ADOPTED REGULATION OF THE BOARD OF PUBLIC

EMPLOYEES BENEFITS PROGRAM

LCB File No. R126-00

(Split out from R100-00)

Effective January 1, 2001

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

AUTHORITY: §§1-38, NRS 287.043.

Section 1. Chapter 287 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this regulation.

Sec. 2. ***"Dependents" includes:***

1. One spouse from a marriage pursuant to law; and

2. All other declared members of a declared program coverage unit.

Sec. 3. ***"Executive officer" means the executive officer of the program employed by the board pursuant to NRS 287.0424.***

Sec. 4. ***"Health insurance" means insurance coverage for medical, dental, vision and the treatment of mental health or substance abuse.***

Sec. 5. ***"Member" means an enrolled participant in the program or a public agency group plan.***

Sec. 6. ***"Open enrollment" means the annual event offered by the program in which participants in the program may change elections offered by the program concerning coverage and dependents.***

Sec. 7. ***"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.***

Sec. 8. ***"Program" means the public employees' benefits program established in accordance with NRS 287.0402 to 287.049, inclusive.***

Sec. 9. ***"Program coverage unit" means the family unit declared pursuant to section 11 of this regulation that seeks program coverage or insurance for more persons than the sole eligible public officer, public employee or retired public officer or employee.***

Sec. 10. ***"Public agency" includes any public agency enumerated in NRS 287.010.***

Sec. 11. ***1. Except as otherwise provided in this section, an eligible officer, employee or retiree of the State of Nevada or a public agency who desires to participate in a program with one or more dependents in a family unit must declare the existence of a qualifying program coverage unit by executing a declaration of enrollment, under penalty of perjury and subject to the provisions of NRS 686A.290 and 686A.291.***

2. The following eligible dependents must be declared, including names, addresses and social security numbers, by the declarant in a declaration of enrollment of a program coverage unit:

(a) A spouse of the declarant.

(b) Any unmarried child of the declarant who is under the age of 19 years.

(c) Any unmarried child of the declarant who is 19 years of age or older if:

(1) At the age of 19 years, the child is incapable of self-support because of a physical or mental disability; and

(2) The declarant provides supporting evidence to the program within 30 days after the 19th birthday of the child that demonstrates that the child qualifies for coverage and insurance pursuant to this paragraph.

(d) Any unmarried child of the declarant who is 19 years of age or older but less than 24 years of age, if the child is enrolled in an accredited school on a full-time basis.

(e) Any unmarried child of the declarant who is 24 years of age or older, if:

(1) The child was enrolled in an accredited school on a full-time basis between his 19th birthday and his 24th birthday;

(2) At the age of 24 years, the child is incapable of self-support because of a physical or mental disability if the disability occurred while the child was a full-time student; and

(3) The declarant provides supporting evidence to the program within 30 days after the 24th birthday of the child that demonstrates that the child qualifies for coverage and insurance pursuant to this paragraph.

3. All declared members of a program coverage unit must continually reside in the same single-family dwelling with the declarant except for a dependent who is:

(a) A child who is a full-time student;

(b) A child or a spouse who is in a facility for the institutional care of a disability;

(c) A child who is the subject of a child health insurance support agreement; or

(d) A spouse who is working out of the area of the single-family dwelling.

4. Children declared by the declarant for inclusion in a program coverage unit may include biological children, adopted children, children placed in the single-family dwelling of the declarant for adoption, stepchildren and any other child who is related to the declarant, if the declarant is legally responsible for the child and the child is financially dependent on the

declarant and the program coverage unit of the declarant for care and support. A foster child may not be included in a program coverage unit.

5. Other than a period for enrollment that is open for all participants, the right to change coverage or insurance on a declared dependent or to add or change dependents is governed by the terms and conditions of any applicable plan, insurance policy or law.

Sec. 12. NAC 287.005 is hereby amended to read as follows:

287.005 As used in NAC 287.005 to 287.690, inclusive, ***and sections 2 to 11, inclusive, of this regulation,*** unless the context otherwise requires, the words and terms defined in NAC 287.0055 to 287.009, inclusive, ***and sections 2 to 10, inclusive, of this regulation*** have the meanings ascribed to them in those sections.

Sec. 13. NAC 287.008 is hereby amended to read as follows:

287.008 "Participant" includes ~~[.]~~ ***the following persons who are eligible to participate in a program:***

1. An officer or employee ~~[;]~~ ***of the state or a public agency;***
2. A retired officer or employee ~~[;]~~ ***of the state or a public agency;***
3. A dependent of ***such*** an officer or employee or ~~[a]~~ retired officer or employee; ~~[and]~~
4. A survivor ~~[or dependent]~~ of a deceased officer or employee ***of the state or a public agency*** or a deceased retired officer or employee ~~[, who participates in the public employees' benefits program.]~~ ***of the state or a public agency;***

5. A surviving spouse of a police officer, fireman or official member of a volunteer fire department who was killed in the line of duty;

