

SENATE BILL NO. 329—SENATORS LANGE AND DONATE

MARCH 22, 2021

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to competition in health care markets. (BDR 40-998)

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

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

AN ACT relating to health care; requiring a hospital or physician group practice, or a person who owns all or substantially all of a physician group practice, to notify the Department of Health and Human Services of certain transactions; prohibiting a provider of health care from willfully entering into a contract that contains certain provisions; authorizing the use of certain fees to investigate such prohibited contracting practices; authorizing certain civil actions; authorizing the imposition of a civil penalty; providing a penalty; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides that the Department of Health and Human Services is the  
2 agency of this State for health planning and development. (NRS 439A.081) **Section**  
3 **1** of this bill requires a hospital to notify the Department of any merger, acquisition  
4 or similar transaction involving the hospital. **Section 1** additionally requires a  
5 physician group practice or a person who owns all or substantially all of a physician  
6 group practice to report certain similar transactions if: (1) the physician group  
7 practices that are parties to the transaction or owned by parties to the transaction  
8 represent at least 20 percent of the physicians who practice any specialty in a  
9 primary service area; and (2) the physician group practice represents the largest  
10 number of physicians of any physician group practice that is a party to the  
11 transaction or owned by a party to the transaction. **Section 1** requires the  
12 Department to post the information contained in those notices on the Internet and  
13 publish an annual report based on that information.

14 Existing law prohibits certain unfair trade practices. (NRS 598A.060) **Section**  
15 **20.9** of this bill prohibits a provider of health care, including a facility that provides  
16 health care, from willfully entering into, willfully offering to enter into or willfully  
17 soliciting a contract that: (1) prohibits a third party insurer from steering covered



18 persons to certain providers of health care or placing providers of health care in  
19 tiers; or (2) that places certain other restrictions on the third party insurer. The  
20 Attorney General or a person injured by a violation of **section 20.9** would be  
21 authorized to bring a civil action against a provider of health care who commits  
22 such a violation. (NRS 598A.160, 598A.180-598A.210) **Sections 20.9 and 20.95** of  
23 this bill also make such a violation a misdemeanor. Additionally, a provider of  
24 health care or third party insurer who commits such a violation would be subject to  
25 a civil penalty. (NRS 598A.170)

26 Existing law requires certain business entities that have had a total of five or  
27 more investigations commenced against the entity for unfair trade practices which  
28 resulted in the imposition of certain penalties or other requirements during a 5-year  
29 period to submit to the Secretary of State: (1) a statement concerning each such  
30 investigation; and (2) a fee. Existing law requires the Attorney General to use that  
31 fee for the purposes of investigating unfair trade practices. (NRS 78.153, 80.115,  
32 86.264, 86.5462, 87A.295, 87A.565, 88.397, 88.5915) **Sections 20.1-20.8** of this  
33 bill authorize the Attorney General to use those fees to investigate contracting  
34 practices prohibited by **section 20.9**.

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

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

3 *1. A hospital shall notify the Department of any merger,*  
4 *acquisition or joint venture with any entity, including, without*  
5 *limitation, a physician group practice, to which the hospital is a*  
6 *party or any contract for the management of the hospital not later*  
7 *than 60 days after the finalization of the transaction or execution*  
8 *of the contract for management, as applicable.*

9 *2. A physician group practice or a person who owns all or*  
10 *substantially all of a physician group practice shall notify the*  
11 *Department of a transaction described in subsection 3 to which the*  
12 *physician group practice or person, as applicable, is a party or any*  
13 *contract for the management of the physician group practice not*  
14 *later than 60 days after the finalization of the transaction or*  
15 *execution of the contract for management, as applicable, if:*

16 *(a) The physician group practices that are parties to the*  
17 *transaction or contract for management or that are owned by*  
18 *those parties represent at least 20 percent of the physicians who*  
19 *practice any specialty in a primary service area; and*

20 *(b) The physician group practice represents the largest number*  
21 *of physicians of any physician group practice that is a party to or*  
22 *owned by a party to the transaction or contract for management.*

