Amendment No. 374

Assembly A	(BDR 57-808)					
Proposed by: Assembly Committee on Commerce and Labor						
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes						
ASSEMBLY	ACTION	Initial and Date	SENATE ACTIO	N Initial and Date		
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		Initial and Date				

EXPLANATION: Matter in (1) blue bold italics is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) red strikethrough is deleted language in the original bill; (4) purple double strikethrough is language proposed to be deleted in this amendment; (5) <u>orange double underlining</u> is deleted language in the original bill proposed to be retained in this amendment.

DP/WLK



Date: 4/17/2021

A.B. No. 436-Revises provisions relating to vision insurance. (BDR 57-808)



ASSEMBLY BILL NO. 436–COMMITTEE ON COMMERCE AND LABOR

MARCH 26, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to vision insurance. (BDR 57-808)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: Yes.

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

AN ACT relating to health care; prohibiting an insurer from entering into a contract with a provider of vision care that contains certain provisions; requiring an insurer to provide certain information to a provider of vision care before entering into a contract to include the provider in the network of the insurer; prescribing certain requirements concerning the advertising and marketing of vision coverage; authorizing the imposition of an administrative penalty; [limiting the rates that a provider of vision care may charge to patients for vision care provided out of network;] and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits certain unfair trade practices in the business of insurance. (NRS 1 2 3 4 5 6 7 8 9 10 686A.010-686A.280) Section 1 of this bill prohibits an insurer from entering into a contract with a provider of vision care that [places certain requirements on the provider of vision care,] places certain limitations on coverage . [or provides for unreasonably low or nominal rates of reimbursement.] Section 1 also requires an insurer to provide to a provider of vision care a list of the rates of reimbursement that the insurer provides for covered vision care before entering into a contract to include the provider of vision care in the network of the insurer. Section 1 additionally: (1) requires an insurer to disclose in any policy of vision insurance or related materials any ownership or other pecuniary interest of the insurer in a manufacturer of goods covered by the policy or in a provider of vision care; and (2) imposes certain restrictions on 11 the manner in which an insurer may advertise a policy of insurance that covers vision care. 12 Sections 2 and 3 of this bill authorize the Commissioner of Insurance to enforce the 13 requirements of section 1 in the same manner as other provisions governing the trade 14 practices of insurers. Specifically, section 2 authorizes the Commissioner to hold a hearing if 15 he or she has cause to believe that a violation of section 1 has occurred. If the Commissioner 16 finds after that hearing that a violation has occurred and the insurer in violation knew or 17 should have known of the violation, section 3 authorizes the Commissioner to impose an 18 administrative penalty or take action against the license of the insurer. Sections 4-9 of this bill 1ŏ provide that certain entities that provide vision coverage, including local governments and the 20 Public Employees' Benefits Program, are subject to the provisions of section 1.

21 Sections 10-12 of this bill prohibit a physician, osteopathic physician or optometrist from 22 charging a patient who is covered by a policy of vision insurance for which the physician, 23 osteopathic physician or optometrist is out of network for vision care an amount that exceeds 24 the usual and customary rate that the physician, osteopathic physician or optometrist charges uninsured patients for that vision care. A physician, osteopathic physician or optometrist who
 willfully charges a patient a prohibited rate would be subject to professional discipline. (NRS
 630.3065, 633.131, 636.295)]

