

# NCMA Supporting Material for June 25, 2024, Public Meeting

## BDR #1 Diverse Reporting

### Preamble:

To enhance business diversity within the procurement departments at city, county, rural, and state levels in Nevada, this Bill aims to establish a comprehensive reporting system for contracts awarded to minority, women-, veteran-, disabled-, and disadvantaged-owned business enterprises (herein referred to as “diverse-owned businesses”). The goal is to ensure transparency, accountability, and equitable participation of diverse-owned businesses in public procurement processes across Nevada. Implementing this Bill will provide valuable data to inform policy decisions, promote inclusivity, and support economic development for underrepresented communities.

### Conceptual Language:

1. Establishment of Reporting Requirements: Mandate all procurement departments at the city, county, rural, and state levels to report annually on the percentage and dollar value of contracts awarded to diverse-owned businesses.
2. Standardized Reporting Format: Develop and enforce a standardized format for reporting diverse business contract awards to ensure consistency and comparability across all agencies. Include detailed breakdowns by demographic segments, contract types, and geographical areas.
3. Minimum Participation Goals: Set aspirational goals for diverse-owned businesses' participation in public contracts, mirroring successful models such as the City of Indianapolis' 27% diversity business participation goal for contracts valued above \$50,000. Require agencies to develop and implement plans to achieve these goals, with progress reports submitted biannually.
4. Voluntary Compliance and Support: Agencies are encouraged to assess their diverse-owned businesses' participation levels voluntarily and, if below federal minimum standards, seek assistance from the Commission on Minority Affairs to enhance their diversity efforts.
5. Resource Allocation: Allocate sufficient resources to support the implementation and monitoring of diverse-owned businesses' participation goals, including staff training, outreach efforts, and the development of tracking systems. Provide technical assistance and capacity-building programs to diverse-owned businesses to enhance their competitiveness in the public procurement process.
6. Public Accessibility and Transparency: To ensure transparency and public accountability, make the annual and biannual reports publicly accessible through a dedicated online portal. Include summaries of the reports in the biennial RBDAC report to the Nevada State Legislature.

7. Data Utilization for Policy Making: Use the collected data to inform future legislative and policy decisions to promote business diversity and inclusivity within the state's procurement processes. Based on analyzing the collected data and stakeholder feedback, regular reviews and updates on reporting and participation requirements will be conducted.

8. Interagency Collaboration: Encourage collaboration between state, county, and local agencies to share best practices and resources for enhancing diverse-owned businesses' participation in public contracts. Promote regional partnerships to address common challenges and leverage collective efforts to improve business diversity outcomes.

9. Enforcement Mechanisms: Establish enforcement mechanisms, including potential penalties or sanctions, for agencies that fail to comply with reporting requirements or meet participation goals. Implement a system for regular audits and evaluations of agency performance in relation to diverse-owned businesses' contract awards.

10. Recognition and Incentives: Create systems to recognize and reward agencies that exceed diverse-owned businesses' participation goals through awards or additional funding incentives. Create opportunities to highlight success stories and best practices in state publications and at public events to encourage broader adoption of effective diversity practices.

## **BDR #2 – Prompt Payment Law**

### **Preamble:**

It is imperative to ensure timely reimbursement for services rendered by healthcare providers to enhance the business environment for healthcare providers and improve access to care for all Nevada residents. Prompt payment by insurance companies will create a more stable and attractive landscape for new medical practices, ultimately benefiting the state's healthcare infrastructure. Additionally, it is important to recognize that delayed payments disproportionately affect minority communities, where residents may not have the financial means to pay out-of-pocket for healthcare services, unlike their more affluent counterparts.

### **Conceptual Language:**

**Timely Reimbursement Requirements:** All insurance companies operating within the state of Nevada must reimburse healthcare providers for submitted claims within 30 working days for paper claims and 15 working days for electronic claims.

**Interest Penalties for Late Payments:** If an insurer fails to reimburse within the specified timeframes, they must pay interest on the unpaid amount at a rate of 10% per annum, beginning from the first day after the payment was due.

**Written Notice for Contested Claims:** Insurers must notify healthcare providers in writing within 30 working days of receipt if a claim is contested or denied. This notice must include specific reasons for the contest or denial and the factual and legal basis for such decisions.

**Additional Penalties for Prolonged Delays:** For claims not paid within 60 days, insurers may be liable for additional penalties, including potential full payment of the billed charges for the claim.

**Establishment of a Dispute Resolution Process:** A formal dispute resolution process must be established and made available for providers to challenge contested or denied claims efficiently. This process should ensure timely and fair handling of disputes, providing a clear pathway for resolution.

**Transparency and Accountability Measures:** Insurers must provide detailed explanations of benefits and remittance advice to both the provider and the insured, including contact information for the department responsible for reviewing contested claims.

**Annual Reporting Requirements:** Insurance companies must submit annual reports to the Nevada Department of Insurance detailing their compliance with prompt payment regulations, including the number of claims paid late and the total amount of interest paid.

**Public Awareness Campaign:** Launch a public awareness campaign to inform healthcare providers and the general public about the new prompt payment requirements and the procedures for addressing noncompliance.

Support for Small Practices: Provide additional support and resources for small and new healthcare practices to navigate the reimbursement process and ensure they are protected under the new prompt payment laws.

Addressing Disparities in Minority Communities: Acknowledge that delayed payments disproportionately affect minority communities, where residents are less likely to have the financial means to pay for healthcare services out-of-pocket. This legislative effort aims to reduce such disparities by ensuring all providers, particularly those serving minority and economically disadvantaged communities, receive timely payments, thereby enhancing their ability to provide continuous care.

**Impacts of Prompt Payment Laws:**

Financial Stability of Providers: Prompt payment laws have significantly improved the financial stability of healthcare providers by ensuring timely reimbursements. This has allowed providers to maintain their operations without the financial strain caused by delayed payments

Indirect Benefits to Healthcare Delivery: The financial improvements resulting from prompt payment laws enable providers to invest in better care delivery. While direct correlations to improved patient health outcomes are limited, the stability allows for consistent and potentially enhanced healthcare services.

Implementation Examples from Other States: In California and Texas, prompt payment laws have led to improved payment timeliness and reduced financial losses for healthcare providers. These examples demonstrate the potential benefits such laws could bring to Nevada, fostering a more attractive business environment for new practices.

These measures aim to establish a reliable and prompt reimbursement system for healthcare providers, thereby fostering a conducive environment for the growth of medical practices and improving healthcare access for Nevada residents, with a specific focus on reducing disparities in minority communities.