23 *3. Notice must be provided pursuant to subsection 2 for any:*

24 *(a) Merger of, consolidation of or other affiliation between*  
25 *physician group practices, persons who own physician group*  
26 *practices or any combination thereof;*



1 (b) *The acquisition of all or substantially all of the properties*  
2 *and assets of a physician group practice;*

3 (c) *The acquisition of all or substantially all of the capital*  
4 *stock, membership interests or other equity interests of a physician*  
5 *group practice;*

6 (d) *The employment of all or substantially all of the physicians*  
7 *in a physician group practice; or*

8 (e) *The acquisition of an insolvent physician group practice.*

9 4. *Notice pursuant to subsection 1 or 2 must be provided in*  
10 *the form prescribed by the Department and must include, without*  
11 *limitation:*

12 (a) *The name of each party to the transaction or contract for*  
13 *management, as applicable;*

14 (b) *A description of the nature of the proposed relationship of*  
15 *the parties to the transaction or contract for management, as*  
16 *applicable;*

17 (c) *The names and any specialties of each physician who is a*  
18 *party or employed by or affiliated with a physician group practice*  
19 *that is a party to or is owned by a party to the transaction or*  
20 *contract for management, as applicable;*

21 (d) *The name and address of each business entity that will*  
22 *provide health services after the transaction or contract for*  
23 *management, as applicable;*

24 (e) *A description of the health services to be provided at each*  
25 *location of a business entity described in paragraph (d); and*

26 (f) *The primary service area to be served by each location of a*  
27 *business entity described in paragraph (d).*

28 5. *The Department shall:*

29 (a) *Post the information contained in the notices provided*  
30 *pursuant to subsections 1 and 2 on an Internet website maintained*  
31 *by the Department; and*

32 (b) *Annually prepare a report regarding market transactions*  
33 *and concentration in health care based on the information in the*  
34 *notices and post the report on an Internet website maintained by*  
35 *the Department.*

36 6. *As used in this section:*

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

40 (b) *“Primary service area” means an area comprising the*  
41 *smallest number of zip codes from which the hospital or physician*  
42 *group practice draws at least 75 percent of patients.*

43 **Sec. 2.** (Deleted by amendment.)

44 **Sec. 3.** (Deleted by amendment.)

45 **Sec. 4.** (Deleted by amendment.)



1     **Sec. 5.** (Deleted by amendment.)

2     **Sec. 6.** (Deleted by amendment.)

3     **Sec. 7.** (Deleted by amendment.)

4     **Sec. 8.** (Deleted by amendment.)

5     **Sec. 9.** (Deleted by amendment.)

6     **Sec. 10.** (Deleted by amendment.)

7     **Sec. 11.** (Deleted by amendment.)

8     **Sec. 12.** (Deleted by amendment.)

9     **Sec. 13.** (Deleted by amendment.)

10    **Sec. 14.** (Deleted by amendment.)

11    **Sec. 15.** (Deleted by amendment.)

12    **Sec. 16.** (Deleted by amendment.)

13    **Sec. 17.** (Deleted by amendment.)

14    **Sec. 18.** (Deleted by amendment.)

15    **Sec. 19.** (Deleted by amendment.)

16    **Sec. 20.** (Deleted by amendment.)

17    **Sec. 20.1.** NRS 78.153 is hereby amended to read as follows:

18       78.153 1. At the time of submitting any list required pursuant  
19 to NRS 78.150, a corporation that meets the criteria set forth in  
20 subsection 2 must submit:

21       (a) The statement required pursuant to subsection 3,  
22 accompanied by a declaration under penalty of perjury attesting that  
23 the statement does not contain any material misrepresentation of  
24 fact; and

25       (b) A fee of \$100,000, to be distributed in the manner provided  
26 pursuant to subsection 4.

