PROPOSED REGULATION OF THE BOARD OF THE

PUBLIC EMPLOYEES' BENEFITS PROGRAM

LCB File No. R067-03

July 30, 2003

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

AUTHORITY: §§1 and 2, NRS 287.043.

Section 1. NAC 287.310 is hereby amended to read as follows:

287.310 1. To participate in the Public Employees' Benefits Program group coverage or insurance, a nonstate agency, through its governing body, must provide to the Program:

(a) A nonrefundable application fee of:

(1) For less than 50 participants .....$250 plus the administrative fee

(2) For not less than 50 participants or more than 200 participants .....$450 plus the administrative fee

(3) For over 200 participants .....$2.25 per participant plus the administrative fee

➥In addition to the application fees listed in subparagraphs (1), (2) and (3), a nonstate agency must include as part of its application fees a fee at a rate of $1 per participant to cover the costs for loading eligibility and the initiation of billing services.

(b) Information, as determined by the actuary of the Program, sufficient to make an actuarial determination as to the appropriate rates for the public agency, including, without limitation, the

3 most recent years of claims history data of the public agency, if any exists, in an electronic format that is compatible with the actuarial services of the Program.

(c) The names, addresses, phone numbers, social security numbers, gender, age and current selection for coverage of:

(1) The eligible members, regardless of current enrollment, of that public agency; and

(2) Those members that are currently enrolled in the group plan of the public agency and their respective number of enrolled dependents.

(d) An interlocal contract executed pursuant to NRS 287.043, on a form provided by the Program.

(e) A statement that all terminal fees and costs associated with the previous health plan will be paid by that public agency group.

2. The actuary for, and the members of the staff of, the Board shall review the request and establish the rates for the requesting public agency as follows:

(a) If, upon review of the claims experience of other nonstate groups in the Program or the past claims history of the requesting agency, the actuary for the Board determines the experience for the requesting agency does not exceed 105 percent of the appropriate rate for the same or similar nonstate groups, the requesting agency will not be rated separately from those same or similar nonstate groups that participate in the Program.

(b) If the claims experience for the requesting agency exceeds 105 percent of the appropriate rate for the same or similar nonstate groups, the actuary for the Program and a member of the staff will submit a written report, with recommended rates, to the Board. The recommended rates must equal the difference of the premium for nonstate groups and the cost of the experience of the requesting agency.

(c) If the requesting agency has no claims experience, the rates will be equal to 105 percent of the standard rate for a nonstate group participating under the plan that has no separate rating applied.

➥Rates established pursuant to paragraphs (b) and (c) apply until the end of the plan year immediately following the year in which the rates were established, at which time the actuary for, and the members of the staff of, the Board shall review the claims experience of the group to determine an appropriate rate or whether the standard rate should be applied.

3. For a participating public agency, the Program shall provide, upon written request from the agency, the history of claims for that public agency. The Program shall charge for each report the actual cost of providing the report. The report will include:

(a) A summary of the medical, surgical and dental claims paid by the self-funded plan for each month covered by the report; and

(b) A summary of the monthly premiums paid during the period covered by the report.

➥The Program shall provide the report within 90 days after receipt of the request.

4. As used in this section, "plan year" means the period starting on July 1 and ending on the following June 30 in which program benefits and rates are offered for enrollment.

Sec. 2. NAC 287.100 is hereby repealed.

TEXT OF REPEALED SECTION

287.100 "Plan year" defined. (NRS 287.043) "Plan year" means a calendar year starting on January 1 and ending on the following December 31 in which program benefits and rates are offered for enrollment.