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

1	Section 1. Chapter 686A of NRS is hereby amended by adding thereto a new
2	section to read as follows:
3	1. An insurer shall not enter into a contract with a provider of vision care
4	that H
5	(a) Authorizes the insurer to set or limit the amount that the provider of
6	vision care may charge for vision care that is not reimbursed under the contract;
7	(b) Requires the provider of vision care to participate in the network of
8	providers of vision care of the insurer or any other insurer as a condition of
	provide of a second out of the manual of any other manual of angle of the distribution of
9	including that provider of vision care in the network of providers of medical
10	services of the insurer;
11	(c) Requires the provider of vision care to use a specific laboratory as the
12	manufacturer of ophthalmic devices or materials provided to covered persons;
13	(d) Conditions] conditions any rate of reimbursement for vision care on the
14	provider of vision care prescribing ophthalmic devices or materials in which the
15	insurer has an ownership or other pecuniary interest or increases the rate of
16	reimbursement if the provider of vision care prescribes such ophthalmic devices
17	or materials . [; or
18	(c) Provides for unreasonably low or nominal rates of reimbursement for
19	vision care.
20	2. Before entering into a contract with a provider of vision care to include
21	the provider of vision care in the network of an insurer, the insurer must provide
22	to the provider of vision care a list of the rates of reimbursement for each service
23	covered by the contract.
24	3. An insurer shall disclose in any policy of insurance that covers vision
25	care or any description of benefits covered by such a policy, whether written or
26	electronic, any ownership or other pecuniary interest of the insurer in a supplier
20 27	of ophthalmic devices or materials or a provider of vision care. The disclosure
28	of opiniantic devices of materials of a provider of vision care. The discussive
	must appear in a conspicuous and clear manner.
29	4. An insurer that does not provide reimbursement for specific vision care
30	shall not claim in any advertisement or other material that the insurer covers that
31	vision care [, including, without limitation, by claiming that the insurer covers
32	the] or that such vision care is available at a discount or with a copayment or
33	coinsurance in an amount that is in addition to the copayment or coinsurance
34	that a covered person is typically required to pay for covered services.
35	5. [An insurer shall not, in any advertisement or similar communication,
36	place providers of vision care in tiers or similar designations designed to
37	influence the choice of a covered person concerning a provider of vision care
38	unless those designations are based on criteria related to quality of care that are
39	expressly prescribed in the contract.
40	$\frac{6.1}{6.1}$ As used in this section:
41	(a) "Provider of vision care" means a physician who provides vision care or
42	an optometrist.
43	(b) "Vision care" means:

(1) [Services for the diagnosis, prevention, treatment, care or relief of a health condition, illness, injury or disease related to the eye.] Routine ophthalmological evaluation of the eye, including refraction.

(2) Ophthalmic devices or materials, including, without limitation, lenses, frames, mountings or other specially fabricated ophthalmic devices.

→ The term "vision care" does not include the initiation of treatment or diagnosis pursuant to a program of medical care.

Sec. 2. NRS 686A.160 is hereby amended to read as follows:

9 686A.160 If the Commissioner has cause to believe that any person has been 10 engaged or is engaging, in this state, in any unfair method of competition or any 11 unfair or deceptive act or practice prohibited by NRS 686A.010 to 686A.310, inclusive, and section 1 of this act and that a proceeding by the Commissioner in 12 respect thereto would be in the interest of the public, the Commissioner may issue 13 and serve upon such person a statement of the charges and a notice of the hearing to 14 15 be held thereon. The statement of charges and notice of hearing shall comply with 16 the requirements of NRS 679B.320 and shall be served upon such person directly or 17 by certified or registered mail, return receipt requested.

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Sec. 3. NRS 686A.183 is hereby amended to read as follows:

19 686A.183 1. After the hearing provided for in NRS 686A.160, the 20 Commissioner shall issue an order on hearing pursuant to NRS 679B.360. If the 21 Commissioner determines that the person charged has engaged in an unfair method 22 of competition or an unfair or deceptive act or practice in violation of NRS 23 686A.010 to 686A.310, inclusive, and section 1 of this act, the Commissioner shall 24 order the person to cease and desist from engaging in that method of competition, 25 act or practice, and may order one or both of the following:

26 (a) If the person knew or reasonably should have known that he or she was in 27 violation of NRS 686A.010 to 686A.310, inclusive, and section 1 of this act, 28 payment of an administrative fine of not more than \$5,000 for each act or violation, 29 except that as to licensed agents, brokers, solicitors and adjusters, the administrative fine must not exceed \$500 for each act or violation. 30

31 (b) Suspension or revocation of the person's license if the person knew or 32 reasonably should have known that he or she was in violation of NRS 686A.010 to 33 686A.310, inclusive [], and section 1 of this act.