27       2. A corporation must submit a statement pursuant to this  
28 section if the corporation, including its parent and all subsidiaries:

29       (a) Holds 25 percent or more of the share of the market within  
30 this State for any product sold or distributed by the corporation  
31 within this State; and

32       (b) Has had, during the previous 5-year period, a total of five or  
33 more investigations commenced against the corporation, its parent  
34 or its subsidiaries in any jurisdiction within the United States,  
35 including all state and federal investigations:

36           (1) Which concern any alleged contract, combination or  
37 conspiracy in restraint of trade, as described in subsection 1 of NRS  
38 598A.060, or which concern similar activities prohibited by a  
39 substantially similar law of another jurisdiction; and

40           (2) Which resulted in the corporation being fined or  
41 otherwise penalized or which resulted in the corporation being  
42 required to divest any holdings or being unable to acquire any  
43 holdings as a condition for the settlement, dismissal or resolution of  
44 those investigations.



1 3. A corporation that meets the criteria set forth in subsection 2  
2 shall submit a statement which includes the following information  
3 with respect to each investigation:

4 (a) The jurisdiction in which the investigation was commenced.

5 (b) A summary of the nature of the investigation and the facts  
6 and circumstances surrounding the investigation.

7 (c) If the investigation resulted in criminal or civil litigation, a  
8 copy of all pleadings filed in the investigation by any party to the  
9 litigation.

10 (d) A summary of the outcome of the investigation, including  
11 specific information concerning whether any fine or penalty was  
12 imposed against the corporation and whether the corporation was  
13 required to divest any holdings or was unable to acquire any  
14 holdings as a condition for the settlement, dismissal or resolution of  
15 the investigation.

16 4. The fee collected pursuant to subsection 1 must be deposited  
17 in the Attorney General's Administration Budget Account and used  
18 solely for the purpose of investigating any alleged contract,  
19 combination or conspiracy in restraint of trade, as described in  
20 subsection 1 of NRS 598A.060 ~~§~~ *and subsection 1 of section 20.9*  
21 *of this act.*

22 **Sec. 20.2.** NRS 80.115 is hereby amended to read as follows:

23 80.115 1. At the time of submitting any list required pursuant  
24 to NRS 80.110, a corporation that meets the criteria set forth in  
25 subsection 2 must submit:

26 (a) The statement required pursuant to subsection 3,  
27 accompanied by a declaration under penalty of perjury attesting that  
28 the statement does not contain any material misrepresentation of  
29 fact; and

30 (b) A fee of \$100,000, to be distributed in the manner provided  
31 pursuant to subsection 4.

32 2. A corporation must submit a statement pursuant to this  
33 section if the corporation, including its parent and all subsidiaries:

34 (a) Holds 25 percent or more of the share of the market within  
35 this State for any product sold or distributed by the corporation  
36 within this State; and

37 (b) Has had, during the previous 5-year period, a total of five or  
38 more investigations commenced against the corporation, its parent  
39 or its subsidiaries in any jurisdiction within the United States,  
40 including all state and federal investigations:

41 (1) Which concern any alleged contract, combination or  
42 conspiracy in restraint of trade, as described in subsection 1 of NRS  
43 598A.060, or which concern similar activities prohibited by a  
44 substantially similar law of another jurisdiction; and



1 (2) Which resulted in the corporation being fined or  
2 otherwise penalized or which resulted in the corporation being  
3 required to divest any holdings or being unable to acquire any  
4 holdings as a condition for the settlement, dismissal or resolution of  
5 those investigations.

6 3. A corporation that meets the criteria set forth in subsection 2  
7 shall submit a statement which includes the following information  
8 with respect to each investigation:

9 (a) The jurisdiction in which the investigation was commenced.

10 (b) A summary of the nature of the investigation and the facts  
11 and circumstances surrounding the investigation.

12 (c) If the investigation resulted in criminal or civil litigation, a  
13 copy of all pleadings filed in the investigation by any party to the  
14 litigation.

15 (d) A summary of the outcome of the investigation, including  
16 specific information concerning whether any fine or penalty was  
17 imposed against the corporation and whether the corporation was  
18 required to divest any holdings or was unable to acquire any  
19 holdings as a condition for the settlement, dismissal or resolution of  
20 the investigation.

