

Amendment No. 968

Senate Amendment to Assembly Bill No. 7 Second Reprint (BDR 40-381)
<b>Proposed by:</b> Senator Donate
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the unfunded mandate not requested by the affected local government to A.B. 7 R2 (§§ 1.08, 1.94, 2).
---

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

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) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SES/EWR



Date: 6/4/2023

A.B. No. 7—Revises provisions relating to electronic health records.  
(BDR 40-381)





ASSEMBLY BILL NO. 7—COMMITTEE ON  
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE PATIENT PROTECTION COMMISSION)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to electronic health records.  
(BDR 40-381)

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

CONTAINS UNFUNDED MANDATE (§§ 1.08, 1.94, 2)  
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to health care; requiring the adoption of a framework for the electronic transmittal, maintenance and exchange of certain health information; requiring governmental entities, health care facilities and providers, insurers and insurance administrators to maintain, transmit and exchange health information electronically; authorizing the imposition of certain discipline against a health care provider, insurer or insurance administrator that fails to comply with that requirement; authorizing the Director of the Department of Health and Human Services to contract with multiple health information exchanges to perform certain functions; ~~prohibiting the transmittal of health information to a health information exchange without the affirmative consent of the patient;~~ expanding immunity from certain liability for health care providers who use a health information exchange; making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires the Director of the Department of Health and Human Services to  
2 adopt regulations governing health information exchanges and the transmittal, ownership,  
3 management, use and confidentiality of electronic health records. (NRS 439.587, 439.589)  
4 **Section 1.08** of this bill requires the Director to prescribe by regulation a framework for the  
5 electronic maintenance, transmittal and exchange of electronic health records, prescriptions  
6 and health-related information. **Section 1.08** requires that framework to establish standards for  
7 networks and technologies to be used to maintain, transmit and exchange health information,  
8 including standards that require: (1) the ability for patients to access and forward their records;  
9 and (2) the interoperability of such networks and technologies. **Section 2.7** of this bill requires

10 the Director to convene an advisory group to advise the Director in the adoption of those  
11 standards.

12 With certain exceptions, **sections 1.08, 1.94, 1.96, 2 and 2.8** of this bill require  
13 governmental entities, health care providers, insurers, pharmacy benefit managers and other  
14 insurance administrators to maintain, transmit and exchange health information electronically  
15 in accordance with those standards and other provisions governing electronic health records,  
16 beginning on: (1) July 1, 2024, for hospitals and large physician group practices; (2) July 1,  
17 2025, for governmental entities, other large health care practices, insurers, pharmacy benefit  
18 managers and other insurance administrators; and (3) January 1, 2030, for small physician  
19 group practices and other small health care practices. **Sections 1.02 and 1.08** of this bill  
20 provide that a health care provider, insurer, pharmacy benefit manager or other insurance  
21 administrator that fails to comply with that requirement is not guilty of a misdemeanor.  
22 Instead, **section 1** of this bill requires the Department to notify any regulatory body that has  
23 issued a license, certificate, registration, permit or similar credential to a health care provider,  
24 insurer, pharmacy benefit manager or other insurance administrator if the holder of the  
25 credential fails to comply with that requirement. After receiving such notice, **sections 1.3,**  
26 **1.92, 2, 2.2 and 2.35** of this bill authorize a regulatory body to impose corrective action or an  
27 administrative penalty on the health care provider, insurer, pharmacy benefit manager or other  
28 insurance administrator. **Section 1** of this bill requires the Department to notify the relevant  
29 regulatory body if a health care provider, insurer, pharmacy benefit manager or other  
30 insurance administrator that was previously out of compliance with the requirement to  
31 maintain, transmit and exchange health information electronically comes into compliance with  
32 that requirement. **Section 1.06** of this bill removes duplicative requirements concerning the  
33 adoption of regulations governing electronic health records. **Sections 1.02-1.07, 1.4-1.9, 1.98,**  
34 **2.05, 2.15, 2.25, 2.3, 2.4 and 2.45** of this bill make conforming changes to indicate the proper  
35 placement of **sections 1, 1.3, 2.1 and 2.2** in the Nevada Revised Statutes.

36 Existing law authorizes the Director of the Department of Health and Human Services to  
37 contract with not more than one health information exchange to be responsible for compiling  
38 statewide master indexes of patients, health care providers and payers. (NRS 439.587) **Section**  
39 **1.06** of this bill authorizes the Director to contract with multiple health information exchanges  
40 to perform those functions. **Section 1.06** also removes a requirement that the Director  
41 encourage the use of health information exchanges.

42 Existing law requires that, with certain exceptions, a patient consent before his or her  
43 electronic health record is retrieved from a health information exchange. (NRS 439.591)  
44 **Section 1.09** of this bill ~~[- (1)]~~ clarifies that such consent must be affirmative ~~[- and (2)~~  
45 ~~requires that a patient also provide such consent before his or her electronic health record is~~  
46 ~~transmitted to a health information exchange.]~~

47 Existing law provides that a health care provider who with reasonable care relies upon an  
48 apparently genuine electronic health record accessed from a health information exchange to  
49 make a decision concerning the provision of health care to a patient is immune from civil or  
50 criminal liability for the decision if: (1) the electronic health record is inaccurate; (2) the  
51 inaccuracy was not caused by the health care provider; (3) the inaccuracy resulted in an  
52 inappropriate health care decision; and (4) the health care decision was appropriate based  
53 upon the information contained in the inaccurate electronic health record. (NRS 439.593)  
54 **Section 1.1** of this bill expands this immunity from liability to also apply to any health care  
55 provider who transmits, accesses, utilizes, discloses, relies upon or provides to the patient any  
56 apparently genuine electronic health record in accordance with applicable law and regulations.  
57 **Section 1.2** of this bill provides that transmitting, accessing, utilizing or disclosing an  
58 electronic health record is not an unfair trade practice.

59 **Section 2.5** of this bill makes an appropriation to the Department to award grants to  
60 certain small facilities and providers of health care who work in small business settings to  
61 assist in compliance with the requirements of **section 1.08**.