34 2. Until the expiration of the time allowed for taking an appeal, pursuant to 35 NRS 679B.370, if no petition for review has been filed within that time, or, if a 36 petition for review has been filed within that time, until the official record in the 37 proceeding has been filed with the court, the Commissioner may, at any time, upon 38 such notice and in such manner as the Commissioner deems proper, modify or set 39 aside, in whole or in part, any order issued by him or her under this section.

40 3. After the expiration of the time allowed for taking an appeal, if no petition 41 for review has been filed, the Commissioner may at any time, after notice and 42 opportunity for hearing, reopen and alter, modify or set aside, in whole or in part, 43 any order issued by him or her under this section whenever in the opinion of the 44 Commissioner conditions of fact or of law have so changed as to require such 45 action or if the public interest so requires. 46

Sec. 4. NRS 686A.520 is hereby amended to read as follows:

47 686A.520 1. The provisions of NRS 683A.341, 683A.451, 683A.461 and 48 686A.010 to 686A.310, inclusive, and section 1 of this act apply to companies.

49 2. For the purposes of subsection 1, unless the context requires that a section 50 apply only to insurers, any reference in those sections to "insurer" must be replaced 51 by a reference to "company."

Sec. 5. NRS 695B.320 is hereby amended to read as follows:

695B.320 1. Nonprofit hospital and medical or dental service corporations are subject to the provisions of this chapter, and to the provisions of chapters 679A and 679B of NRS, NRS 686A.010 to 686A.315, inclusive, and section 1 of this act, 687B.010 to 687B.040, inclusive, 687B.070 to 687B.140, inclusive, 687B.150, 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B, 692C, 693A and 696B of NRS, to the extent applicable and not in conflict with the express provisions of this chapter.

For the purposes of this section and the provisions set forth in subsection 1, 2. a nonprofit hospital and medical or dental service corporation is included in the meaning of the term "insurer."

Sec. 6. NRS 695C.300 is hereby amended to read as follows:

695C.300 1. No health maintenance organization or representative thereof may cause or knowingly permit the use of advertising which is untrue or misleading, solicitation which is untrue or misleading or any form of evidence of coverage which is deceptive. For purposes of this chapter:

(a) A statement or item of information shall be deemed to be untrue if it does not conform to fact in any respect which is or may be significant to an enrollee of, 20 or person considering enrollment in, a health care plan.

21 (b) A statement or item of information shall be deemed to be misleading, 22 whether or not it may be literally untrue if, in the total context in which such 23 statement is made or such item of information is communicated, such statement or 24 item of information may be reasonably understood by a reasonable person not 25 possessing special knowledge regarding health care coverage, as indicating any 26 benefit or advantage or the absence of any exclusion, limitation or disadvantage of 27 possible significance to an enrollee of, or person considering enrollment in, a health 28 care plan if such benefit or advantage or absence of limitation, exclusion or 29 disadvantage does not in fact exist.

30 (c) An evidence of coverage shall be deemed to be deceptive if the evidence of 31 coverage taken as a whole, and with consideration given to typography and format 32 as well as language, shall be such as to cause a reasonable person not possessing 33 special knowledge regarding health care plans and evidences of coverage therefor 34 to expect benefits, services, charges or other advantages which the evidence of 35 coverage does not provide or which the health care plan issuing such evidence of 36 coverage does not regularly make available for enrollees covered under such 37 evidence of coverage.