21 4. The fee collected pursuant to subsection 1 must be deposited  
22 in the Attorney General's Administration Budget Account and used  
23 solely for the purpose of investigating any alleged contract,  
24 combination or conspiracy in restraint of trade, as described in  
25 subsection 1 of NRS 598A.060 ~~§~~ *and subsection 1 of section 20.9*  
26 *of this act.*

27 **Sec. 20.3.** NRS 86.264 is hereby amended to read as follows:

28 86.264 1. At the time of submitting any list required pursuant  
29 to NRS 86.263, a limited-liability company that meets the criteria  
30 set forth in subsection 2 must submit:

31 (a) The statement required pursuant to subsection 3,  
32 accompanied by a declaration under penalty of perjury attesting that  
33 the statement does not contain any material misrepresentation of  
34 fact; and

35 (b) A fee of \$100,000, to be distributed in the manner provided  
36 pursuant to subsection 4.

37 2. A limited-liability company must submit a statement  
38 pursuant to this section if the limited-liability company, including its  
39 parent and all subsidiaries:

40 (a) Holds 25 percent or more of the share of the market within  
41 this State for any product sold or distributed by the limited-liability  
42 company within this State; and

43 (b) Has had, during the previous 5-year period, a total of five or  
44 more investigations commenced against the limited-liability



1 company, its parent or its subsidiaries in any jurisdiction within the  
2 United States, including all state and federal investigations:

3 (1) Which concern any alleged contract, combination or  
4 conspiracy in restraint of trade, as described in subsection 1 of NRS  
5 598A.060, or which concern similar activities prohibited by a  
6 substantially similar law of another jurisdiction; and

7 (2) Which resulted in the limited-liability company being  
8 fined or otherwise penalized or which resulted in the limited-  
9 liability company being required to divest any holdings or being  
10 unable to acquire any holdings as a condition for the settlement,  
11 dismissal or resolution of those investigations.

12 3. A limited-liability company that meets the criteria set forth  
13 in subsection 2 shall submit a statement which includes the  
14 following information with respect to each investigation:

15 (a) The jurisdiction in which the investigation was commenced.

16 (b) A summary of the nature of the investigation and the facts  
17 and circumstances surrounding the investigation.

18 (c) If the investigation resulted in criminal or civil litigation, a  
19 copy of all pleadings filed in the investigation by any party to the  
20 litigation.

21 (d) A summary of the outcome of the investigation, including  
22 specific information concerning whether any fine or penalty was  
23 imposed against the limited-liability company and whether the  
24 limited-liability company was required to divest any holdings or was  
25 unable to acquire any holdings as a condition for the settlement,  
26 dismissal or resolution of the investigation.

27 4. The fee collected pursuant to subsection 1 must be deposited  
28 in the Attorney General's Administration Budget Account and used  
29 solely for the purpose of investigating any alleged contract,  
30 combination or conspiracy in restraint of trade, as described in  
31 subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9*  
32 *of this act.*

33 **Sec. 20.4.** NRS 86.5462 is hereby amended to read as follows:

34 86.5462 1. At the time of submitting any list required  
35 pursuant to NRS 86.5461, a foreign limited-liability company that  
36 meets the criteria set forth in subsection 2 must submit:

37 (a) The statement required pursuant to subsection 3,  
38 accompanied by a declaration under penalty of perjury attesting that  
39 the statement does not contain any material misrepresentation of  
40 fact; and

41 (b) A fee of \$100,000, to be distributed in the manner provided  
42 pursuant to subsection 4.