---

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

1       **Section 1.** Chapter 439 of NRS is hereby amended by adding thereto a new  
2 section to read as follows:

3       1. *The Department shall notify each regulatory body of this State that has*  
4 *issued a current, valid license to a licensed provider or insurer if:*

5       (a) *The Department determines that the licensed provider or insurer is not in*  
6 *compliance with the requirements of subsection 4 of NRS 439.589; and*

7       (b) *The licensed provider or insurer:*

8       (1) *Is not exempt from those requirements pursuant to subsection 5 of*  
9 *NRS 439.589; and*

10       (2) *Has not received a waiver of those requirements pursuant to*  
11 *subsection 6 of NRS 439.589.*

12       2. *If the Department determines that a licensed provider or insurer for*  
13 *which notice was previously provided pursuant to subsection 1 has come into*  
14 *compliance with the requirements of subsection 4 of NRS 439.589, the*  
15 *Department shall immediately notify the regulatory body that issued the license.*

16       3. *As used in this section:*

17       (a) *“License” means any license, certificate, registration, permit or similar*  
18 *type of authorization to practice an occupation or profession or engage in a*  
19 *business in this State issued to a licensed provider or insurer.*

20       (b) *“Licensed provider or insurer” means:*

21       (1) *A medical facility licensed pursuant to chapter 449 of NRS;*

22       (2) *The holder of a permit to operate an ambulance, an air ambulance or*  
23 *a vehicle of a fire-fighting agency pursuant to chapter 450B of NRS;*

24       (3) *A provider of health care, as defined in NRS 629.031, who is licensed*  
25 *pursuant to title 54 of NRS; or*

26       (4) *Any person licensed pursuant to title 57 of NRS.*

27       (c) *“Regulatory body” means any governmental entity that issues a license.*

28       **Sec. 1.02.** NRS 439.580 is hereby amended to read as follows:

29       439.580 1. Any local health officer or a deputy of a local health officer who  
30 neglects or fails to enforce the provisions of this chapter in his or her jurisdiction, or  
31 neglects or refuses to perform any of the duties imposed upon him or her by this  
32 chapter or by the instructions and directions of the Division shall be punished by a  
33 fine of not more than \$250.

34       2. ~~Each~~ *Except as otherwise provided in NRS 439.589, each* person who  
35 violates any of the provisions of this chapter or refuses or neglects to obey any  
36 lawful order, rule or regulation of the:

37       (a) State Board of Health or violates any rule or regulation approved by the  
38 State Board of Health pursuant to NRS 439.350, 439.366, 439.410 and 439.460; or

39       (b) Director adopted pursuant to NRS 439.538 or 439.581 to 439.595,  
40 inclusive, *and section 1 of this act,*

41       ↪ is guilty of a misdemeanor.

42       **Sec. 1.04.** NRS 439.581 is hereby amended to read as follows:

43       439.581 As used in NRS 439.581 to 439.595, inclusive, *and section 1 of this*  
44 *act,* unless the context otherwise requires, the words and terms defined in NRS  
45 439.582 to 439.585, inclusive, have the meanings ascribed to them in those  
46 sections.

47       **Sec. 1.06.** NRS 439.587 is hereby amended to read as follows:

48       439.587 1. The Director is the state authority for health information  
49 technology. ~~The Director shall:~~

1 ~~— (a) Ensure that a health information exchange complies with the specifications~~  
2 ~~and protocols for exchanging electronic health records, health related information~~  
3 ~~and related data prescribed pursuant to the provisions of the Health Information~~  
4 ~~Technology for Economic and Clinical Health Act of 2009, 42 U.S.C. §§ 300jj et~~  
5 ~~seq. and 17901 et seq., and other applicable federal and state law;~~

6 ~~— (b) Encourage the use of a health information exchange by health care~~  
7 ~~providers, payers and patients;~~

8 ~~— (c) Prescribe by regulation standards for the electronic transmittal of electronic~~  
9 ~~health records, prescriptions, health related information, electronic signatures and~~  
10 ~~requirements for electronic equivalents of written entries or written approvals in~~  
11 ~~accordance with federal law;~~

12 ~~— (d) Prescribe by regulation rules governing the ownership, management and~~  
13 ~~use of electronic health records, health related information and related data retained~~  
14 ~~or shared by a health information exchange; and~~

15 ~~— (e) Prescribe by regulation, in consultation with the State Board of Pharmacy,~~  
16 ~~standards for the electronic transmission of prior authorizations for prescription~~  
17 ~~medication using a health information exchange.]~~

18 2. The Director may establish or contract with ~~[not more than]~~ one *or more*  
19 health information ~~{exchange to serve as the statewide health information~~  
20 ~~exchange}~~ *exchanges* to be responsible for compiling statewide master indexes of  
21 patients, health care providers and payers. The Director may by regulation prescribe  
22 the requirements for *such* a ~~[statewide]~~ health information exchange, including,  
23 without limitation, the procedure by which any patient, health care provider or  
24 payer master index created pursuant to any contract is transferred to the State upon  
25 termination of the contract.

26 3. The Director may enter into contracts, apply for and accept available gifts,  
27 grants and donations, and adopt such regulations as are necessary to carry out the  
28 provisions of NRS 439.581 to 439.595, inclusive, *and section 1 of this act*.

29 **Sec. 1.07.** NRS 439.588 is hereby amended to read as follows:

30 439.588 1. A health information exchange shall not operate in this State  
31 without first obtaining certification as provided in subsection 2.

32 2. The Director shall by regulation establish the manner in which a health  
33 information exchange may apply for certification and the requirements for granting  
34 such certification, which must include, without limitation, that the health  
35 information exchange demonstrate its financial and operational sustainability,  
36 adherence to the privacy, security and patient consent standards adopted pursuant to  
37 NRS 439.589 and capacity for interoperability with any other health information  
38 exchange certified pursuant to this section.

39 3. The Director may deny an application for certification or may suspend or  
40 revoke any certification issued pursuant to subsection 2 for failure to comply with  
41 the provisions of NRS 439.581 to 439.595, inclusive, *and section 1 of this act*, or  
42 the regulations adopted pursuant thereto or any applicable federal or state law.

43 4. When the Director intends to deny, suspend or revoke a certification, he or  
44 she shall give reasonable notice to all parties by certified mail. The notice must  
45 contain the legal authority, jurisdiction and reasons for the action to be taken. A  
46 health information exchange that wishes to contest the action of the Director must  
47 file an appeal with the Director.

48 5. The Director shall adopt regulations establishing the manner in which a  
49 person may file a complaint with the Director regarding a violation of the  
50 provisions of this section.

51 6. The Director may impose an administrative fine against a health  
52 information exchange which operates in this State without holding a certification in  
53 an amount established by the Director by regulation. The Director shall afford a

1 health information exchange so find an opportunity for a hearing pursuant to the  
2 provisions of NRS 233B.121.

3 7. The Director may adopt such regulations as he or she determines are  
4 necessary to carry out the provisions of this section.

5 **Sec. 1.08.** NRS 439.589 is hereby amended to read as follows:

6 439.589 1. The Director, *in consultation with health care providers, third*  
7 *parties and other interested persons and entities*, shall by regulation prescribe *a*  
8 *framework for the electronic maintenance, transmittal and exchange of*  
9 *electronic health records, prescriptions, health-related information and electronic*  
10 *signatures and requirements for electronic equivalents of written entries or*  
11 *written approvals in accordance with federal law. The regulations must:*

12 (a) Establish standards ~~for~~

13 ~~—(a)~~ *for networks and technologies to be used to maintain, transmit and*  
14 *exchange health information, including, without limitation, standards:*

15 (1) *That require:*

16 (I) *The use of networks and technologies that allow patients to access*  
17 *electronic health records directly from the health care provider of the patient and*  
18 *forward such electronic health records electronically to other persons and*  
19 *entities; and*

20 (II) *The interoperability of such networks and technologies in*  
21 *accordance with the applicable standards for the interoperability of Qualified*  
22 *Health Information Networks prescribed by the Office of the National*  
23 *Coordinator for Health Information Technology of the United States Department*  
24 *of Health and Human Services;*

