

Amendment No. 744

Assembly Amendment to Senate Bill No. 262 First Reprint (BDR 57-455)
Proposed by: Assembly Committee on Health and Human Services
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

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.

WLK/BJF



Date: 5/23/2017

S.B. No. 262—Revises provisions concerning payments for treatment relating to mental illness or the abuse of alcohol or drugs. (BDR 57-455)



SENATE BILL NO. 262—SENATOR FARLEY

MARCH 14, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions concerning payments for treatment relating to mental illness or the abuse of alcohol or drugs. (BDR 57-455)

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 health care; requiring that payments for treatment relating solely to mental health or the abuse of alcohol or drugs be made directly to ~~the provider~~ certain providers of that treatment; requiring a licensed clinical alcohol and drug counselor to be directly reimbursed for providing treatment ~~if~~ under certain circumstances; revising provisions relating to the accreditation of medical facilities and facilities for the dependent for the purpose of determining whether an insured person is entitled to benefits for certain treatment provided at such facilities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for treatment relating to the abuse of alcohol or drugs to be covered by certain policies of health insurance and, under certain circumstances, provided by employers. (NRS 608.156, 689A.030, 689A.046, 689C.166, 689C.167) Existing law provides that under certain policies of health insurance, an insured party is entitled to reimbursement for treatment by a clinical alcohol and drug abuse counselor. (NRS 689A.0493, 689B.0397, 695B.1955, 695C.1789) Existing law further requires certain policies of health insurance to cover treatment for mental illness. (NRS 687B.404, 689A.0455, 689C.169) Existing law does not prevent a person who is receiving treatment for mental illness or the abuse of alcohol or drugs from receiving the payments for such treatment.

Section 1 of this bill requires that ~~every~~ a payment made pursuant to a policy of health insurance ~~including, without limitation, a payment made to an out-of-network provider,~~ for treatment relating solely to mental health or the abuse of alcohol or drugs must be made directly to the provider of the treatment rather than to the person receiving the treatment ~~if~~ if the provider is an out-of-network provider who has an assignment of benefits which meets certain qualifications. **Section 1** also expressly ~~allows~~ requires such a provider to refund to a person ~~receiving~~ who pays such a provider directly for such treatment ~~any~~ certain amounts that the person paid to the provider. For example, a person may have prepaid the provider for treatment and, after the payment pursuant to the policy of health insurance is made to the provider, the provider may need to refund all or part of the prepaid amounts to the person receiving treatment. **Section 9** of this bill extends the requirements of **section 1** to benefits provided through self-insurance by the Board of the Public Employees' Benefits

22 Program. (NRS 287.04335) **Section 10** of this bill extends the requirements of **section 1** to
 23 benefits provided by certain employers. (NRS 608.1555)
 24 **Sections 3, 4, 6 and 7** of this bill provide that a licensed clinical alcohol and drug abuse
 25 counselor must, if applicable, be directly reimbursed for treatment relating to the abuse of
 26 alcohol or drugs in accordance with an applicable assignment of benefits.
 27 **Sections 2, 5 and 11** of this bill make conforming changes.

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

1 **Section 1.** Chapter 687B of NRS is hereby amended by adding thereto a new
 2 section to read as follows:
 3 **1. Every payment made pursuant to a policy of health insurance to pay for**
 4 **treatment relating solely to mental health or the abuse of alcohol or drugs, ~~if~~**
 5 **~~including, without limitation, a payment made to an out-of-network provider,~~**
 6 **must be made directly to the provider of health care that provides the treatment ~~if~~**
 7 **if the provider:**
 8 **(a) Is an out-of-network provider; and**
 9 **(b) Has obtained and delivered to the insurer or an authorized representative**
 10 **of the insurer, including, without limitation, a third-party administrator, a written**
 11 **assignment of benefits pursuant to which the insured has assigned to the provider**
 12 **the insured's benefits under the policy of health insurance with regard to the**
 13 **treatment.**
 14 **2. ~~if~~ An out-of-network provider that receives payment pursuant to**
 15 **subsection 1 ~~may~~:**
 16 **(a) Shall, if a person paid the provider directly for the treatment described in**
 17 **subsection 1, refund to the person ~~who receives the treatment not more than any~~**
 18 **the amount that the person ~~who receives the treatment~~ paid directly to the**
 19 **provider for the treatment ~~if~~, less any applicable deductible, copayment or**
 20 **coinsurance, not later than 45 days after the provider receives payment pursuant**
 21 **to subsection 1; and**
 22 **(b) Must indemnify and hold harmless the insurer against any claim made**
 23 **against the insurer by the person who receives the treatment described in**
 24 **subsection 1 for any amount paid by the insurer to the provider in compliance**
 25 **with this section.**
 26 **3. An assignment of benefits described in paragraph (b) of subsection 1 is**
 27 **irrevocable for the period:**
 28 **(a) Beginning on the date the insured gives to the out-of-network provider**
 29 **the assignment of benefits; and**
 30 **(b) Ending on the later of:**
 31 **(1) The date on which the out-of-network provider receives from the**
 32 **insurer the final payment for the treatment; or**
 33 **(2) The date of the final resolution, including, without limitation, by**
 34 **settlement or trial, of all claims relating to all payments which relate to the**
 35 **treatment.**
 36 **4. Nothing in this section shall be construed to require an insurer to make a**
 37 **payment to an out-of-network provider:**
 38 **(a) Who is not authorized by law to provide the treatment;**
 39 **(b) Who provides the treatment in violation of any law; or**
 40 **(c) In an amount which exceeds the amount required by the policy of health**
 41 **insurance to be paid for out-of-network treatment.**
 42 **5. As used in this section:**