43 2. A foreign limited-liability company must submit a statement  
44 pursuant to this section if the foreign limited-liability company,  
45 including its parent and all subsidiaries:



1 (a) Holds 25 percent or more of the share of the market within  
2 this State for any product sold or distributed by the foreign limited-  
3 liability company within this State; and

4 (b) Has had, during the previous 5-year period, a total of five or  
5 more investigations commenced against the foreign limited-liability  
6 company, its parent or its subsidiaries in any jurisdiction within the  
7 United States, including all state and federal investigations:

8 (1) Which concern any alleged contract, combination or  
9 conspiracy in restraint of trade, as described in subsection 1 of NRS  
10 598A.060, or which concern similar activities prohibited by a  
11 substantially similar law of another jurisdiction; and

12 (2) Which resulted in the foreign limited-liability company  
13 being fined or otherwise penalized or which resulted in the foreign  
14 limited-liability company being required to divest any holdings or  
15 being unable to acquire any holdings as a condition for the  
16 settlement, dismissal or resolution of those investigations.

17 3. A foreign limited-liability company that meets the criteria  
18 set forth in subsection 2 shall submit a statement which includes the  
19 following information with respect to each investigation:

20 (a) The jurisdiction in which the investigation was commenced.

21 (b) A summary of the nature of the investigation and the facts  
22 and circumstances surrounding the investigation.

23 (c) If the investigation resulted in criminal or civil litigation, a  
24 copy of all pleadings filed in the investigation by any party to the  
25 litigation.

26 (d) A summary of the outcome of the investigation, including  
27 specific information concerning whether any fine or penalty was  
28 imposed against the foreign limited-liability company and whether  
29 the foreign limited-liability company was required to divest any  
30 holdings or was unable to acquire any holdings as a condition for  
31 the settlement, dismissal or resolution of the investigation.

32 4. The fee collected pursuant to subsection 1 must be deposited  
33 in the Attorney General's Administration Budget Account and used  
34 solely for the purpose of investigating any alleged contract,  
35 combination or conspiracy in restraint of trade, as described in  
36 subsection 1 of NRS 598A.060 ~~[.]~~ *and subsection 1 of section 20.9*  
37 *of this act.*

38 **Sec. 20.5.** NRS 87A.295 is hereby amended to read as  
39 follows:

40 87A.295 1. At the time of submitting any list required  
41 pursuant to NRS 87A.290, a limited partnership that meets the  
42 criteria set forth in subsection 2 must submit:

43 (a) The statement required pursuant to subsection 3,  
44 accompanied by a declaration under penalty of perjury attesting that





1 the statement does not contain any material misrepresentation of  
2 fact; and

3 (b) A fee of \$100,000, to be distributed in the manner provided  
4 pursuant to subsection 4.

5 2. A limited partnership must submit a statement pursuant to  
6 this section if the limited partnership, including its parent and all  
7 subsidiaries:

8 (a) Holds 25 percent or more of the share of the market within  
9 this State for any product sold or distributed by the limited  
10 partnership within this State; and

11 (b) Has had, during the previous 5-year period, a total of five or  
12 more investigations commenced against the limited partnership, its  
13 parent or its subsidiaries in any jurisdiction within the United States,  
14 including all state and federal investigations:

15 (1) Which concern any alleged contract, combination or  
16 conspiracy in restraint of trade, as described in subsection 1 of NRS  
17 598A.060, or which concern similar activities prohibited by a  
18 substantially similar law of another jurisdiction; and

19 (2) Which resulted in the limited partnership being fined or  
20 otherwise penalized or which resulted in the limited partnership  
21 being required to divest any holdings or being unable to acquire any  
22 holdings as a condition for the settlement, dismissal or resolution of  
23 those investigations.

24 3. A limited partnership that meets the criteria set forth in  
25 subsection 2 shall submit a statement which includes the following  
26 information with respect to each investigation:

27 (a) The jurisdiction in which the investigation was commenced.

28 (b) A summary of the nature of the investigation and the facts  
29 and circumstances surrounding the investigation.

30 (c) If the investigation resulted in criminal or civil litigation, a  
31 copy of all pleadings filed in the investigation by any party to the  
32 litigation.

33 (d) A summary of the outcome of the investigation, including  
34 specific information concerning whether any fine or penalty was  
35 imposed against the limited partnership and whether the limited  
36 partnership was required to divest any holdings or was unable to  
37 acquire any holdings as a condition for the settlement, dismissal or  
38 resolution of the investigation.