25 (2) To ensure that electronic health records retained or shared ~~by any~~  
26 ~~health information exchange~~ are secure;

27 ~~[(b)]~~ (3) To maintain the confidentiality of electronic health records and  
28 health-related information, including, without limitation, standards to maintain the  
29 confidentiality of electronic health records relating to a child who has received  
30 health care services without the consent of a parent or guardian and which ensure  
31 that a child's right to access such health care services is not impaired;

32 ~~[(c)]~~ (4) To ensure the privacy of individually identifiable health information,  
33 including, without limitation, standards to ensure the privacy of information  
34 relating to a child who has received health care services without the consent of a  
35 parent or guardian;

36 ~~[(d)]~~ (5) For obtaining consent from a patient before retrieving the patient's  
37 health records from a health information exchange, including, without limitation,  
38 standards for obtaining such consent from a child who has received health care  
39 services without the consent of a parent or guardian;

40 ~~[(e)]~~ (6) For making any necessary corrections to information or records  
41 ~~retained or shared by a health information exchange; and~~

42 ~~—(f)~~ ;

43 (7) For notifying a patient if the confidentiality of information contained in  
44 an electronic health record of the patient is breached ~~[(f)]~~ ;

45 (8) *Governing the ownership, management and use of electronic health*  
46 *records, health-related information and related data; and*

47 (9) *For the electronic transmission of prior authorizations for*  
48 *prescription medication;*

49 (b) *Ensure compliance with the requirements, specifications and protocols*  
50 *for exchanging, securing and disclosing electronic health records, health-related*  
51 *information and related data prescribed pursuant to the provisions of the Health*  
52 *Information Technology for Economic and Clinical Health Act, 42 U.S.C. §§*  
53 *300jj et seq. and 17901 et seq., the Health Insurance Portability and*

1 *Accountability Act of 1996, Public Law 104-191, and other applicable federal and*  
2 *state law; and*

3 *(c) Be based on nationally recognized best practices for maintaining,*  
4 *transmitting and exchanging health information electronically.*

5 2. The standards prescribed pursuant to this section must include, without  
6 limitation:

7 (a) Requirements for the creation, maintenance and transmittal of electronic  
8 health records;

9 (b) Requirements for protecting confidentiality, including control over, access  
10 to and the collection, organization and maintenance of electronic health records,  
11 health-related information and individually identifiable health information;

12 (c) Requirements for the manner in which a patient may, through a health care  
13 provider who participates in the sharing of health records using a health information  
14 exchange, revoke his or her consent for a health care provider to retrieve the  
15 patient's health records from the health information exchange;

16 (d) A secure and traceable electronic audit system for identifying access points  
17 and trails to electronic health records and health information exchanges; and

18 (e) Any other requirements necessary to comply with all applicable federal  
19 laws relating to electronic health records, health-related information, health  
20 information exchanges and the security and confidentiality of such records and  
21 exchanges.

22 3. *The regulations adopted pursuant to this section must not require any*  
23 *person or entity to use a health information exchange.*

24 4. *Except as otherwise provided in subsections 5, 6 and 7, the Department*  
25 *and the divisions thereof, other state and local governmental entities, health care*  
26 *providers, third parties, pharmacy benefit managers and other entities licensed or*  
27 *certified pursuant to title 57 of NRS shall maintain, transmit and exchange*  
28 *health information in accordance with the regulations adopted pursuant to this*  
29 *section, the provisions of NRS 439.581 to 439.595, inclusive, and section 1 of this*  
30 *act, and any other regulations adopted pursuant thereto.*

31 5. *The Federal Government and employees thereof, a provider of health*  
32 *coverage for federal employees, a provider of health coverage that is subject to*  
33 *the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.,*  
34 *or a Taft-Hartley trust formed pursuant to 29 U.S.C. § 186(c)(5) is not required to*  
35 *but may maintain, transmit and exchange electronic information in accordance*  
36 *with the regulations adopted pursuant to this section.*

37 6. *A health care provider may apply to the Department for a waiver from*  
38 *the provisions of subsection 4 on the basis that the health care provider does not*  
39 *have the infrastructure necessary to comply with those provisions, including,*  
40 *without limitation, because the health care provider does not have access to the*  
41 *Internet. The Department shall grant a waiver if it determines that:*

42 (a) *The health care provider does not currently have the infrastructure*  
43 *necessary to comply with the provisions of subsection 4; and*

44 (b) *Obtaining such infrastructure is not reasonably practicable, including,*  
45 *without limitation, because the cost of such infrastructure would make it difficult*  
46 *for the health care provider to continue to operate.*

47 7. *The provisions of subsection 4 do not apply to the Department of*  
48 *Corrections.*

49 8. *A violation of the provisions of this section or any regulations adopted*  
50 *pursuant thereto is not a misdemeanor.*

51 9. *As used in this section:*

52 (a) *"Pharmacy benefit manager" has the meaning ascribed to it in NRS*  
53 *683A.174.*



1           **(b) “Third party” means any insurer, governmental entity or other**  
2 **organization providing health coverage or benefits in accordance with state or**  
3 **federal law.**

4           **Sec. 1.09.** NRS 439.591 is hereby amended to read as follows:

5           439.591 1. Except as otherwise provided in subsection 2 of NRS 439.538, a  
6 patient must not be required to participate in a health information exchange. Before  
7 a patient’s health care records may be ~~transmitted to or~~ retrieved from a health  
8 information exchange, the patient must be fully informed and **affirmatively** consent,  
9 in the manner prescribed by the Director. **It is the public policy of this State that,**  
10 **except as otherwise provided in NRS 439.538, a patient’s health care records**  
11 **must not be ~~transmitted to or~~ retrieved from a health information exchange**  
12 **unless the patient provides such affirmative consent.**

13           2. A patient must be notified in the manner prescribed by the Director of any  
14 breach of the confidentiality of electronic health records of the patient or a health  
15 information exchange.

16           3. A patient who consents to the ~~transmittal of his or her electronic health~~  
17 ~~record to or the~~ retrieval of his or her electronic health record from a health  
18 information exchange may at any time request that a health care provider access  
19 and provide the patient with his or her electronic health record in accordance with  
20 the provisions of 45 C.F.R. § 164.526.

21           **Sec. 1.1.** NRS 439.593 is hereby amended to read as follows:

22           439.593 A health care provider who with reasonable care **transmits, accesses,**  
23 **utilizes, discloses,** relies upon **or provides to a patient** an apparently genuine  
24 electronic health record ~~accessed from a health information exchange to make a~~  
25 ~~decision concerning the provision of health care to a patient~~ **in accordance with**  
26 **NRS 439.581 to 439.595, inclusive, and the regulations adopted pursuant thereto**  
27 **is immune from civil or criminal liability for ~~the~~ any decision concerning the**  
28 **provision of health care to a patient and any civil or criminal liability resulting**  
29 **from the provision of the record to a patient if:**

- 30           1. The electronic health record is inaccurate;  
31           2. The inaccuracy was not caused by the health care provider;  
32           3. The inaccuracy resulted in an inappropriate health care decision; and  
33           4. The health care decision was appropriate based upon the information  
34 contained in the inaccurate electronic health record.