38 2. NRS 686A.010 to 686A.310, inclusive, and section 1 of this act shall be 39 construed to apply to health maintenance organizations, health care plans and 40 evidences of coverage except to the extent that the nature of health maintenance 41 organizations, health care plans and evidences of coverage render the sections 42 therein clearly inappropriate.

43 3. An enrollee may not be cancelled or not renewed except for the failure to 44 pay the charge for such coverage or for cause as determined in the master contract.

45 4. No health maintenance organization, unless licensed as an insurer, may use 46 in its name, contracts, or literature any of the words "insurance," "casualty," "surety," "mutual" or any other words descriptive of the insurance, casualty or 47 48 surety business or deceptively similar to the name or description of any insurance 49 or surety corporation doing business in this State.

50 5. No person not certificated under this chapter shall use in its name, contracts 51 or literature the phrase "health maintenance organization" or the initials "HMO."

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Sec. 7. NRS 695F.090 is hereby amended to read as follows:

695F.090 1. Prepaid limited health service organizations are subject to the provisions of this chapter and to the following provisions, to the extent reasonably applicable:

(a) NRS 687B.310 to 687B.420, inclusive, concerning cancellation and nonrenewal of policies.

(b) NRS 687B.122 to 687B.128, inclusive, concerning readability of policies.

(c) The requirements of NRS 679B.152.

(d) The fees imposed pursuant to NRS 449.465.

(e) NRS 686A.010 to 686A.310, inclusive, *and section 1 of this act* concerning trade practices and frauds.

(f) The assessment imposed pursuant to NRS 679B.700.

(g) Chapter 683A of NRS.

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(h) To the extent applicable, the provisions of NRS 689B.340 to 689B.580, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance.

(i) NRS 689A.035, 689A.0463, 689A.410, 689A.413 and 689A.415.

(j) NRS 680B.025 to 680B.039, inclusive, concerning premium tax, premium tax rate, annual report and estimated quarterly tax payments. For the purposes of this subsection, unless the context otherwise requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "prepaid limited health service organization."

(k) Chapter 692C of NRS, concerning holding companies.

(l) NRS 689A.637, concerning health centers.

2. For the purposes of this section and the provisions set forth in subsection 1, a prepaid limited health service organization is included in the meaning of the term "insurer."

Sec. 8. NRS 287.010 is hereby amended to read as follows:

29 287.010 1. The governing body of any county, school district, municipal
 30 corporation, political subdivision, public corporation or other local governmental
 31 agency of the State of Nevada may:

(a) Adopt and carry into effect a system of group life, accident or health
insurance, or any combination thereof, for the benefit of its officers and employees,
and the dependents of officers and employees who elect to accept the insurance and
who, where necessary, have authorized the governing body to make deductions
from their compensation for the payment of premiums on the insurance.

(b) Purchase group policies of life, accident or health insurance, or any combination thereof, for the benefit of such officers and employees, and the dependents of such officers and employees, as have authorized the purchase, from insurance companies authorized to transact the business of such insurance in the State of Nevada, and, where necessary, deduct from the compensation of officers and employees the premiums upon insurance and pay the deductions upon the premiums.

44 (c) Provide group life, accident or health coverage through a self-insurance 45 reserve fund and, where necessary, deduct contributions to the maintenance of the 46 fund from the compensation of officers and employees and pay the deductions into 47 the fund. The money accumulated for this purpose through deductions from the 48 compensation of officers and employees and contributions of the governing body 49 must be maintained as an internal service fund as defined by NRS 354.543. The 50 money must be deposited in a state or national bank or credit union authorized to 51 transact business in the State of Nevada. Any independent administrator of a fund 52 created under this section is subject to the licensing requirements of chapter 683A 53 of NRS, and must be a resident of this State. Any contract with an independent

administrator must be approved by the Commissioner of Insurance as to the 1 2 reasonableness of administrative charges in relation to contributions collected and 3 benefits provided. The provisions of NRS 687B.408, 689B.030 to 689B.050, 4 inclusive, 689B.287 and 689B.500 and section 1 of this act apply to coverage 5 provided pursuant to this paragraph, except that the provisions of NRS 689B.0378, 6 689B.03785 and 689B.500 only apply to coverage for active officers and 7 employees of the governing body, or the dependents of such officers and 8 employees.