39 4. The fee collected pursuant to subsection 1 must be deposited  
40 in the Attorney General's Administration Budget Account and used  
41 solely for the purpose of investigating any alleged contract,  
42 combination or conspiracy in restraint of trade, as described in  
43 subsection 1 of NRS 598A.060 ~~and~~ *and subsection 1 of section 20.9*  
44 *of this act.*



1     **Sec. 20.6.** NRS 87A.565 is hereby amended to read as  
2 follows:

3     87A.565 1. At the time of submitting any list required  
4 pursuant to NRS 87A.560, a foreign limited partnership that meets  
5 the criteria set forth in subsection 2 must submit:

6     (a) The statement required pursuant to subsection 3,  
7 accompanied by a declaration under penalty of perjury attesting that  
8 the statement does not contain any material misrepresentation of  
9 fact; and

10    (b) A fee of \$100,000, to be distributed in the manner provided  
11 pursuant to subsection 4.

12    2. A foreign limited partnership must submit a statement  
13 pursuant to this section if the foreign limited partnership, including  
14 its parent and all subsidiaries:

15    (a) Holds 25 percent or more of the share of the market within  
16 this State for any product sold or distributed by the foreign limited  
17 partnership within this State; and

18    (b) Has had, during the previous 5-year period, a total of five or  
19 more investigations commenced against the foreign limited  
20 partnership, its parent or its subsidiaries in any jurisdiction within  
21 the United States, including all state and federal investigations:

22    (1) Which concern any alleged contract, combination or  
23 conspiracy in restraint of trade, as described in subsection 1 of NRS  
24 598A.060, or which concern similar activities prohibited by a  
25 substantially similar law of another jurisdiction; and

26    (2) Which resulted in the foreign limited partnership being  
27 fined or otherwise penalized or which resulted in the foreign limited  
28 partnership being required to divest any holdings or being unable to  
29 acquire any holdings as a condition for the settlement, dismissal or  
30 resolution of those investigations.

31    3. A foreign limited partnership that meets the criteria set forth  
32 in subsection 2 shall submit a statement which includes the  
33 following information with respect to each investigation:

34    (a) The jurisdiction in which the investigation was commenced.

35    (b) A summary of the nature of the investigation and the facts  
36 and circumstances surrounding the investigation.

37    (c) If the investigation resulted in criminal or civil litigation, a  
38 copy of all pleadings filed in the investigation by any party to the  
39 litigation.

40    (d) A summary of the outcome of the investigation, including  
41 specific information concerning whether any fine or penalty was  
42 imposed against the foreign limited partnership and whether the  
43 foreign limited partnership was required to divest any holdings or  
44 was unable to acquire any holdings as a condition for the settlement,  
45 dismissal or resolution of the investigation.



1 4. The fee collected pursuant to subsection 1 must be deposited  
2 in the Attorney General's Administration Budget Account and used  
3 solely for the purpose of investigating any alleged contract,  
4 combination or conspiracy in restraint of trade, as described in  
5 subsection 1 of NRS 598A.060 ~~§~~ and subsection 1 of section 20.9  
6 of this act.

7 **Sec. 20.7.** NRS 88.397 is hereby amended to read as follows:

8 88.397 1. At the time of submitting any list required pursuant  
9 to NRS 88.395, a limited partnership that meets the criteria set forth  
10 in subsection 2 must submit:

11 (a) The statement required pursuant to subsection 3,  
12 accompanied by a declaration under penalty of perjury attesting that  
13 the statement does not contain any material misrepresentation of  
14 fact; and

15 (b) A fee of \$100,000, to be distributed in the manner provided  
16 pursuant to subsection 4.