35           **Sec. 1.2.** NRS 439.595 is hereby amended to read as follows:

36           439.595 Providing information to , **transmitting, accessing, utilizing or**  
37 **disclosing** an electronic health record or participating in a health information  
38 exchange in accordance with NRS 439.581 to 439.595, inclusive, does not  
39 constitute an unfair trade practice pursuant to chapter 598A or 686A of NRS.

40           **Sec. 1.3.** Chapter 449 of NRS is hereby amended by adding thereto a new  
41 section to read as follows:

42           **1. If the Division receives notification from the Department of Health and**  
43 **Human Services pursuant to section 1 of this act that a medical facility licensed**  
44 **pursuant to this chapter is not in compliance with the requirements of subsection**  
45 **4 of NRS 439.589, the Division may, after notice and the opportunity for a**  
46 **hearing in accordance with the provisions of this chapter, require corrective**  
47 **action or impose an administrative penalty in the amount prescribed by NRS**  
48 **449.163.**

49           **2. The Division shall not suspend or revoke a license for failure to comply**  
50 **with the requirements of subsection 4 of NRS 439.589.**

51           **Sec. 1.4.** NRS 449.029 is hereby amended to read as follows:

52           449.029 As used in NRS 449.029 to 449.240, inclusive, **and section 1.3 of**  
53 **this act,** unless the context otherwise requires, “medical facility” has the meaning

1 ascribed to it in NRS 449.0151 and includes a program of hospice care described in  
2 NRS 449.196.

3 **Sec. 1.5.** NRS 449.0301 is hereby amended to read as follows:

4 449.0301 The provisions of NRS 449.029 to 449.2428, inclusive, *and section*  
5 *1.3 of this act* do not apply to:

6 1. Any facility conducted by and for the adherents of any church or religious  
7 denomination for the purpose of providing facilities for the care and treatment of  
8 the sick who depend solely upon spiritual means through prayer for healing in the  
9 practice of the religion of the church or denomination, except that such a facility  
10 shall comply with all regulations relative to sanitation and safety applicable to other  
11 facilities of a similar category.

12 2. Foster homes as defined in NRS 424.014.

13 3. Any medical facility, facility for the dependent or facility which is  
14 otherwise required by the regulations adopted by the Board pursuant to NRS  
15 449.0303 to be licensed that is operated and maintained by the United States  
16 Government or an agency thereof.

17 **Sec. 1.6.** NRS 449.089 is hereby amended to read as follows:

18 449.089 1. Each license issued pursuant to NRS 449.029 to 449.2428,  
19 inclusive, *and section 1.3 of this act* expires on December 31 following its issuance  
20 and is renewable for 1 year upon reapplication and payment of all fees required  
21 pursuant to subsection 4 and NRS 449.050, as applicable, unless the Division finds,  
22 after an investigation, that the facility has not:

23 (a) Satisfactorily complied with the provisions of NRS 449.029 to 449.2428,  
24 inclusive, *and section 1.3 of this act* or the standards and regulations adopted by  
25 the Board;

26 (b) Obtained the approval of the Director of the Department of Health and  
27 Human Services before undertaking a project, if such approval is required by NRS  
28 439A.100; or

29 (c) Conformed to all applicable local zoning regulations.

30 2. Each reapplication for an agency to provide personal care services in the  
31 home, an agency to provide nursing in the home, a community health worker pool,  
32 a facility for intermediate care, a facility for skilled nursing, a provider of  
33 community-based living arrangement services, a hospital described in 42 U.S.C. §  
34 1395ww(d)(1)(B)(iv), a psychiatric hospital that provides inpatient services to  
35 children, a psychiatric residential treatment facility, a residential facility for groups,  
36 a program of hospice care, a home for individual residential care, a facility for the  
37 care of adults during the day, a facility for hospice care, a nursing pool, the distinct  
38 part of a hospital which meets the requirements of a skilled nursing facility or  
39 nursing facility pursuant to 42 C.F.R. § 483.5, a hospital that provides swing-bed  
40 services as described in 42 C.F.R. § 482.58 or, if residential services are provided  
41 to children, a medical facility or facility for the treatment of alcohol or other  
42 substance use disorders must include, without limitation, a statement that the  
43 facility, hospital, agency, program, pool or home is in compliance with the  
44 provisions of NRS 449.115 to 449.125, inclusive, and 449.174.

45 3. Each reapplication for an agency to provide personal care services in the  
46 home, a community health worker pool, a facility for intermediate care, a facility  
47 for skilled nursing, a facility for the care of adults during the day, a residential  
48 facility for groups or a home for individual residential care must include, without  
49 limitation, a statement that the holder of the license to operate, and the  
50 administrator or other person in charge and employees of, the facility, agency, pool  
51 or home are in compliance with the provisions of NRS 449.093.

52 4. Each reapplication for a surgical center for ambulatory patients, facility for  
53 the treatment of irreversible renal disease, facility for hospice care, program of

1 hospice care, hospital, facility for intermediate care, facility for skilled nursing,  
2 agency to provide personal care services in the home or rural clinic must be  
3 accompanied by the fee prescribed by the State Board of Health pursuant to NRS  
4 457.240, in addition to the fees imposed pursuant to NRS 449.050.

5 **Sec. 1.7.** NRS 449.160 is hereby amended to read as follows:

6 449.160 1. The Division may deny an application for a license or may  
7 suspend or revoke any license issued under the provisions of NRS 449.029 to  
8 449.2428, inclusive, *and section 1.3 of this act* upon any of the following grounds:

9 (a) Violation by the applicant or the licensee of any of the provisions of NRS  
10 439B.410 or 449.029 to 449.245, inclusive, *and section 1.3 of this act* or of any  
11 other law of this State or of the standards, rules and regulations adopted thereunder.

12 (b) Aiding, abetting or permitting the commission of any illegal act.

13 (c) Conduct inimical to the public health, morals, welfare and safety of the  
14 people of the State of Nevada in the maintenance and operation of the premises for  
15 which a license is issued.

16 (d) Conduct or practice detrimental to the health or safety of the occupants or  
17 employees of the facility.

18 (e) Failure of the applicant to obtain written approval from the Director of the  
19 Department of Health and Human Services as required by NRS 439A.100 or as  
20 provided in any regulation adopted pursuant to NRS 449.001 to 449.430, inclusive,  
21 *and section 1.3 of this act* and 449.435 to 449.531, inclusive, and chapter 449A of  
22 NRS if such approval is required.

23 (f) Failure to comply with the provisions of NRS 441A.315 and any  
24 regulations adopted pursuant thereto or NRS 449.2486.

25 (g) Violation of the provisions of NRS 458.112.

