
SENATE BILL NO. 163—SENATORS O’CONNELL AND TOWNSEND

FEBRUARY 19, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing certain contracts with providers of health care. (BDR 57-683)

FISCAL NOTE: Effect on Local Government: Yes.
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 insurance; prohibiting certain organizations from charging a fee for including the name of a provider of health care on a panel of providers of health care under certain circumstances; requiring a contract with a provider of health care to include a schedule setting forth the payments required to be made to the provider of health care pursuant to the contract under certain circumstances; providing a penalty; 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 679A of NRS is hereby amended by
2 adding thereto a new section to read as follows:
3 ***1. If an organization establishes a panel of providers of***
4 ***health care and makes the panel available for use by an insurer***
5 ***when offering health care services pursuant to chapter 689A,***
6 ***689B, 689C, 695A, 695B or 695C, the organization shall not***
7 ***charge the insurer or a provider of health care a fee to include the***
8 ***name of the provider on the panel of providers of health care.***
9 ***2. If an organization violates the provisions of subsection 1,***
10 ***the organization shall pay to the insurer or provider of health***
11 ***care, as appropriate, an amount that is equal to twice the fee***
12 ***charged to the insurer or provider of health care.***



1 **3. A court shall award costs and reasonable attorney's fees to**
2 **the prevailing party in an action brought pursuant to this section.**

3 **4. In addition to any relief granted pursuant to this section, if**
4 **an organization violates the provisions of subsection 1, and if an**
5 **insurer offering health care services pursuant to chapter 689A,**
6 **689B, 689C, 695A, 695B or 695C has a contract with or otherwise**
7 **uses the services of the organization, the Division shall require the**
8 **insurer to suspend its performance under the contract or**
9 **discontinue using those services until the organization, as**
10 **determined by the Division:**

11 **(a) Complies with the provisions of subsection 1; and**

12 **(b) Refunds to all providers of health care any fees obtained by**
13 **the organization in violation of subsection 1.**

14 **Sec. 2.** Chapter 683A of NRS is hereby amended by adding
15 thereto a new section to read as follows:

16 **If an administrator, managing general agent or producer of**
17 **insurance, or a health maintenance organization when acting as**
18 **an administrator pursuant to NRS 683A.0851 or a nonprofit**
19 **corporation for hospital or medical services when acting as an**
20 **administrator pursuant to NRS 683A.0852, contracts with a**
21 **provider of health care to provide health care to an insured**
22 **pursuant to this chapter, the administrator, managing general**
23 **agent, producer of insurance, health maintenance organization or**
24 **nonprofit corporation for hospital or medical services shall**
25 **include in the contract a schedule setting forth the payments**
26 **required to be made to the provider of health care pursuant to the**
27 **contract.**

28 **Sec. 3.** NRS 689A.035 is hereby amended to read as follows:

29 689A.035 **1.** An insurer shall not charge a provider of health
30 care a fee to include the name of the provider on a list of providers
31 of health care given by the insurer to its insureds.

32 **2. If an insurer contracts with a provider of health care to**
33 **provide health care to an insured, the insurer shall include in the**
34 **contract a schedule setting forth the payments required to be made**
35 **to the provider of health care pursuant to the contract.**

36 **Sec. 4.** NRS 689B.015 is hereby amended to read as follows:

37 689B.015 **1.** An insurer that issues a policy of group health
38 insurance shall not charge a provider of health care a fee to include
39 the name of the provider on a list of providers of health care given
40 by the insurer to its insureds.

41 **2. If an insurer specified in subsection 1 contracts with a**
42 **provider of health care to provide health care to an insured, the**
43 **insurer shall include in the contract a schedule setting forth the**
44 **payments required to be made to the provider of health care**
45 **pursuant to the contract.**



1 **Sec. 5.** NRS 689C.435 is hereby amended to read as follows:
2 689C.435 **1.** A carrier serving small employers and a carrier
3 that offers a contract to a voluntary purchasing group shall not
4 charge a provider of health care a fee to include the name of the
5 provider on a list of providers of health care given by the carrier to
6 its insureds.

7 **2.** *If a carrier specified in subsection 1 contracts with a*
8 *provider of health care to provide health care to an insured, the*
9 *carrier shall include in the contract a schedule setting forth the*
10 *payments required to be made to the provider of health care*
11 *pursuant to the contract.*

12 **Sec. 6.** NRS 695A.095 is hereby amended to read as follows:
13 695A.095 **1.** A society shall not charge a provider of health
14 care a fee to include the name of the provider on a list of providers
15 of health care given by the society to its insureds.

16 **2.** *If a society contracts with a provider of health care to*
17 *provide health care to an insured, the society shall include in the*
18 *contract a schedule setting forth the payments required to be made*
19 *to the provider of health care pursuant to the contract.*

20 **Sec. 7.** NRS 695B.035 is hereby amended to read as follows:
21 695B.035 **1.** A corporation subject to the provisions of this
22 chapter shall not charge a provider of health care a fee to include the
23 name of the provider on a list of providers of health care given by
24 the corporation to its insureds.

25 **2.** *If a corporation specified in subsection 1 contracts with a*
26 *provider of health care to provide health care to an insured, the*
27 *corporation shall include in the contract a schedule setting forth*
28 *the payments required to be made to the provider of health care*
29 *pursuant to the contract.*

30 **Sec. 8.** NRS 695C.125 is hereby amended to read as follows:
31 695C.125 **1.** A health maintenance organization shall not
32 charge a provider of health care a fee to include the name of the
33 provider on a list of providers of health care given by the health
34 maintenance organization to its enrollees.

35 **2.** *If a health maintenance organization contracts with a*
36 *provider of health care to provide health care to an enrollee, the*
37 *health maintenance organization shall include in the contract a*
38 *schedule setting forth the payments required to be made to the*
39 *provider of health care pursuant to the contract.*

40 **Sec. 9.** NRS 695G.270 is hereby amended to read as follows:
41 695G.270 **1.** A managed care organization that establishes a
42 panel of providers of health care for the purpose of offering health
43 care services pursuant to chapter 689A, 689B, 689C, 695A, 695B or
44 695C of NRS shall not charge a provider of health care a fee to



1 include the name of the provider on the panel of providers of health
2 care.

3 *2. If a managed care organization contracts with a provider
4 of health care to provide health care services pursuant to chapter
5 689A, 689B, 689C, 695A, 695B or 695C of NRS, the managed care
6 organization shall include in the contract a schedule setting forth
7 the payments required to be made to the provider of health care
8 pursuant to the contract.*

9 **Sec. 10.** Chapter 616B of NRS is hereby amended by adding
10 thereto a new section to read as follows:

11 *1. If an insurer establishes a panel of providers of health care
12 for the purpose of offering health care services pursuant to
13 chapters 616A to 617, inclusive, of NRS, the insurer shall not
14 charge a provider of health care a fee to include the name of the
15 provider on the panel of providers of health care.*

16 *2. If an insurer violates the provisions of subsection 1, the
17 insurer shall pay to the provider of health care an amount that is
18 equal to twice the fee charged to the provider of health care.*

19 *3. A court shall award costs and reasonable attorney's fees to
20 the prevailing party in an action brought pursuant to this section.*

21 **Sec. 11.** This act becomes effective on July 1, 2003.

