

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R128-03

September 30, 2003

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

AUTHORITY: §§1-8, NRS 679B.130 and section 2 of Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 772.

Section 1. Chapter 683A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this regulation.

Sec. 2. *Except as otherwise provided in section 3 of this regulation, an external review organization applying for the initial issuance of a certificate to conduct external reviews must submit to the Commissioner, on a form prescribed by the Commissioner, an application in writing and must provide to the Commissioner at the time of application:*

1. A written statement that identifies:

(a) The number of external reviewers that the external review organization employs, contracts with or otherwise retains to conduct external reviews;

(b) The specialty of each external reviewer; and

(c) Whether each external reviewer is certified by the entity that regulates his specialty.

2. A written summary of the procedures that the external review organization will use to:

(a) Ensure that the external review organization conducts its activities in accordance with sections 21 to 28, inclusive, of Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 780 to 783, inclusive;

(b) Ensure that an external reviewer employed, contracted with or otherwise retained by the external review organization is qualified to conduct a specific external review;

(c) Ensure that a determination submitted for external review is a final adverse determination;

(d) Ensure that a final review is conducted in a timely manner in accordance with sections 22, 23 and 24 Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 780 and 781;

(e) Ensure that the external review organization and any employee, agent or contractor of the external review organization does not have a conflict of interest as set forth in subsection 4 of section 2 of Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 772; and

(f) Submit a copy of the determination regarding an external review to:

(1) The insured;

(2) The physician of the insured;

(3) The authorized representative of the insured, if any; and

(4) The managed care organization.

3. A written affidavit that:

(a) The information contained in the application and any accompanying materials are complete and correct;

(b) The external review organization will conduct external reviews in accordance with sections 21 to 28, inclusive, of Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 780 to 783, inclusive;

(c) The external review organization and any employee, agent or contractor of the external review organization will avoid a conflict of interest as set forth in subsection 4 of section 2 of Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 772; and

(d) The external review organization is not affiliated with:

(1) A health care plan; or

(2) A national, state or local trade association.

4. The fee required pursuant to section 6 of this regulation for the issuance of a certificate to conduct external reviews.

Sec. 3. *If an external review organization has been certified or accredited as an external review organization by an accrediting body that is nationally recognized, an external review organization applying for the initial issuance of a certificate to conduct external reviews must submit to the Commissioner, on a form prescribed by the Commissioner, an application in writing and must provide to the Commissioner at the time of application:*

1. Proof that the external review organization has been certified or accredited as an external review organization by an accrediting body that is nationally recognized;

2. A copy of the certification or accreditation standards of the accrediting body;

3. A copy of the most recent review of the external review organization conducted by the accrediting body; and

4. The fee required pursuant to section 6 of this regulation for the issuance of a certificate to conduct external reviews.

Sec. 4. *Except as otherwise provided in section 7 of this regulation, if an external review organization applying for the initial issuance of a certificate to conduct external reviews*

submits the application and accompanying materials required pursuant to section 2 or 3 of this regulation, the Commissioner will issue the applicant a certificate to conduct external reviews.

Sec. 5. 1. *In accordance with section 2 of Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 772, a certificate to conduct external reviews expires 1 year after the date the certificate is issued by the Commissioner.*

2. Except as otherwise provided in section 7 of this regulation, the Commissioner will issue a renewal of a certificate to conduct external reviews if the external review organization submits to the Commissioner:

(a) On a form prescribed by the Commissioner, an application in writing for the renewal of the certificate to conduct external reviews; and

(b) The fee required pursuant to section 6 of this regulation for the renewal of a certificate to conduct external reviews.

Sec. 6. *The Commissioner will charge and collect:*

1. From an external review organization applying for the initial issuance of a certificate to conduct external reviews pursuant to section 2 or 3 of this regulation, a fee of \$400.

2. From an external review organization applying for the renewal of a certificate to conduct external reviews pursuant to section 5 of this regulation, a fee of \$100.

Sec. 7. 1. *The Commissioner may refuse to issue or renew, or may suspend or revoke, a certificate to conduct external reviews if the Commissioner determines that an external review organization:*

(a) Has violated the provisions of sections 21 to 28, inclusive, of Assembly Bill No. 79 of the 72nd Session of the Nevada Legislature, chapter 138, Statutes of Nevada 2003, at page 780 to 783, inclusive, or sections 2 to 8, inclusive, of this regulation;

(b) Has had a license, certificate or registration to operate as an external review organization denied for cause, suspended or revoked by any other state; or

(c) Has misrepresented facts on an application submitted to the Commissioner for the issuance or renewal of a certificate to conduct external reviews.

2. If the Commissioner refuses to renew, revokes or suspends a certificate to conduct external reviews, the external review organization shall surrender the certificate to the Commissioner.

Sec. 8. *An external review organization issued a certificate to conduct external reviews by the Commissioner pursuant to section 3 of this regulation shall:*

1. Notify the Commissioner if the accrediting body revokes, suspends or otherwise terminates the certification or accreditation of the external review organization; and

2. Provide a copy of the findings of any review of the external review organization conducted by the accrediting body.