26 2. In addition to the provisions of subsection 1, the Division may revoke a  
27 license to operate a facility for the dependent if, with respect to that facility, the  
28 licensee that operates the facility, or an agent or employee of the licensee:

29 (a) Is convicted of violating any of the provisions of NRS 202.470;

30 (b) Is ordered to but fails to abate a nuisance pursuant to NRS 244.360,  
31 244.3603 or 268.4124; or

32 (c) Is ordered by the appropriate governmental agency to correct a violation of  
33 a building, safety or health code or regulation but fails to correct the violation.

34 3. The Division shall maintain a log of any complaints that it receives relating  
35 to activities for which the Division may revoke the license to operate a facility for  
36 the dependent pursuant to subsection 2. The Division shall provide to a facility for  
37 the care of adults during the day:

38 (a) A summary of a complaint against the facility if the investigation of the  
39 complaint by the Division either substantiates the complaint or is inconclusive;

40 (b) A report of any investigation conducted with respect to the complaint; and

41 (c) A report of any disciplinary action taken against the facility.

42 ↪ The facility shall make the information available to the public pursuant to NRS  
43 449.2486.

44 4. On or before February 1 of each odd-numbered year, the Division shall  
45 submit to the Director of the Legislative Counsel Bureau a written report setting  
46 forth, for the previous biennium:

47 (a) Any complaints included in the log maintained by the Division pursuant to  
48 subsection 3; and

49 (b) Any disciplinary actions taken by the Division pursuant to subsection 2.

50 **Sec. 1.75.** NRS 449.163 is hereby amended to read as follows:

51 449.163 1. In addition to the payment of the amount required by NRS  
52 449.0308, if a medical facility, facility for the dependent or facility which is  
53 required by the regulations adopted by the Board pursuant to NRS 449.0303 to be

1 licensed violates any provision related to its licensure, including any provision of  
2 NRS 439B.410 or 449.029 to 449.2428, inclusive, *and section 1.3 of this act* or any  
3 condition, standard or regulation adopted by the Board, the Division, in accordance  
4 with the regulations adopted pursuant to NRS 449.165, may:

5 (a) Prohibit the facility from admitting any patient until it determines that the  
6 facility has corrected the violation;

7 (b) Limit the occupancy of the facility to the number of beds occupied when  
8 the violation occurred, until it determines that the facility has corrected the  
9 violation;

10 (c) If the license of the facility limits the occupancy of the facility and the  
11 facility has exceeded the approved occupancy, require the facility, at its own  
12 expense, to move patients to another facility that is licensed;

13 (d) Impose an administrative penalty of not more than \$5,000 per day for each  
14 violation, together with interest thereon at a rate not to exceed 10 percent per  
15 annum; and

16 (e) Appoint temporary management to oversee the operation of the facility and  
17 to ensure the health and safety of the patients of the facility, until:

18 (1) It determines that the facility has corrected the violation and has  
19 management which is capable of ensuring continued compliance with the  
20 applicable statutes, conditions, standards and regulations; or

21 (2) Improvements are made to correct the violation.

22 2. If the facility fails to pay any administrative penalty imposed pursuant to  
23 paragraph (d) of subsection 1, the Division may:

24 (a) Suspend the license of the facility until the administrative penalty is paid;  
25 and

26 (b) Collect court costs, reasonable attorney's fees and other costs incurred to  
27 collect the administrative penalty.

28 3. The Division may require any facility that violates any provision of NRS  
29 439B.410 or 449.029 to 449.2428, inclusive, *and section 1.3 of this act* or any  
30 condition, standard or regulation adopted by the Board to make any improvements  
31 necessary to correct the violation.

32 4. Any money collected as administrative penalties pursuant to paragraph (d)  
33 of subsection 1 must be accounted for separately and used to administer and carry  
34 out the provisions of NRS 449.001 to 449.430, inclusive, *and section 1.3 of this*  
35 *act*, 449.435 to 449.531, inclusive, and chapter 449A of NRS to protect the health,  
36 safety, well-being and property of the patients and residents of facilities in  
37 accordance with applicable state and federal standards or for any other purpose  
38 authorized by the Legislature.

39 **Sec. 1.8.** NRS 449.220 is hereby amended to read as follows:

40 449.220 1. The Division may bring an action in the name of the State to  
41 enjoin any person, state or local government unit or agency thereof from operating  
42 or maintaining any facility within the meaning of NRS 449.029 to 449.2428,  
43 inclusive ~~§~~, *and section 1.3 of this act*:

44 (a) Without first obtaining a license therefor; or

45 (b) After his or her license has been revoked or suspended by the Division.

46 2. It is sufficient in such action to allege that the defendant did, on a certain  
47 date and in a certain place, operate and maintain such a facility without a license.

48 **Sec. 1.9.** NRS 449.240 is hereby amended to read as follows:

49 449.240 The district attorney of the county in which the facility is located  
50 shall, upon application by the Division, institute and conduct the prosecution of any  
51 action for violation of any provisions of NRS 449.029 to 449.245, inclusive ~~§~~,  
52 *and section 1.3 of this act*.

1       **Sec. 1.92.** Chapter 450B of NRS is hereby amended by adding thereto a new  
2 section to read as follows:

3       **1. If the health authority receives notification from the Department of**  
4 **Health and Human Services pursuant to section 1 of this act that the holder of a**  
5 **permit to operate an ambulance, air ambulance or vehicle of a fire-fighting**  
6 **agency is not in compliance with the requirements of subsection 4 of NRS**  
7 **439.589, the health authority may, after notice and the opportunity for a hearing**  
8 **in accordance with the provisions of this chapter, require corrective action or**  
9 **impose an administrative penalty in an amount established by regulation of the**  
10 **board.**

11       **2. The health authority shall not suspend or revoke a permit for failure to**  
12 **comply with the requirements of subsection 4 of NRS 439.589.**

13       **Sec. 1.94.** NRS 287.010 is hereby amended to read as follows:

14       287.010 1. The governing body of any county, school district, municipal  
15 corporation, political subdivision, public corporation or other local governmental  
16 agency of the State of Nevada may:

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

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

29       (c) Provide group life, accident or health coverage through a self-insurance  
30 reserve fund and, where necessary, deduct contributions to the maintenance of the  
31 fund from the compensation of officers and employees and pay the deductions into  
32 the fund. The money accumulated for this purpose through deductions from the  
33 compensation of officers and employees and contributions of the governing body  
34 must be maintained as an internal service fund as defined by NRS 354.543. The  
35 money must be deposited in a state or national bank or credit union authorized to  
36 transact business in the State of Nevada. Any independent administrator of a fund  
37 created under this section is subject to the licensing requirements of chapter 683A  
38 of NRS, and must be a resident of this State. Any contract with an independent  
39 administrator must be approved by the Commissioner of Insurance as to the  
40 reasonableness of administrative charges in relation to contributions collected and  
41 benefits provided. The provisions of NRS **439.581 to 439.595, inclusive, and**  
42 **section 1 of this act,** 686A.135, 687B.352, 687B.408, 687B.723, 687B.725,  
43 689B.030 to 689B.050, inclusive, 689B.265, 689B.287 and 689B.500 apply to  
44 coverage provided pursuant to this paragraph, except that the provisions of NRS  
45 689B.0378, 689B.03785 and 689B.500 only apply to coverage for active officers  
46 and employees of the governing body, or the dependents of such officers and  
47 employees.

