SENATE BILL NO. 350–SENATOR HARDY

MARCH 21, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions concerning policies of health insurance and health care plans that provide coverage for dental care. (BDR 57-1057)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to insurance; prohibiting a contract between a health insurer and a dentist from setting fees for services provided by the dentist that are not covered by the policy of health insurance or health care plan; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a contract between certain insurers and certain providers of health care for the provision of medical or dental services under a policy of health insurance or health care plan is subject to certain restrictions regarding modification of the contract, the form used for such a contract and submission by the insurer to the provider of the schedule of payments applicable to the provider. (NRS 689A.035, 689B.015, 689C.435, 695A.095, 695B.035, 695C.125, 695F.090, 695G.430) **Sections 1-7, 9-11, 13 and 14** of this bill provide that a contract between an insurer or a self-insured governmental entity and a dentist for the provision of dental care to insureds must not include a provision that requires the dentist to charge no more than a fee set by the insurer or self-insured governmental entity for a dental service that is not a covered dental service under the applicable policy or plan. **Sections 1-7, 9-11, 13 and 14** further provide that a dentist providing such a non-covered service may not charge more for the dental service than his or her usual billed charge for that service. **Sections 1-7, 9-11, 13 and 14** also prohibit an insurer from providing de minimus coverage for dental services to avoid the provisions of this bill. **Sections 8 and 12** of this bill exempt from the requirements of this bill health maintenance organizations and managed care organizations that provide health care services to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services.

Section 15 of this bill applies the requirements of this bill to contracts that are entered into or renewed on or after October 1, 2011.

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

Section 1. Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between an insurer and a dentist for the provision of dental care to insureds under a policy of health insurance must not require the dentist to provide any dental service to an insured at a fee set by the insurer unless the dental service is a covered dental service under the policy.

2. An insurer shall not provide de minimus coverage for a dental service in a policy of health insurance to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular policy of health insurance, a dental service that is reimbursable under the policy of health insurance, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the policy, even if the dental service is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 2. NRS 689A.330 is hereby amended to read as follows:

689A.330 If any policy is issued by a domestic insurer for delivery to a person residing in another state, and if the insurance commissioner or corresponding public officer of that other state has informed the Commissioner that the policy is not subject to approval or disapproval by that officer, the Commissioner may by ruling require that the policy meet the standards set forth in NRS 689A.030 to 689A.320, inclusive ~~[.]~~ ***, and section 1 of this act.***

Sec. 3. Chapter 689B of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between an insurer and a dentist for the provision of dental care to insureds under a policy of group health

insurance must not require the dentist to provide any dental service to an insured at a fee set by the insurer unless the dental service is a covered dental service under the policy.

2. An insurer shall not provide de minimus coverage for a dental service in a policy of group health insurance to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular policy of group health insurance, a dental service that is reimbursable under the policy of group health insurance, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the policy, even if the dental service is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 4. Chapter 689C of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between a carrier and a dentist for the provision of dental care to insureds under a health benefit plan must not require the dentist to provide any dental service to an insured at a fee set by the carrier unless the dental service is a covered dental service under the health benefit plan.

2. A carrier shall not provide de minimus coverage for a dental service in a health benefit plan to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular health benefit plan, a dental service that is reimbursable under the health benefit plan, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the health benefit plan, even if the dental service is not reimbursable solely

due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 5. Chapter 695A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between a society and a dentist for the provision of dental care to insureds under a benefit contract must not require the dentist to provide any dental service to an insured at a fee set by the society unless the dental service is a covered dental service under the benefit contract.

2. A society shall not provide de minimus coverage for a dental service in a benefit contract to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular benefit contract, a dental service that is reimbursable under the benefit contract, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the benefit contract, even if the dental service is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 6. Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between a corporation subject to the provisions of this chapter and a dentist for the provision of dental care to insureds under a contract for hospital, medical or dental services must not require the dentist to provide any dental service to an insured at a fee set by the corporation unless the dental service is a covered dental service under the contract.

2. A corporation shall not provide de minimus coverage for a dental service in a contract for hospital, medical or dental services to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular contract for hospital, medical or dental services, a dental service that is reimbursable under the contract, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the contract, even if the dental service is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 7. Chapter 695C of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between a health maintenance organization and a dentist for the provision of dental care to insureds under a health care plan must not require the dentist to provide any dental service to an insured at a fee set by the health maintenance organization unless the dental service is a covered dental service under the plan.

2. A health maintenance organization shall not provide de minimus coverage for a dental service in a health care plan to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular health care plan, a dental service that is reimbursable under the health care plan, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the health care plan, even if the dental service is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 8. NRS 695C.050 is hereby amended to read as follows:

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

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

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

4. The provisions of NRS 695C.110, 695C.125, 695C.1691, 695C.1693, 695C.170 to 695C.173, inclusive, 695C.1733 to 695C.200, inclusive, 695C.250 and 695C.265 ***and section 7 of this act*** do not apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services. This subsection does not exempt a health maintenance organization from any provision of this chapter for services provided pursuant to any other contract.