1 (a) "Health care services" means services for the diagnosis, prevention,
2 treatment, care or relief of a health condition, illness, injury or disease.

3 (b) "Insured" means a person who receives benefits pursuant to a policy of
4 health insurance.

5 (c) "Insurer" means a person, including, without limitation, a governmental
6 entity, who issues or otherwise provides a policy of health insurance.

7 (d) "Network plan" has the meaning ascribed to it in NRS 689B.570.

8 ~~[(e)]~~ (e) "Out-of-network provider" means a provider of health care who:

9 (1) Provides health care services;

10 (2) Is paid, pursuant to a policy of health insurance, for providing the
11 health care services; and

12 (3) Is not under contract to provide the health care services as part of any
13 network plan associated with the policy of health insurance.

14 ~~[(f)]~~ (f) "Policy of health insurance" includes, without limitation, a policy,
15 contract, certificate, plan or agreement, as applicable, issued pursuant to or
16 otherwise governed by NRS 287.0402 to 287.049, inclusive, or chapter 608, 689A,
17 689B, 689C, 695A, 695B, 695C, 695F or 695G of NRS for the provision of,
18 delivery of, arrangement for, payment for or reimbursement for any of the costs
19 of health care services.

20 ~~[(e)]~~ (g) "Provider of health care" has the meaning ascribed to it in NRS
21 695G.070.

22 Sec. 2. NRS 689A.046 is hereby amended to read as follows:

23 689A.046 1. The benefits provided by a policy for health insurance for
24 treatment of the abuse of alcohol or drugs must consist of:

25 (a) Treatment for withdrawal from the physiological effect of alcohol or drugs,
26 with a minimum benefit of \$1,500 per calendar year.

27 (b) Treatment for a patient admitted to a facility, with a minimum benefit of
28 \$9,000 per calendar year.

29 (c) Counseling for a person, group or family who is not admitted to a facility,
30 with a minimum benefit of \$2,500 per calendar year.

31 2. ~~[(These)]~~ Except as otherwise provided in section 1 of this act, these
32 benefits must be paid in the same manner as benefits for any other illness covered
33 by a similar policy are paid.

34 3. The insured person is entitled to these benefits if treatment is received in
35 any:

36 (a) Facility for the treatment of abuse of alcohol or drugs which is certified by
37 the Division of Public and Behavioral Health of the Department of Health and
38 Human Services.

39 (b) Hospital or other medical facility or facility for the dependent which is
40 licensed by the Division of Public and Behavioral Health of the Department of
41 Health and Human Services, accredited by ~~[(the)]~~ The Joint Commission ~~[(on~~
42 ~~Accreditation of Healthcare Organizations)]~~ or CARF International and provides a
43 program for the treatment of abuse of alcohol or drugs as part of its accredited
44 activities.

45 Sec. 3. NRS 689A.0493 is hereby amended to read as follows:

46 689A.0493 If any policy of health insurance provides coverage for treatment
47 of an illness which is within the authorized scope of practice of a licensed clinical
48 alcohol and drug abuse counselor, the insured is entitled to reimbursement for
49 treatment by a clinical alcohol and drug abuse counselor who is licensed pursuant
50 to chapter 641C of NRS ~~[(]~~ unless the clinical alcohol and drug abuse counselor
51 must be directly reimbursed ~~[(for providing such treatment)]~~ pursuant to:

52 1. An assignment of benefits described in section 1 of this act; or

53 2. Any other applicable assignment of benefits.

1 **Sec. 4.** NRS 689B.0397 is hereby amended to read as follows:

2 689B.0397 If any policy of group health insurance provides coverage for
3 treatment of an illness which is within the authorized scope of practice of a licensed
4 clinical alcohol and drug abuse counselor, the insured is entitled to reimbursement
5 for treatment by a clinical alcohol and drug abuse counselor who is licensed
6 pursuant to chapter 641C of NRS ~~†~~ unless the clinical alcohol and drug abuse
7 counselor must be directly reimbursed ~~for providing such treatment.~~ pursuant
8 to:

9 1. An assignment of benefits described in section 1 of this act; or

10 2. Any other applicable assignment of benefits.

11 **Sec. 5.** NRS 689C.167 is hereby amended to read as follows:

12 689C.167 1. The benefits provided by a group policy for health insurance,
13 as required by NRS 689C.166, for the treatment of abuse of alcohol or drugs must
14 consist of:

15 (a) Treatment for withdrawal from the physiological effects of alcohol or
16 drugs, with a minimum benefit of \$1,500 per calendar year.

