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**PROPOSED AMENDMENTS TO S.B. 171
DRAFT DATED FEBRUARY 27, 2003**

ADDITIONS TO THE STATUTE BELOW ARE IN BOLD TYPE. THE FOLLOWING IS ADDED TO S.B. 171 TO RESOLVE CONFLICTS WITH MEDICAID REQUIREMENTS AT 42 C.F.R. 438.406:

Sec. 35. NRS 695G.200 is hereby amended to read as follows:

695G.200 1. **Except as otherwise provided at NRS 422.273, each** ~~Each~~ managed care organization shall establish a system for resolving complaints of an insured concerning:

(a) Payment or reimbursement for covered health care services;
(b) Availability, delivery or quality of covered health care services, including, without limitation, an adverse determination made pursuant to utilization review ~~};~~ **or a final adverse determination; or**

(c) The terms and conditions of a health care plan.

The system must be approved by the Commissioner in consultation with the State Board of Health.

...

Sec. 44. NRS 695C.050 is hereby amended to read as follows:

NRS 695C.050 1. Except as otherwise provided in this chapter or in specific provisions of this Title, the provisions of this Title are not applicable to any health maintenance organization granted a certificate of authority under this chapter. This provision does not apply to an insurer licensed and regulated pursuant to this Title except with respect to its activities as a health maintenance organization authorized and regulated pursuant to this chapter.

2. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, must not be construed to violate any provision of law relating to solicitation or advertising by practitioners of a healing art.

3. Any health maintenance organization authorized under this chapter shall not be deemed to be practicing medicine and is exempt from the provisions of chapter 630 of NRS.

4. The provisions of NRS 695C.110, 695C.170 to 695C.200, inclusive, 695C.250, **695C.260**, and 695C.265 do not apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the state plan for Medicaid or insurance pursuant to the children's health insurance program pursuant to a contract with the division of health care financing and policy of the department of human resources. This subsection does not exempt a health maintenance organization from any provision of this chapter for services provided pursuant to any other contract.

5. The provisions of NRS 695C.1694 and 695C.1695 apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the state plan for Medicaid.

Sec. 45. Chapter 422.273 of NRS is hereby amended by adding thereto a new subsection to read as follows:

This subsection applies to any managed care organization, including a health maintenance organization, that provides health care services to recipients of Medicaid under the state plans for Medicaid or the children's health insurance program pursuant to a contract with the division of health care financing and policy of the department of human

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resources. Such an organization shall not be required to establish a system for conducting external reviews of final adverse determinations as otherwise required by Chapters 695B, 695C, or 695G of the NRS. This subsection does not exempt an organization for services provided pursuant to any other contract.