6. A surviving child of a police officer, fireman or official member of a volunteer fire department who was killed in the line of duty;

7. A state employee participating in a biennial plan that lasts not less than 4 months or more than 6 months who plans to return to the same or similar position in the next authorized biennial employment period if the state employee has timely enrolled, reenrolled, opted to continue coverage or insurance, or opted to join the program pursuant to this chapter and chapter 287 of NRS in any applicable group coverage or insurance offered by, through or in cooperation with the program;

8. A former member of the board of trustees of a school district pursuant to NRS 287.024; and

9. A legislator.

Sec. 14. NAC 287.0085 is hereby amended to read as follows:

287.0085 Retired officer or employee" means an officer or employee ***of the state or a public agency*** who has ~~[at least 5 years of service with the state or a participating public agency]~~ ***met the requirements to receive,*** and is receiving ***any distribution of,*** benefits from:

1. The judges' retirement system;

2. The public employees' retirement system (PERS);

3. The legislators' retirement system;

4. ~~[The teachers' insurance annuity association-college retirement equities fund (TIAA-CREF); or~~

~~5. The]~~ ***A retirement program for professional employees offered by or through the University and Community College System of Nevada pursuant to NRS 286.802; or***

5. A long-term disability plan of the state ~~[.]~~ ***or a public agency.***

Sec. 15. NAC 287.009 is hereby amended to read as follows:

287.009 "Vendor" means an independent contractor ***pursuant to NRS 284.173*** who provides ~~[professional]~~ ***products or*** services to ***a program or its*** participants ***,*** ~~[and the board,]~~ including, but not limited to, ~~[a broker of record,]~~ ***an insurance broker,*** a consultant ***,*** ~~[and]~~ a claims administrator ~~[.]~~ ***, an insurer, a health maintenance organization, a physical or mental health care provider, a case management or utilization management company, a dental or vision care provider, a hospital, a medical facility, a certified public accountant, an actuary, a health educator, a pharmacy or pharmacy benefit manager, a preferred provider organization, a publisher and a court reporter.***

Sec. 16. NAC 287.0095 is hereby amended to read as follows:

287.0095 ~~[The]~~

1. The board interprets ~~[these terms, as used in NRS 287.045, as follows:~~

~~1. "Full-time employment" means]~~ ***"full-time employment" to mean*** the employment ***, election or appointment by the state or public agency*** of a person who:

(a) In any calendar month, works ***as a public employee or officer*** at least one-half of the hours of an employee who works 40 hours per week ***.*** ~~[; and~~

~~(b) Is employed by the state]~~ ***The board will consider such full-time employment to commence*** at the beginning of the month following the date of ~~[his employment.~~

~~2. "Officer" means an]~~ ***employment of the public employee or officer.***

(b) Is elected or appointed ~~[official]~~ ***as a public officer*** who receives ~~[a salary]~~ ***any compensation regardless of the number of hours worked, or is a member of the board of trustees of a school district who is not an employee but receives any compensation for public service*** from a ~~[participating]~~ public agency. ***The board will consider such full-time***

employment to commence at the beginning of the month immediately following the month in which his term of service or term of office begins.

(c) Is a state employee participating in the biennial plan in accordance with NAC 287.500. The board will consider such full-time employment to commence at the beginning of the month immediately following the date of his employment, and at reemployment and reenrollment in the program at each successive authorized biennial employment period.

2. Regardless of receipt of retirement distributions as set forth in NAC 287.530, the board may consider any professional staff employed by the University of Nevada, Reno, or the University of Nevada, Las Vegas, to teach a course of study or training pursuant to chapter 261, Statutes of Nevada 1999, or any continuation by the legislature of that teaching program beyond July 1, 2001, to whom the university will provide an employee premium subsidy, as a state employee participant rather than a retired public agency employee pursuant to NRS 287.023, until the voluntary or involuntary termination of the employee from the teaching program.

Sec. 17. NAC 287.310 is hereby amended to read as follows:

287.310 1. To participate in the public employees' benefits program ~~[, a public]~~ ***group coverage or insurance, a nonstate*** agency, through its governing body, must ~~[make a written request to the board. The request must include:]~~ ***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

FLUSH ***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 ~~[board,]~~ ***actuary of the program,*** sufficient to make an actuarial determination as to the appropriate rates ~~[and plan of benefits]~~ for the ***public*** agency ~~[; and]~~ ***, 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 ~~[all]~~ ***:***

(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 ~~[board's consultant, if any, or]~~ ***actuary for, and*** the members of the ~~[board's]~~ staff ***of, the board*** shall review the request and establish the rates for the requesting public agency ~~[. If the rates do]~~ ***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 ~~[110]~~ ***105*** percent of the appropriate rate for ~~[a public agency that is not a state agency, a member of the staff will notify the requesting public agency of the terms and conditions of entry into the state's program.]~~ ***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 ~~[rates exceed 110]~~ ***claims experience for the requesting agency exceeds 105*** percent of the appropriate rate for ~~[a public agency that is not a state agency, the consultant or]~~ ***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 ***.*** ~~[within 45 days after receipt of the request.~~

~~3. The board will act on a report submitted pursuant to subsection 2 within 60 days after its receipt of the report. If the board acts favorably on the request to participate, the board will submit to the agency by certified mail an offer to participate which contains the terms and conditions of entry into the state's program. The public entity must accept the board's offer within 30 days after receipt of the offer, or the offer is withdrawn. The effective date of coverage is the first day of the month which follows the month in which the board receives written acceptance of its offer.~~

~~4.]~~ ***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.

