

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS  
INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066**

LCB FILE NO. T005-18

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter 687B.

1. A clear and concise explanation of the need for the adopted regulation.

*The temporary regulation is necessary to comply with the requirement that the Commissioner issue the network adequacy standards required of all network plans. See NRS 687B.490 and NAC 687B.768. The purpose of the temporary regulation is to establish adequacy standards for network plans for plan year 2020.*

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how public comment was solicited:

*Public comment was solicited by e-mailing the proposed regulation, notice of workshop, notice of intent to act upon the regulation, and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, mailed to the main library for each county in Nevada, and posted at the following locations:*

*Nevada Division of Insurance  
1818 East College Parkway, Suite 103  
Carson City, Nevada 89706*

*Nevada Division of Insurance  
3300 West Sahara Avenue, Suite 275  
Las Vegas, Nevada 89102*

*Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701*

*Nevada State Business Center  
3300 West Sahara Avenue  
Las Vegas, Nevada 89102*

*Blasdel Building  
209 East Musser Street  
Carson City, Nevada 89701*

*Grant Sawyer Building  
555 East Washington Avenue  
Las Vegas, Nevada 89101*

*Capitol Building  
101 North Carson Street  
Carson City, Nevada 89701*

*Nevada Department of Employment,  
Training and Rehabilitation  
2800 E. Saint Louis Avenue  
Las Vegas, Nevada 89104*

*Public comment was also solicited at the workshop held on December 3, 2018, and at the hearing held on December 14, 2018. The public workshop and hearing took place at the offices of the Division, 1818 East College Parkway, Carson City, Nevada 89706, with simultaneous videoconferencing to the Nevada State Business Center, 3300 West Sahara Avenue, Las Vegas, Nevada 89102.*

(b) A summary of the public response:

*The Division did not receive any public response in favor of or against the temporary regulation. The Division received two written comments related to network adequacy. One of the comments requested information pertaining to how network adequacy analysis would be conducted and the other urged the Division to expand the number of providers required under regulation as well as expand the metrics of determining network adequacy beyond time and distance.*

(c) An explanation of how other interested persons may obtain a copy of the summary:

*The summary in #2(b) above reflects the public comments and testimony that transpired with regard to regulation T005-18. A copy of said summary may be obtained by contacting Jeremy Gladstone, Assistant Chief, Life and Health Section, at (775) 687-0729 or [jgladstone@doi.nv.gov](mailto:jgladstone@doi.nv.gov). This summary will also be made available by e-mail request to [insinfo@doi.nv.gov](mailto:insinfo@doi.nv.gov).*

3. The number of persons who:

- (a) Attended the hearing: 3
- (b) Testified at the hearing: 0
- (c) Submitted to the agency written statements: 2

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3(b) and (c), as provided to the agency:

Testified at the hearing:

*There was no testimony given at the hearing for the temporary regulation.*

Submitted to the agency written statements:

<b>Name</b>	<b>Entity/Organization Represented</b>	<b>Business Address</b>	<b>Telephone</b>	<b>E-Mail Address</b>
Alan Matarasso, MD, FACS	American Society of Plastic Surgeons	444 E. Algonquin Rd. Arlington Heights, IL 60005	847-228-3331	<a href="mailto:phermes@plasticsurgery.org">phermes@plasticsurgery.org</a>

Richard Baynosa, MD	Mountain West Society of Plastic Surgeons	444 E. Algonquin Rd. Arlington Heights, IL 60005	847-228-3346	phermes@plasticsurgery.org
Katie Rogers	Silver Summit Health Plan	13221 SW 68th Pkwy, Ste. 300 Tigard, OR 97223	531-329-8581	Katie.L.Rogers@SilverSummitHealthPlan.com

5. A description of how comments were solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

(a) A description of how comments were solicited from affected businesses:

*Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description, summary and explanation provided above in response to question #2. The Division also solicited comments from the Chambers of Commerce throughout the state of Nevada and requested that the solicitation be forwarded to members of the Chambers.*

(b) A summary of the responses from affected businesses:

*The Division did not receive direct comments from any affected businesses beyond the information provided in question #2(b).*

(c) An explanation of how other interested persons may obtain a copy of the summary:

*The summary in #5(b) above reflects the comments and testimony that transpired with regard to regulation T005-18. A copy of said summary may be obtained by contacting Jeremy Gladstone, Assistant Chief, Life and Health Section, at (775) 687-0729, or jgladstone@doi.nv.gov. This summary will also be made available by e-mail request to insinfo@doi.nv.gov.*

6. If after consideration of public comment the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

*The Division received written comments urging the Division to expand the number of providers required under regulation as well as expand the metrics of determining network adequacy beyond time and distance. The Division feels this is a matter best addressed by the Network Adequacy Advisory Council given their expertise on the subject matter. The current regulations require the Council to meet annually to make recommendations for network adequacy to the Commissioner of Insurance. The written comments will be presented to the Council at their first meeting for Plan Year 2021 and, at the discretion of the Council, can become part of the Council's recommendations to the Commissioner.*

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects:

*Beneficial: Health insurance carriers will be able to better measure members' needs and use of health care providers to design network plans.*

*Adverse: The health carriers will be required to demonstrate the adequacy of their network plans based on the network adequacy standards in the temporary regulation. Carriers will likely have to adjust their network plans to meet policyholder needs. Carriers may have to add additional healthcare providers to their current network plan designs.*

*Once carriers establish the relevant number and types of healthcare providers necessary to meet the network adequacy requirements, the impact on carriers will be better known. Data will be gathered by the Division through its annual review of performance of a carrier's network plan. This data can then be studied to better predict long-term effects of certain network adequacy requirements.*

(2) Both immediate and long-term effects:

*The immediate and long-term effects of the temporary regulation overlap and a summary of the overall effects is provided. Health insurance carriers will be able to better measure members' needs and use of health care providers to design network plans.*

*The health carriers will be required to demonstrate the adequacy of their network plans based on the network adequacy standards in the temporary regulation. Carriers will likely have to adjust their network plans to meet policyholder needs. Carriers may have to add additional healthcare providers to their current network plan designs.*

*Once carriers establish the relevant number and types of healthcare providers necessary to meet the network adequacy requirements, the impact on carriers will be better known. Data will be gathered by the Division through its annual review of performance of a carrier's network plan. This data can then be studied to better predict long-term effects of certain network adequacy requirements.*

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects:

*Beneficial: Once implemented, policyholders should be able to more*

*reasonably access appropriate care with in-network providers. As the network adequacy requirements are updated each year, they should provide a more broad base of “in network” healthcare providers and access thereto. By providing a more broad base of “in network” healthcare providers and access thereto, policyholders should experience lower out-of-pocket costs.*

*Adverse: As health insurance carriers obtain experience data, there may be a learning curve that may impact members’ abilities to access care as quickly as hoped. Additionally, although network adequacy requirements will be issued each year, this does not guarantee that every healthcare provider sought by a policyholder will always be an “in network” provider. As a result, the policyholder may still be responsible for paying some additional amounts out-of-pocket for an “out of network” provider.*

(2) Both immediate and long-term effects:

*The immediate and long-term effects of the temporary regulation overlap and a summary of the overall effects is provided. Once implemented, policyholders should be able to more reasonably access appropriate care with in-network providers. As the network adequacy requirements are updated each year, they should provide a more broad base of “in network” healthcare providers and access thereto. By providing a more broad base of “in network” healthcare providers and access thereto, policyholders should experience lower out-of-pocket costs.*

*As health insurance carriers obtain experience data, there may be a learning curve that may impact members’ abilities to access care as quickly as hoped. Additionally, although network adequacy requirements will be issued each year, this does not guarantee that every healthcare provider sought by a policyholder will always be an “in network” provider. As a result, the policyholder may still be responsible for paying some additional amounts out-of-pocket for an “out of network” provider.*

8. The estimated cost to the agency for enforcement of the adopted regulation.

*The Division anticipates no additional costs. NRS 67B.490(6) requires that any expense borne by the Division in determining the adequacy of a network plan be assessed against the insurance carrier applying for the network plan approval.*

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

*There are no regulations of other state or government or federal agencies that the temporary regulation overlaps or duplicates.*

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

*Not applicable, as there are no federal regulations that address the requirements in the temporary regulation for all network plans in the individual and small group markets.*

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

*Not applicable, as the regulation does not create a new fee or increase an existing fee.*