5. The provisions of NRS 695C.1694, 695C.1695 and 695C.1731 apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid.

Sec. 9. Chapter 695D of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between an organization for dental care and a dentist for the provision of dental care to members of a plan for dental care must not require the dentist to provide any dental care to a member at a fee set by the organization for dental care unless the dental care is a covered service under the plan for dental care.

2. An organization for dental care shall not provide de minimus coverage for dental care in a plan for dental care to avoid the requirements of this section.

3. A dentist shall not charge a member more than the usual billed charge set by the dentist for dental care that is not a covered service.

4. As used in this section, "covered service" means, with respect to a particular plan for dental care, dental care that is reimbursable under the plan for dental care, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include dental care that is not reimbursable under the plan for dental care, even if the dental care is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

Sec. 10. NRS 695F.090 is hereby amended to read as follows:

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

1. NRS 687B.310 to 687B.420, inclusive, concerning cancellation and nonrenewal of policies.
2. NRS 687B.122 to 687B.128, inclusive, concerning readability of policies.
3. The requirements of NRS 679B.152.
4. The fees imposed pursuant to NRS 449.465.
5. NRS 686A.010 to 686A.310, inclusive, concerning trade practices and frauds.
6. The assessment imposed pursuant to NRS 679B.700.
7. Chapter 683A of NRS.
8. To the extent applicable, the provisions of NRS 689B.340 to 689B.590, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance.
9. NRS 689A.035, 689A.410, 689A.413 and 689A.415 ~~.~~ ***and section 1 of this act.***
10. NRS 680B.025 to 680B.039, inclusive, concerning premium tax, premium tax rate, annual report and estimated quarterly tax payments. For the purposes of this subsection, unless the context otherwise requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "prepaid limited health service organization."
11. Chapter 692C of NRS, concerning holding companies.
12. NRS 689A.637, concerning health centers.

Sec. 11. Chapter 695G of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between a managed care organization and a dentist for the provision of dental care to insureds under a health care plan must not require the dentist to provide any dental service to an insured at a fee set by the managed care organization unless the dental service is a covered dental service under the plan.

2. A managed care organization shall not provide de minimus coverage for a dental service in a health care plan to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular health care plan, a dental service that is reimbursable under the health care plan, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the health care plan, even if the dental service is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 12. NRS 695G.090 is hereby amended to read as follows:

695G.090 1. Except as otherwise provided in subsection 3, the provisions of this chapter apply to each organization and insurer that operates as a managed care organization and may include, without limitation, an insurer that issues a policy of health insurance, an insurer that issues a policy of individual or group health insurance, a carrier serving small employers, a fraternal benefit society, a hospital or medical service corporation and a health maintenance organization.

2. In addition to the provisions of this chapter, each managed care organization shall comply with:

(a) The provisions of chapter 686A of NRS, including all obligations and remedies set forth therein; and

(b) Any other applicable provision of this title.

3. The provisions of NRS 695G.164, 695G.1645, 695G.200 to 695G.230, inclusive, and 695G.430 ***and section 11 of this act*** do not apply to a managed care organization that provides health care

services to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services. This subsection does not exempt a managed care organization from any provision of this chapter for services provided pursuant to any other contract.

Sec. 13. Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A contract between a governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada and a dentist for the provision of dental care to insureds under a plan of self-insurance must not require the dentist to provide any dental service to an insured at a fee set by the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency unless the dental service is a covered dental service under the plan.

2. A governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada shall not provide de minimus coverage for a dental service in a plan of self-insurance to avoid the requirements of this section.

3. A dentist shall not charge an insured more than the usual billed charge set by the dentist for a dental service that is not a covered service.

4. As used in this section:

(a) "Covered service" means, with respect to a particular plan of self-insurance, a dental service that is reimbursable under the plan of self-insurance, even if such reimbursement is subject to deductibles, copayments or coinsurance. The term does not include a dental service that is not reimbursable under the plan, even if the dental service is not reimbursable solely due to the application of a contractual limitation such as an annual or lifetime benefit maximum.

(b) "Dental service" means the services ordinarily provided by dentists and includes appliances, drugs, medicines, supplies, prosthetic appliances, orthodontic appliances and metal, ceramic or other restorations customarily used or provided by a dentist.

(c) "Dentist" means a person licensed pursuant to chapter 631 of NRS and includes a dental hygienist.

Sec. 14. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the Board provides health insurance through a plan of self-insurance, it shall comply with the provisions of NRS 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645, 695G.170, 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, ***and section 13 of this act*** in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.

Sec. 15. Sections 1, 3 to 7, inclusive, 9, 11 and 13 of this act and the amendatory provisions of NRS 695F.090, as amended by section 10 of this act, apply only to a contract between an insurer, carrier, fraternal benefit society, nonprofit corporation for hospital, medical and dental service, health maintenance organization, organization for dental care, managed care organization or the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency and a dentist for the provision of dental care that is entered into or renewed on or after October 1, 2011.

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