9 (d) Defray part or all of the cost of maintenance of a self-insurance fund or of 10 the premiums upon insurance. The money for contributions must be budgeted for in 11 accordance with the laws governing the county, school district, municipal 12 corporation, political subdivision, public corporation or other local governmental 13 agency of the State of Nevada.

14 2. If a school district offers group insurance to its officers and employees 15 pursuant to this section, members of the board of trustees of the school district must 16 not be excluded from participating in the group insurance. If the amount of the 17 deductions from compensation required to pay for the group insurance exceeds the 18 compensation to which a trustee is entitled, the difference must be paid by the 19 trustee.

20 3. In any county in which a legal services organization exists, the governing 21 body of the county, or of any school district, municipal corporation, political 2.2 subdivision, public corporation or other local governmental agency of the State of 23 Nevada in the county, may enter into a contract with the legal services organization 24 pursuant to which the officers and employees of the legal services organization, and 25 the dependents of those officers and employees, are eligible for any life, accident or 26 health insurance provided pursuant to this section to the officers and employees, 27 and the dependents of the officers and employees, of the county, school district, 28 municipal corporation, political subdivision, public corporation or other local 29 governmental agency.

30 4. If a contract is entered into pursuant to subsection 3, the officers and 31 employees of the legal services organization:

(a) Shall be deemed, solely for the purposes of this section, to be officers and
 employees of the county, school district, municipal corporation, political
 subdivision, public corporation or other local governmental agency with which the
 legal services organization has contracted; and

(b) Must be required by the contract to pay the premiums or contributions for all insurance which they elect to accept or of which they authorize the purchase.

5. A contract that is entered into pursuant to subsection 3:

(a) Must be submitted to the Commissioner of Insurance for approval not less than 30 days before the date on which the contract is to become effective.

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(b) Does not become effective unless approved by the Commissioner.

(c) Shall be deemed to be approved if not disapproved by the Commissioner within 30 days after its submission.

6. As used in this section, "legal services organization" means an organization that operates a program for legal aid and receives money pursuant to NRS 19.031.

Sec. 9. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the Board provides health insurance through a plan of selfinsurance, it shall comply with the provisions of NRS 687B.409, 689B.255,
695G.150, 695G.155, 695G.160, 695G.162, 695G.164, 695G.1645, 695G.1665,
695G.167, 695G.170 to 695G.174, inclusive, 695G.177, 695G.200 to 695G.230,
inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, *and section 1 of this*act, in the same manner as an insurer that is licensed pursuant to title 57 of NRS is
required to comply with those provisions.