17 2. A limited partnership must submit a statement pursuant to  
18 this section if the limited partnership, including its parent and all  
19 subsidiaries:

20 (a) Holds 25 percent or more of the share of the market within  
21 this State for any product sold or distributed by the limited  
22 partnership within this State; and

23 (b) Has had, during the previous 5-year period, a total of five or  
24 more investigations commenced against the limited partnership, its  
25 parent or its subsidiaries in any jurisdiction within the United States,  
26 including all state and federal investigations:

27 (1) Which concern any alleged contract, combination or  
28 conspiracy in restraint of trade, as described in subsection 1 of NRS  
29 598A.060, or which concern similar activities prohibited by a  
30 substantially similar law of another jurisdiction; and

31 (2) Which resulted in the limited partnership being fined or  
32 otherwise penalized or which resulted in the limited partnership  
33 being required to divest any holdings or being unable to acquire any  
34 holdings as a condition for the settlement, dismissal or resolution of  
35 those investigations.

36 3. A limited partnership that meets the criteria set forth in  
37 subsection 2 shall submit a statement which includes the following  
38 information with respect to each investigation:

39 (a) The jurisdiction in which the investigation was commenced.

40 (b) A summary of the nature of the investigation and the facts  
41 and circumstances surrounding the investigation.

42 (c) If the investigation resulted in criminal or civil litigation, a  
43 copy of all pleadings filed in the investigation by any party to the  
44 litigation.



1 (d) A summary of the outcome of the investigation, including  
2 specific information concerning whether any fine or penalty was  
3 imposed against the limited partnership and whether the limited  
4 partnership was required to divest any holdings or was unable to  
5 acquire any holdings as a condition for the settlement, dismissal or  
6 resolution of the investigation.

7 4. The fee collected pursuant to subsection 1 must be deposited  
8 in the Attorney General's Administration Budget Account and used  
9 solely for the purpose of investigating any alleged contract,  
10 combination or conspiracy in restraint of trade, as described in  
11 subsection 1 of NRS 598A.060 ~~§~~ *and subsection 1 of section 20.9*  
12 *of this act.*

13 **Sec. 20.8.** NRS 88.5915 is hereby amended to read as follows:

14 88.5915 1. At the time of submitting any list required  
15 pursuant to NRS 88.591, a foreign limited partnership that meets the  
16 criteria set forth in subsection 2 must submit:

17 (a) The statement required pursuant to subsection 3,  
18 accompanied by a declaration under penalty of perjury attesting that  
19 the statement does not contain any material misrepresentation of  
20 fact; and

21 (b) A fee of \$100,000, to be distributed in the manner provided  
22 pursuant to subsection 4.

23 2. A foreign limited partnership must submit a statement  
24 pursuant to this section if the foreign limited partnership, including  
25 its parent and all subsidiaries:

26 (a) Holds 25 percent or more of the share of the market within  
27 this state for any product sold or distributed by the foreign limited  
28 partnership within this State; and

29 (b) Has had, during the previous 5-year period, a total of five or  
30 more investigations commenced against the foreign limited  
31 partnership, its parent or its subsidiaries in any jurisdiction within  
32 the United States, including all state and federal investigations:

33 (1) Which concern any alleged contract, combination or  
34 conspiracy in restraint of trade, as described in subsection 1 of NRS  
35 598A.060, or which concern similar activities prohibited by a  
36 substantially similar law of another jurisdiction; and

37 (2) Which resulted in the foreign limited partnership being  
38 fined or otherwise penalized or which resulted in the foreign limited  
39 partnership being required to divest any holdings or being unable to  
40 acquire any holdings as a condition for the settlement, dismissal or  
41 resolution of those investigations.

42 3. A foreign limited partnership that meets the criteria set forth  
43 in subsection 2 shall submit a statement which includes the  
44 following information with respect to each investigation:


45 (a) The jurisdiction in which the investigation was commenced.



1 (b) A summary of the nature of the investigation and the facts  
2 and circumstances surrounding the investigation.

3 (c) If the investigation resulted in criminal or civil litigation, a  
4 copy of all pleadings filed in the investigation by any party to the  
5 litigation.