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

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

7           3. In any county in which a legal services organization exists, the governing  
8 body of the county, or of any school district, municipal corporation, political  
9 subdivision, public corporation or other local governmental agency of the State of  
10 Nevada in the county, may enter into a contract with the legal services organization  
11 pursuant to which the officers and employees of the legal services organization, and  
12 the dependents of those officers and employees, are eligible for any life, accident or  
13 health insurance provided pursuant to this section to the officers and employees,  
14 and the dependents of the officers and employees, of the county, school district,  
15 municipal corporation, political subdivision, public corporation or other local  
16 governmental agency.

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

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

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

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

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

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

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

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

33           **Sec. 1.96.** NRS 287.04335 is hereby amended to read as follows:

34           287.04335 If the Board provides health insurance through a plan of self-  
35 insurance, it shall comply with the provisions of NRS **439.581 to 439.595,**  
36 **inclusive, and section 1 of this act,** 686A.135, 687B.352, 687B.409, 687B.723,  
37 687B.725, 689B.0353, 689B.255, 695C.1723, 695G.150, 695G.155, 695G.160,  
38 695G.162, 695G.1635, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.1675,  
39 695G.170 to 695G.174, inclusive, 695G.176, 695G.177, 695G.200 to 695G.230,  
40 inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, in the same manner as  
41 an insurer that is licensed pursuant to title 57 of NRS is required to comply with  
42 those provisions.

43           **Sec. 1.98.** NRS 603A.100 is hereby amended to read as follows:

44           603A.100 1. The provisions of NRS 603A.010 to 603A.290, inclusive, do  
45 not apply to the maintenance or transmittal of information in accordance with NRS  
46 439.581 to 439.595, inclusive, **and section 1 of this act** and the regulations adopted  
47 pursuant thereto.

48           2. A data collector who is also an operator, as defined in NRS 603A.330, shall  
49 comply with the provisions of NRS 603A.300 to 603A.360, inclusive.

50           3. Any waiver of the provisions of NRS 603A.010 to 603A.290, inclusive, is  
51 contrary to public policy, void and unenforceable.

1           **Sec. 2.** NRS 629.051 is hereby amended to read as follows:

2           629.051 1. Except as otherwise provided in this section and in regulations  
3 adopted by the State Board of Health pursuant to NRS 652.135 with regard to the  
4 records of a medical laboratory and unless a longer period is provided by federal  
5 law, each custodian of health care records shall retain the health care records of  
6 patients as part of the regularly maintained records of the custodian for 5 years after  
7 their receipt or production. Health care records may be retained in written form, or  
8 by microfilm or any other recognized form of size reduction, including, without  
9 limitation, microfiche, computer disc, magnetic tape and optical disc, which does  
10 not adversely affect their use for the purposes of NRS 629.061. Health care records  
11 ~~may~~:

12           (a) *Must, except as otherwise provided in subsections 5 and 6 of NRS*  
13 *439.589, be created, maintained, transmitted and exchanged electronically as*  
14 *required by subsection 4 of NRS 439.589; and*

15           (b) *May* be created, authenticated and stored in a ~~computer system~~ *health*  
16 *information exchange* which meets the requirements of NRS 439.581 to 439.595,  
17 inclusive, *and section 1 of this act* and the regulations adopted pursuant thereto.

18           2. A provider of health care shall post, in a conspicuous place in each location  
19 at which the provider of health care performs health care services, a sign which  
20 discloses to patients that their health care records may be destroyed after the period  
21 set forth in subsection 1.

22           3. When a provider of health care performs health care services for a patient  
23 for the first time, the provider of health care shall deliver to the patient a written  
24 statement which discloses to the patient that the health care records of the patient  
25 may be destroyed after the period set forth in subsection 1.

26           4. If a provider of health care fails to deliver the written statement to the  
27 patient pursuant to subsection 3, the provider of health care shall deliver to the  
28 patient the written statement described in subsection 3 when the provider of health  
29 care next performs health care services for the patient.

30           5. In addition to delivering a written statement pursuant to subsection 3 or 4, a  
31 provider of health care may deliver such a written statement to a patient at any  
32 other time.

33           6. A written statement delivered to a patient pursuant to this section may be  
34 included with other written information delivered to the patient by a provider of  
35 health care.

36           7. A custodian of health care records shall not destroy the health care records  
37 of a person who is less than 23 years of age on the date of the proposed destruction  
38 of the records. The health care records of a person who has attained the age of 23  
39 years may be destroyed in accordance with this section for those records which  
40 have been retained for at least 5 years or for any longer period provided by federal  
41 law.

42           8. *If a health care licensing board receives notification from the*  
43 *Department of Health and Human Services pursuant to section 1 of this act that*  
44 *a provider of health care to which the health care licensing board has issued a*  
45 *license is not in compliance with the requirements of subsection 4 of NRS*  
46 *439.589, the health care licensing board may, after notice and the opportunity for*  
47 *a hearing in accordance with the provisions of this title, require corrective action*  
48 *or impose an administrative penalty in an amount not to exceed the maximum*  
49 *penalty that the health care licensing board is authorized to impose for other*  
50 *violations. The health care licensing board shall not suspend or revoke a license*  
51 *for failure to comply with the requirements of subsection 4 of NRS 439.589.*

52           9. The provisions of this section, *except for the provisions of paragraph (a)*  
53 *of subsection 1 and subsection 8,* do not apply to a pharmacist.

~~9.]~~ 10. The State Board of Health shall adopt:

(a) Regulations prescribing the form, size, contents and placement of the signs and written statements required pursuant to this section; and

(b) Any other regulations necessary to carry out the provisions of this section.

*11. As used in this section:*

(a) *“Health care licensing board” means:*

(1) *A board created pursuant to chapter 630, 630A, 631, 632, 633, 634, 634A, 635, 636, 637, 637B, 639, 640, 640A, 640B, 640C, 641, 641A, 641B, 641C or 641D of NRS.*

(2) *The Division of Public and Behavioral Health of the Department of Health and Human Services.*

(3) *The State Board of Health with respect to licenses issued pursuant to chapter 640D or 640E of NRS.*

(b) *“License” has the meaning ascribed to it in section 1 of this act.*

**Sec. 2.05.** NRS 654.190 is hereby amended to read as follows:

654.190 1. The Board may, after notice and an opportunity for a hearing as required by law, impose an administrative fine of not more than \$10,000 for each violation on, recover reasonable investigative fees and costs incurred from, suspend, revoke, deny the issuance or renewal of or place conditions on the license of, and place on probation or impose any combination of the foregoing on any licensee who:

(a) Is convicted of a felony relating to the practice of administering a nursing facility or residential facility or of any offense involving moral turpitude.

(b) Has obtained his or her license by the use of fraud or deceit.

(c) Violates any of the provisions of this chapter.

(d) Aids or abets any person in the violation of any of the provisions of NRS 449.029 to 449.2428, inclusive, *and section 1.3 of this act*, as those provisions pertain to a facility for skilled nursing, facility for intermediate care or residential facility for groups.