Sec.	10. [Chapter 630 of NRS is hereby amended by adding thereto a new
	o-read as follows:
	A physician shall not charge a patient who is covered by a policy of
	representation since not enabled a particular and is correct by a portey of resurance for vision care that is not included in the policy an amount
	exceeds the usual and customary rate that the physician charges
	ed patients for the same care.
	As used in this section:
(a)	"Policy of vision insurance" means a policy of insurance or other
	ment whereby a third party agrees to reimburse the costs of vision care
	Ito a patient.
	"Third party" means:
	(1) An insurer, as that term is defined in NRS 679B.540;
	2) A health benefit plan, as that term is defined in NRS 687B.470, for
	es which provides coverage for vision care;
	(3) A participating public agency, as that term is defined in NRS
	52, and any other local governmental agency of the State of Nevada
	provides a system of health insurance that covers vision care for the
	of its officers and employees, and the dependents of officers and
	es, pursuant to chapter 287 of NRS; or
	(4) Any other insurer or organization providing coverage of vision care
	dance with state or federal law.
	"Vision care" means:
	(1) Services for the diagnosis, prevention, treatment, care or relief of a
kealth e	ondition, illness, injury or disease related to the eye.
	(2) Ophthalmic devices or materials, including, without limitation,
loncos	frames, mountings or other specially fabricated ophthalmic devices.
(Deleter	l by amendment.)
	11. [Chapter 633 of NRS is hereby amended by adding thereto a new
	o read as follows:
	An osteopathic physician shall not charge a patient who is covered by a
policy o	f vision insurance for vision care that is not included in the policy an
amount	which exceeds the usual and customary rate that the osteopathic
	n charges uninsured patients for the same care.
	As used in this section:
	"Policy of vision insurance" means a policy of insurance or other
	ment whereby a third party agrees to reimburse the costs of vision care
÷	to a patient.
	"Third party" means:
	(1) An insurer, as that term is defined in NRS 679B.540;
	2) A health benefit plan, as that term is defined in NRS 687B.170, for
amplova	es which provides coverage for vision care;
	(3) A participating public agency, as that term is defined in NRS
	52, and any other local governmental agency of the State of Nevada
	rovides a system of health insurance that covers vision care for the
benefit	of its officers and employees, and the dependents of officers and
employe	es, pursuant to chapter 287 of NRS; or
	(4) Any other insurer or organization providing coverage of vision care
	dance with state or federal law.
	"Vision care" means:
	(1) Services for the diagnosis, prevention, treatment, care or relief of a
health -	andition illuses injum on diagnosis prevention, incament, care of renej of a
meann C	ondition, illness, injury or disease related to the eye.

1	(2) Ophthalmic devices or materials, including, without limitation,
2	lenses, frames, mountings or other specially fabricated ophthalmic devices.]
3	(Deleted by amendment.)
4	Sec. 12. [Chapter 636 of NRS is hereby amended by adding thereto a new
5	section to read as follows:
6	<u> An optometrist shall not charge a patient who is covered by a policy of </u>
7	vision insurance for vision care that is not included in the policy an amount
8	which exceeds the usual and customary rate that the optometrist charges
9	uninsured patients for the same care.
10	-2. As used in this section:
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12	arrangement whereby a third party agrees to reimburse the costs of vision care
13	provided to a patient.
14	(b) "Third party" means:
15	(1) An insurer, as that term is defined in NRS 679B.540;
16	(2) A health benefit plan, as that term is defined in NRS 687B.470, for
17	employees which provides coverage for vision care;
18	(3) A participating public agency, as that term is defined in NRS
19	287.04052, and any other local governmental agency of the State of Nevada
20	which provides a system of health insurance that covers vision care for the
21	benefit of its officers and employees, and the dependents of officers and
22	employees, pursuant to chapter 287 of NRS; or
23	(4) Any other insurer or organization providing coverage of vision care
24	in accordance with state or federal law.
25	(c) "Vision care" means:
26	(1) Services for the diagnosis, prevention, treatment, care or relief of a health condition illness injury or disease related to the over
27	health condition, illness, injury or disease related to the eye. (2) Ophthalmic devices or materials, including, without limitation.
28	(2) Uphthalmic devices or materials, including, without limitation,
29	lenses, frames, mountings or other specially fabricated ophthalmic devices.]
30	(Deleted by amendment.)
31	Sec. 13. The provisions of section 1 of this act do not apply to any contract
32	existing on October 1, 2021, between an insurer and a provider of vision care until
33	the contract is renewed.
34	Sec. 14. Notwithstanding the provisions of NRS 218D.430 and 218D.435, a
35	committee, other than the Assembly Standing Committee on Ways and Means and
36	the Senate Standing Committee on Finance, may vote on this act before the

the Senate Standing Committee on Finance, may vote on this act before the
expiration of the period prescribed for the return of a fiscal note in NRS 218D.475.
This section applies retroactively from and after March 22, 2021.