6 (d) A summary of the outcome of the investigation, including  
7 specific information concerning whether any fine or penalty was  
8 imposed against the foreign limited partnership and whether the  
9 foreign limited partnership was required to divest any holdings or  
10 was unable to acquire any holdings as a condition for the settlement,  
11 dismissal or resolution of the investigation.

12 4. The fee collected pursuant to subsection 1 must be deposited  
13 in the Attorney General's Administration Budget Account and used  
14 solely for the purpose of investigating any alleged contract,  
15 combination or conspiracy in restraint of trade, as described in  
16 subsection 1 of NRS 598A.060  and subsection 1 of section 20.9  
17 of this act.

18 **Sec. 20.9.** Chapter 598A of NRS is hereby amended by adding  
19 thereto a new section to read as follows:

20 *1. A violation of this subsection constitutes a contract in*  
21 *restraint of trade. A provider of health care shall not willfully*  
22 *enter into, willfully offer to enter into or willfully solicit a contract*  
23 *with a third party that directly or indirectly:*

24 *(a) Restricts the third party from offering incentives to a*  
25 *covered person to use specific providers of health care or*  
26 *otherwise steering a covered person to a specific provider of health*  
27 *care;*

28 *(b) Restricts the third party from assigning providers of health*  
29 *care into tiers for the purpose of encouraging the use of certain*  
30 *providers of health care;*

31 *(c) Requires the third party to place all providers of health*  
32 *care affiliated with a business entity in the same tier;*

33 *(d) Requires the third party to contract with a business entity*  
34 *affiliated with a provider of health care as a condition of entering*  
35 *into a contract with the provider of health care; or*

36 *(e) Prohibits the third party from contracting with a provider*  
37 *of health care that is not a party to the contract or penalizes the*  
38 *third party for entering into such a contract.*

39 *2. A contract between a provider of health care and a third*  
40 *party may include any provisions not expressly prohibited by*  
41 *subsection 1 or otherwise prohibited by law.*

42 *3. The provisions of this section do not authorize a third party*  
43 *to subcontract for the performance of obligations under a contract*  
44 *with a provider of health care or delegate such obligations in a*  
45 *manner that is inconsistent with the terms of the contract.*



1       4. Any provision of a contract that is described in paragraphs  
2 (a) to (e), inclusive, of subsection 1 is void and severable from the  
3 contract.

4       5. Any person who conspires to, or does, violate any of the  
5 provisions of this section is guilty of a misdemeanor.

6       6. As used in this section:

7       (a) "Affiliated" means any entity or person who directly, or  
8 indirectly through one or more intermediaries, controls or is  
9 controlled by or is under common control with a specified entity or  
10 person.

11       (b) "Covered person" means a policyholder, subscriber,  
12 enrollee or other person covered by a third party.

13       (c) "Provider of health care" means:

14       (1) A physician or other health care practitioner who is  
15 licensed or otherwise authorized in this State to furnish any health  
16 care service; or

17       (2) An institution providing health care services or other  
18 setting in which health care services are provided, including,  
19 without limitation, a hospital, surgical center for ambulatory  
20 patients, facility for skilled nursing, residential facility for groups,  
21 laboratory and any other such licensed facility.

22       (d) "Third party" means any insurer, governmental entity or  
23 other organization providing health coverage or benefits in  
24 accordance with state or federal law.

25       **Sec. 20.95.** NRS 598A.280 is hereby amended to read as  
26 follows:

27       598A.280 ~~FA~~ *Except as otherwise provided in section 20.9 of*  
28 *this act, a* person who conspires to, or does, violate any of the  
29 provisions of this chapter is guilty of a category D felony and shall  
30 be punished as provided in NRS 193.130.

31       **Sec. 21.** The amendatory provisions of section 20.9 of this act  
32 do not apply to any contract existing on October 1, 2021, but apply  
33 to any renewal of such a contract.

34       **Sec. 22.** 1. This section becomes effective upon passage and  
35 approval.

36       2. Sections 1 to 21, inclusive, of this act become effective:

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

40       (b) On October 1, 2021, for all other purposes.