(e) Violates any regulation of the Board prescribing additional standards of conduct for licensees, including, without limitation, a code of ethics.

(f) Engages in conduct that violates the trust of a patient or resident or exploits the relationship between the licensee and the patient or resident for the financial or other gain of the licensee.

2. If a licensee requests a hearing pursuant to subsection 1, the Board shall give the licensee written notice of a hearing pursuant to NRS 233B.121 and 241.034. A licensee may waive, in writing, his or her right to attend the hearing.

3. The Board may compel the attendance of witnesses or the production of documents or objects by subpoena. The Board may adopt regulations that set forth a procedure pursuant to which the Chair of the Board may issue subpoenas on behalf of the Board. Any person who is subpoenaed pursuant to this subsection may request the Board to modify the terms of the subpoena or grant additional time for compliance.

4. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

5. The expiration of a license by operation of law or by order or decision of the Board or a court, or the voluntary surrender of a license, does not deprive the Board of jurisdiction to proceed with any investigation of, or action or disciplinary proceeding against, the licensee or to render a decision suspending or revoking the license.



1       **Sec. 2.1.** Chapter 680A of NRS is hereby amended by adding thereto a new  
2 section to read as follows:

3       **1. If the Commissioner receives notification from the Department of Health**  
4 **and Human Services pursuant to section 1 of this act that an insurer is not in**  
5 **compliance with the requirements of subsection 4 of NRS 439.589, the**  
6 **Commissioner may, after notice and the opportunity for a hearing in accordance**  
7 **with the provisions of this title, require corrective action or impose an**  
8 **administrative fine in the amount prescribed by NRS 680A.200.**

9       **2. The Commissioner shall not suspend or revoke the certificate of**  
10 **authority of an insurer for failure to comply with the requirements of subsection**  
11 **4 of NRS 439.589.**

12       **Sec. 2.15.** NRS 680A.095 is hereby amended to read as follows:

13       680A.095 1. Except as otherwise provided in subsection 3, an insurer which  
14 is not authorized to transact insurance in this State may not transact reinsurance  
15 with a domestic insurer in this State, by mail or otherwise, unless the insurer holds  
16 a certificate of authority as a reinsurer in accordance with the provisions of NRS  
17 680A.010 to 680A.150, inclusive, **and section 2.1 of this act**, 680A.160 to  
18 680A.280, inclusive, 680A.320 and 680A.330.

19       2. To qualify for authority only to transact reinsurance, an insurer must meet  
20 the same requirements for capital and surplus as are imposed on an insurer which is  
21 authorized to transact insurance in this State.

22       3. This section does not apply to the joint reinsurance of title insurance risks  
23 or to reciprocal insurance authorized pursuant to chapter 694B of NRS.

24       **Sec. 2.2.** Chapter 683A of NRS is hereby amended by adding thereto a new  
25 section to read as follows:

26       **1. If the Commissioner receives notification from the Department of Health**  
27 **and Human Services pursuant to section 1 of this act that an administrator is not**  
28 **in compliance with the requirements of subsection 4 of NRS 439.589, the**  
29 **Commissioner may, after notice and the opportunity for a hearing in accordance**  
30 **with the provisions of this chapter, require corrective action or impose an**  
31 **administrative fine in the amount prescribed by NRS 683A.461.**

32       **2. The Commissioner shall not suspend or revoke the certificate of**  
33 **registration of an administrator for failure to comply with the requirements of**  
34 **subsection 4 of NRS 439.589.**

35       **Sec. 2.25.** NRS 683A.3683 is hereby amended to read as follows:

36       683A.3683 A producer of limited lines travel insurance and each travel  
37 retailer, or employee or authorized representative of a travel retailer, who offers or  
38 disseminates travel insurance under the license of a producer of limited lines travel  
39 insurance shall be subject to the provisions of NRS 683A.451 to 683A.520,  
40 inclusive, **and section 2.2 of this act** and chapter 686A of NRS.

41       **Sec. 2.3.** NRS 692A.270 is hereby amended to read as follows:

42       692A.270 The provisions of NRS 683A.321, 683A.331, 683A.341,  
43 683A.400, 683A.451 to 683A.490, inclusive, **and section 2.2 of this act** and  
44 683A.520 apply to title insurers, title agents and escrow officers.

45       **Sec. 2.35.** Chapter 695C of NRS is hereby amended by adding thereto a new  
46 section to read as follows:

47       **1. If the Commissioner receives notification from the Department of Health**  
48 **and Human Services pursuant to section 1 of this act that a health maintenance**  
49 **organization is not in compliance with the requirements of subsection 4 of NRS**  
50 **439.589, the Commissioner may, after notice and the opportunity for a hearing in**  
51 **accordance with the provisions of this chapter, require corrective action or**  
52 **impose an administrative fine in the amount prescribed by NRS 695C.350.**

1           **2. The Commissioner shall not suspend or revoke the certificate of**  
2 **authority of a health maintenance organization for failure to comply with the**  
3 **requirements of subsection 4 of NRS 439.589.**

4           **Sec. 2.4.** NRS 719.200 is hereby amended to read as follows:

5           719.200 1. Except as otherwise provided in subsection 2, the provisions of  
6 this chapter apply to electronic records and electronic signatures relating to a  
7 transaction.

8           2. The provisions of this chapter do not apply to a transaction to the extent it  
9 is governed by:

10           (a) Except as otherwise specifically provided by law, a law governing the  
11 creation and execution of wills, codicils or testamentary trusts;

12           (b) The Uniform Commercial Code other than NRS 104.1306, 104.2101 to  
13 104.2725, inclusive, and 104A.2101 to 104A.2532, inclusive; or

14           (c) The provisions of NRS 439.581 to 439.595, inclusive, **and section 1 of this**  
15 **act** and the regulations adopted pursuant thereto.

16           3. The provisions of this chapter apply to an electronic record or electronic  
17 signature otherwise excluded from the application of this chapter under subsection  
18 2 to the extent it is governed by a law other than those specified in subsection 2.

19           4. A transaction subject to the provisions of this chapter is also subject to  
20 other applicable substantive law.

21           **Sec. 2.45.** NRS 720.140 is hereby amended to read as follows:

22           720.140 1. Except as otherwise provided in this subsection, the provisions  
23 of this chapter apply to any transaction for which a digital signature is used to sign  
24 an electronic record. The provisions of this chapter do not apply to a digital  
25 signature that is used to sign an electronic health record in accordance with NRS  
26 439.581 to 439.595, inclusive, **and section 1 of this act** and the regulations adopted  
27 pursuant thereto.

28           2. As used in this section, “electronic record” has the meaning ascribed to it in  
29 NRS 719.090.

30           **Sec. 2.5.** 1. There is hereby appropriated from the State General Fund to  
31 the Department of Health and Human Services the sum of \$3,000,000 for the  
32 purpose of awarding grants to providers of health care and medical facilities for the  
33 purposes of complying with the requirements of subsection 4 of NRS 439.589, as  
34 amended by section 1.08 of this act. To receive such a grant, a provider of health  
35 care or medical facility must have a staff of less than 50 persons or work for an  
36 entity that has a staff of less than 50 persons, as applicable.