17 (b) Treatment for a patient admitted to a facility, with a minimum benefit of
18 \$9,000 per calendar year.

19 (c) Counseling for a person, group or family who is not admitted to a facility,
20 with a minimum benefit of \$2,500 per calendar year.

21 2. ~~†These~~ Except as otherwise provided in section 1 of this act, these
22 benefits must be paid in the same manner as benefits for any other illness covered
23 by a similar policy are paid.

24 3. The insured person is entitled to these benefits if treatment is received in
25 any:

26 (a) Facility for the treatment of abuse of alcohol or drugs which is certified by
27 the Division of Public and Behavioral Health of the Department of Health and
28 Human Services.

29 (b) Hospital or other medical facility or facility for the dependent which is
30 licensed by the Division of Public and Behavioral Health of the Department of
31 Health and Human Services, is accredited by ~~†the~~ The Joint Commission ~~†on~~
32 ~~Accreditation of Healthcare Organizations~~ or CARF International and provides a
33 program for the treatment of abuse of alcohol or drugs as part of its accredited
34 activities.

35 **Sec. 6.** NRS 695B.1955 is hereby amended to read as follows:

36 695B.1955 If any contract for hospital or medical service provides coverage
37 for treatment of an illness which is within the authorized scope of practice of a
38 licensed clinical alcohol and drug abuse counselor, the insured is entitled to
39 reimbursement for treatment by a clinical alcohol and drug abuse counselor who is
40 licensed pursuant to chapter 641C of NRS ~~†~~ unless the clinical alcohol and drug
41 abuse counselor must be directly reimbursed ~~for providing such treatment.~~ pursuant to:
42 pursuant to:

43 1. An assignment of benefits described in section 1 of this act; or

44 2. Any other applicable assignment of benefits.

45 **Sec. 7.** NRS 695C.1789 is hereby amended to read as follows:

46 695C.1789 If any evidence of coverage provides coverage for treatment of an
47 illness which is within the authorized scope of practice of a licensed clinical alcohol
48 and drug abuse counselor, the insured is entitled to reimbursement for treatment by
49 a clinical alcohol and drug abuse counselor who is licensed pursuant to chapter
50 641C of NRS ~~†~~ unless the clinical alcohol and drug abuse counselor must be
51 directly reimbursed ~~for providing such treatment.~~ pursuant to:

52 1. An assignment of benefits described in section 1 of this act; or

53 2. Any other applicable assignment of benefits.

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

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

3 287.04335 If the Board provides health insurance through a plan of self-
4 insurance, it shall comply with the provisions of NRS 689B.255, 695G.150,
5 695G.160, 695G.162, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.170 to
6 695G.173, inclusive, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to
7 695G.310, inclusive, and 695G.405, **and section 1 of this act** in the same manner as
8 an insurer that is licensed pursuant to title 57 of NRS is required to comply with
9 those provisions.

10 **Sec. 10.** NRS 608.1555 is hereby amended to read as follows:

11 608.1555 Any employer who provides benefits for health care to his or her
12 employees shall provide the same benefits and pay providers of health care in the
13 same manner as a policy of insurance pursuant to chapters 689A and 689B of NRS
14 ~~†~~, **including, without limitation, as required by section 1 of this act.**

15 **Sec. 11.** NRS 608.156 is hereby amended to read as follows:

16 608.156 1. If an employer provides health benefits for his or her employees,
17 the employer shall provide benefits for the expenses for the treatment of abuse of
18 alcohol and drugs. The annual benefits provided by the employer must consist of:

19 (a) Treatment for withdrawal from the physiological effects of alcohol or
20 drugs, with a maximum benefit of \$1,500 per calendar year.

21 (b) Treatment for a patient admitted to a facility, with a maximum benefit of
22 \$9,000 per calendar year.

23 (c) Counseling for a person, group or family who is not admitted to a facility,
24 with a maximum benefit of \$2,500 per calendar year.

25 2. The maximum amount which may be paid in the lifetime of the insured for
26 any combination of the treatments listed in subsection 1 is \$39,000.

27 3. ~~†These~~ **Except as otherwise provided in section 1 of this act, these**
28 benefits must be paid in the same manner as benefits for any other illness covered
29 by the employer are paid.

30 4. The employee is entitled to these benefits if treatment is received in any:

31 (a) Program for the treatment of abuse of alcohol or drugs which is certified by
32 the Division of Public and Behavioral Health of the Department of Health and
33 Human Services.

34 (b) Hospital or other medical facility or facility for the dependent which is
35 licensed by the Division of Public and Behavioral Health of the Department of
36 Health and Human Services, **is** accredited by The Joint Commission **or CARF**
37 **International** and provides a program for the treatment of abuse of alcohol or drugs
38 as part of its accredited activities.

39 **Sec. 12.** This act becomes effective on ~~July 1, 2017.~~ **January 1, 2018.** |