16 *a creditor indirectly by use of an existing credit plan for an amount*
17 *exceeding a previously established credit limit.*
18 SEC. 6. *"Credit" means the right granted by a creditor to any person*
19 *to:*
20 1. *Incur a debt and defer its payment.*

S. B. 88

SENATE BILL NO. 88—COMMITTEE ON COMMERCE
AND LABOR

JANUARY 29, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Regulates land subdivision sales. Fiscal Note: No.
(BDR 10-353)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to sales of subdivided land; prohibiting unfair and deceptive trade practices; providing grounds for suspension and revocation of licenses; providing administrative fines; providing penalties; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. Chapter 119 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this act.
3 SEC. 2. 1. *The legislature has determined that the sale of land to per-*
4 *sons within this state is a business affecting the public interest. The legis-*
5 *lature finds that the sale of land may present situations where persons*
6 *uninformed in matters of law, economics, land development or invest-*
7 *ments could be misled by persons more sophisticated in these areas. The*
8 *legislature therefore directs the Nevada real estate advisory commission to*
9 *adopt clear and specific regulations defining forms of conduct found by the*
10 *commission to be unfair or deceptive trade practices in any sale of land*
11 *within the jurisdiction of the division pursuant to the provisions of chap-*
12 *ters 119 and 645 of NRS.*
13 2. *It is unlawful for any person to engage in an unfair or deceptive*
14 *trade practice.*
15 SEC. 3. *The division may suspend, revoke or reissue subject to condi-*
16 *tions, any license issued pursuant to the provisions of this chapter where*
17 *the licensee has, by false or fraudulent representation, obtained a license,*
18 *or where the licensee, whether or not acting as a licensee, is found to be*
19 *guilty of:*
20 1. *Making any substantial misrepresentation.*
21 2. *Making any false promises of a character likely or intended to*
22 *influence, persuade or induce.*
23 3. *Pursuing a continued course of misrepresentation or making of*
24 *false promises through agents, salesmen, advertising or any other means.*

SENATE BILL NO. 513—COMMITTEE ON
COMMERCE AND LABOR

APRIL 10, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes in provisions relating to real estate brokers and salesmen. Fiscal Note: Yes. (BDR 54-1540)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to real estate brokers and salesmen; decreasing the liability of the real estate education, research and recovery fund; establishing a procedure for settlement of claims if in excess of the liability of the fund for each licensee; changing the provisions for the issuance, renewal and revocation of licenses of real estate brokers and salesmen; extending certain investigative powers; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 645.030 is hereby amended to read as follows:
2 645.030 1. Within the meaning of this chapter, a "real estate
3 broker" is any person, copartnership, association or corporation:
4 (a) Who for another and for a compensation, or who with the inten-
5 tion or expectation of receiving a compensation, sells, exchanges, options,
6 purchases, rents, or leases, or negotiates or offers, attempts or agrees to
7 negotiate the sale, exchange, option, purchase, rental, or lease of, or
8 lists or solicits prospective purchasers, lessees or renters of, or collects
9 or offers, attempts or agrees to collect rental for the use of, any real
10 estate or the improvements thereon or any modular homes or housing
11 offered or conveyed with any interest in real estate; [or]
12 (b) Who engages in or offers to engage in the business of claiming,
13 demanding, charging, receiving, collecting or contracting for the collec-
14 tion of an advance fee in connection with any employment undertaken to
15 promote the sale or lease of business opportunities or real estate by
16 advance fee listing advertising or other offerings to sell, lease, exchange
17 or rent property [.] ; or
18 (c) *Who for compensation, or with an expectation of compensation,*
19 *engages in, or offers to engage in, the compilation or distribution of lists*
20 *of available rental property.*
21 2. Any person, copartnership, association or corporation who, for
22 another and for a compensation, aids, assists, solicits or negotiates the

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 514

SENATE BILL NO. 514—COMMITTEE ON
COMMERCE AND LABOR

APRIL 10, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Makes certain changes relating to real estate brokers
and salesmen. Fiscal Note: No. (BDR 54-1095)EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.

AN ACT relating to real estate brokers and salesmen; providing that salesmen are independent contractors in certain instances; substituting "associated with" in place of "employed by"; clarifying educational requirements; changing provisions for the issuance, renewal and revocation of licenses; extending certain investigative powers; revising provisions relating to the real estate education, research and recovery fund; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 645.020 is hereby amended to read as follows:
2 645.020 As used in this chapter, "real estate" means every interest
3 or estate in real property including but not limited to freeholds, lease-
4 holds and interests in condominiums, *townhouses* or planned unit devel-
5 opments, whether corporeal or incorporeal, and whether the real property
6 is situated in this state or elsewhere.
- 7 SEC. 2. NRS 645.030 is hereby amended to read as follows:
8 645.030 1. Within the meaning of this chapter, a "real estate broker"
9 is any person, copartnership, association or corporation:
10 (a) Who for another and for a compensation, or who with the intention
11 or expectation of receiving a compensation, sells, exchanges, options, pur-
12 chases, rents, or leases, or negotiates or offers, attempts or agrees to nego-
13 tiate the sale, exchange, option, purchase, rental, or lease of, or lists or
14 solicits prospective purchasers, lessees or renters of, or collects or offers,
15 attempts or agrees to collect rental for the use of, any real estate or the
16 improvements thereon or any modular homes or housing offered or con-
17 veyed with any interest in real estate; **[or]**
18 (b) Who engages in or offers to engage in the business of claiming,
19 demanding, charging, receiving, collecting or contracting for the collection
20 of an advance fee in connection with any employment undertaken to pro-
21 mote the sale or lease of business opportunities or real estate by advance

ASSEMBLY BILL NO. 112—ASSEMBLYMEN
BENNETT AND CHANEY

JANUARY 29, 1975

Referred to Committee on Commerce

SUMMARY—Requires that health insurance coverage of newborn infants of insured begins at time of birth. Fiscal Note: No. (BDR 57-267)



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the Nevada Insurance Code; requiring that the coverage of infants provided under health insurance contracts, hospital, medical or dental service contracts and health care plans begin at the time of birth; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 689A.030 is hereby amended to read as follows:
- 2 689A.030 No policy of health insurance shall be delivered or issued
- 3 for delivery to any person in this state unless it otherwise complies with
- 4 this code, and complies with the following:
- 5 1. The entire money and other considerations therefor shall be
- 6 expressed therein;
- 7 2. The time when the insurance takes effect and terminates shall be
- 8 expressed therein;
- 9 3. It shall purport to insure only one person, except that a policy may
- 10 insure, originally or by subsequent amendment, upon the application of an
- 11 adult member of a family, who shall be deemed the policyholder, any two
- 12 or more eligible members of that family, including the husband, wife,
- 13 dependent children, *from the time of birth as provided in section 2 of this*
- 14 *act*, or any children under a specified age which shall not exceed 19 years
- 15 except as provided in NRS 689A.045, and any other person dependent
- 16 upon the policyholder;
- 17 4. The style, arrangement and overall appearance of the policy shall
- 18 give no undue prominence to any portion of the text, and every printed
- 19 portion of the text of the policy and of any endorsements or attached
- 20 papers shall be plainly printed in light-faced type of a style in general use,
- 21 the size of which shall be uniform and not less than 10 points with a
- 22 lower case unspaced alphabet length not less than 120 points (the "text"