37           2. Any remaining balance of the appropriation made by subsection 1 must not  
38 be committed for expenditure after June 30, 2025, by the entity to which the  
39 appropriation is made or any entity to which money from the appropriation is  
40 granted or otherwise transferred in any manner, and any portion of the appropriated  
41 money remaining must not be spent for any purpose after September 19, 2025, by  
42 either the entity to which the money was appropriated or the entity to which the  
43 money was subsequently granted or transferred, and must be reverted to the State  
44 General Fund on or before September 19, 2025.

45           3. As used in this section:

46           (a) “Medical facility” has the meaning ascribed to it in NRS 449.0151.

47           (b) “Provider of health care” has the meaning ascribed to it in NRS 629.031.

48           **Sec. 2.7.** 1. On or before July 1, 2023, the Director of the Department shall  
49 convene an advisory group to advise the Director of the Department in the adoption  
50 of regulations pursuant to NRS 439.589, as amended by section 1.08 of this act.  
51 The advisory group shall consist of:

52           (a) The following ex officio members:

53           (1) The Director of the Department;

1 (2) The Administrator of the Division of Public and Behavioral Health of  
2 the Department;

3 (3) The Administrator of the Division of Health Care Financing and Policy  
4 of the Department;

5 (4) The Administrator of the Division of Welfare and Supportive Services  
6 of the Department;

7 (5) The Commissioner of Insurance;

8 (6) Each district health officer appointed pursuant to NRS 439.368 or  
9 439.400;

10 (7) The Executive Officer of the Public Employees' Benefits Program; and

11 (8) The Executive Director of the Silver State Health Insurance Exchange;  
12 and

13 (b) The following members appointed by the Director:

14 (1) Representatives of third parties, as defined in NRS 439.589, as  
15 amended by section 1.08 of this act, that provide health coverage in this State;

16 (2) Representatives of hospitals, as defined in NRS 449.012, other medical  
17 facilities, as defined in NRS 449.0151, and facilities for the dependent, as defined  
18 in NRS 449.0045;

19 (3) Representatives of consumers of health care;

20 (4) Representatives of labor organizations;

21 (5) Professionals in the field of information privacy and security;

22 (6) Professionals in the field of health information technology and the  
23 interoperability of health information;

24 (7) Representatives of community-based organizations whose work relates  
25 to health information;

26 (8) Representatives of county and city health departments;

27 (9) Representatives of social services agencies; and

28 (10) Representatives of community-based organizations whose work  
29 relates to social services.

30 2. Members appointed to the advisory group pursuant to paragraph (b) of  
31 subsection 1 serve at the pleasure of the Director of the Department. If a vacancy  
32 occurs, the Director shall appoint a person similarly qualified to replace that  
33 member.

34 3. Members of the advisory group serve without compensation or per diem  
35 but are entitled to receive reimbursement for travel expenses in the same amount  
36 provided for state officers and employees generally.

37 4. The Director of the Department shall serve as the Chair of the advisory  
38 group.

39 5. A majority of the voting members of the advisory group constitutes a  
40 quorum for the transaction of business, and a majority of the members of a quorum  
41 present at any meeting is sufficient for any official action taken by the advisory  
42 group.

43 6. Each member of the advisory group who is an officer or employee of this  
44 State or a political subdivision of this State must be relieved from his or her duties  
45 without loss of regular compensation so that the officer or employee may prepare  
46 for and attend meetings of the advisory group and perform any work necessary to  
47 carry out the duties of the advisory group in the most timely manner practicable. A  
48 state agency or political subdivision of this State shall not require an officer or  
49 employee who is a member of the advisory group to make up the time the officer or  
50 employee is absent from work to carry out duties as a member of the advisory  
51 group or use annual leave or compensatory time for the absence.

1           7. The advisory group may establish subcommittees and working groups  
2 consisting of members of the advisory group or other persons to assist the advisory  
3 group in the performance of its duties.

4           8. The advisory group shall advise the Director of the Department on the  
5 development and implementation of the regulations adopted pursuant to NRS  
6 439.589, as amended by section 1.08 of this act.

7           9. The Director of the Department shall:

8           (a) On or before August 1, 2024, present at a meeting of the Joint Interim  
9 Standing Committee on Health and Human Services concerning the progress of the  
10 Director in developing and implementing the regulations adopted pursuant to NRS  
11 439.589, as amended by section 1.08 of this act; and

12           (b) On or before December 31, 2024, submit to the Director of the Legislative  
13 Counsel Bureau for transmittal to the 83rd Session of the Legislature a report  
14 concerning the progress of the Director in developing and implementing the  
15 regulations adopted pursuant to NRS 439.589, as amended by section 1.08 of this  
16 act.

17           10. As used in this section, "Department" means the Department of Health  
18 and Human Services.

19           **Sec. 2.8.** 1. Hospitals and physician group practices with more than 20  
20 employees shall comply with the provisions of subsection 4 of NRS 439.589, as  
21 amended by section 1.08 of this act, on or before July 1, 2024.

22           2. Notwithstanding the amendatory provisions of sections 1, 1.08, 1.3, 1.92,  
23 1.94, 1.96, 2 ~~[and]~~ 2.1, 2.2 and 2.35 of this act:

24           (a) Persons and entities subject to the provisions of subsection 4 of NRS  
25 439.589, as amended by section 1.08 of this act, other than the persons and entities  
26 described in paragraph (b) of this subsection and subsection 1 of this section, are  
27 not required to comply with those provisions until July 1, 2025.

28           (b) Physician group practices or other business entities organized for the  
29 purpose of practicing a health care profession with 20 or fewer employees,  
30 including, without limitation, sole proprietorships, are not required to comply with  
31 the provisions of subsection 4 of NRS 439.589, as amended by section 1.08 of this  
32 act, until January 1, 2030.

33           3. As used in this section:

34           (a) "Hospital" has the meaning ascribed to it in NRS 449.012.

35           (b) "Health care profession" means any profession practiced by providers of  
36 health care, as defined in NRS 629.031.

37           (c) "Physician group practice" means any business entity organized for the  
38 purpose of the practice of medicine or osteopathic medicine by more than one  
39 physician.

40           **Sec. 3.** The provisions of NRS 354.599 do not apply to any additional  
41 expenses of a local government that are related to the provisions of this act.

42           **Sec. 4.** 1. This section and sections 1.09, 1.1 and 1.2 of this act become  
43 effective upon passage and approval.

44           2. Sections 2.5 and 2.7 of this act become effective on July 1, 2023.

45           3. Sections 1 to 1.08, inclusive, 1.3 to 2.45, inclusive, 2.8 and 3 of this act  
46 become effective:

47           (a) Upon passage and approval for the purpose of adopting any regulations and  
48 performing any other preparatory administrative tasks that are necessary to carry  
49 out the provisions of this act; and

50           (b) On July 1, 2024, for all other purposes.