FLUSH ***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 ~~[with more than 200 officers and employees, the board will]~~ ***, the program shall*** provide, upon written request from the agency, the history of claims for that public agency. ~~[If the agency requests more than one report in a year, the board will]~~ ***The program shall*** charge for each ~~[additional]~~ 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.

FLUSH The ~~[board will]~~ ***program shall*** provide the report within ~~[45]~~ ***90*** days after receipt of the request.

Sec. 18. NAC 287.314 is hereby amended to read as follows:

287.314 1. Except as otherwise provided in subsection 3, a public agency which participates in the ~~[public employees' benefits]~~ program shall, upon appointing to the agency a person who will be eligible to participate in the program pursuant to NRS 287.045, ensure that the employee attends an orientation program conducted by the ~~[division]~~ ***program*** within 60 days after he begins his employment with the agency ~~[.]~~ ***or if the employee is unable to attend the orientation program, that the employee receives the packet of information in accordance with NAC 287.317.*** The ~~[division]~~ ***program*** shall provide to the employee at the orientation

program information concerning the benefits provided ***.*** ~~[by the public employees' benefits program.]~~

2. A public agency which is required to grant release time pursuant to NAC 284.484 shall grant release time to such an employee to attend the orientation program.

3. The provisions of this section do not apply to any person who is employed by the University and Community College System of Nevada.

Sec. 19. NAC 287.317 is hereby amended to read as follows:

287.317 1. The ~~[division]~~ ***program*** shall conduct the orientation program required pursuant to NAC 287.314 each month at locations designated by the ~~[division.]~~ ***program.***

2. A public agency which participates in the ~~[public employees' benefits]~~ program shall, upon appointing to the agency a person who will be eligible to participate in the program pursuant to NRS 287.045, request that the ~~[division]~~ ***program*** register the employee for the orientation program at the location which is nearest to the employee's place of employment. The request must be ~~[made in writing on a form]~~ ***in a format*** prescribed by the ~~[division]~~ ***program*** and submitted to the ~~[division]~~ ***program*** not later than 5 days after the employee's first day of employment with the agency.

3. The ~~[form]~~ ***format to register an employee for an orientation program*** prescribed by the ~~[division]~~ ***program*** pursuant to subsection 2 must include a portion to be completed by the employee and a portion to be completed by the public agency. The public agency shall ensure that the employee completes the portion of the form which the employee is required to complete.

4. If an employee cannot attend the orientation program, a complete packet with enrollment information must be provided to the employee. An employee has 60 days from his first day of employment to submit an enrollment form with his selections. If an employee fails

to submit an enrollment form within the 60-day period, the employee only will be placed in the self-funded plan.

5. If an employee terminates his employment, the payroll center of the public agency which had employed the employee and the employee shall ensure that the program is notified of the termination not later than 30 days after the date on which the employment was terminated.

Sec. 20. NAC 287.320 is hereby amended to read as follows:

287.320 1. A public agency which intends to ***terminate its interlocal contract and*** withdraw from the program must give a written notice to the ~~[board]~~ ***executive officer of the program*** at least 60 days before the date it intends to withdraw. The effective date of withdrawal is the first day of the month following the month in which the 60-day period expires.

2. ~~[If]~~ ***Unless waived by the board,*** a public agency ***that*** withdraws from the program ~~[, it]~~ may not ~~[apply for reentry into]~~ ***reenter*** the program for 3 years after the date it withdraws.

3. ~~[The]~~ ***Except for retired persons who, at the time of withdrawal from the program by the public agency that employed the retired persons, opt to continue coverage or insurance in the program pursuant to NRS 287.023, the*** program is not liable for any expenses ***or claims*** of an officer or employee or retired officer or employee ***, or any dependents of thereof,*** of ~~[a]~~ ***the withdrawing*** public agency incurred after the effective date of the withdrawal of the agency from the program.

Sec. 21. NAC 287.410 is hereby amended to read as follows:

287.410 ***1.*** If a surviving spouse or dependent ***is eligible to continue coverage or insurance in the program but*** is not eligible to receive benefits as the insured, ~~[he may]~~ ***the***

surviving spouse or dependent must pay the premium for group insurance directly to the ~~[board.]~~ ***program.***

2. If a surviving spouse or dependent who is eligible to reenroll in the program fails to reenroll in the program within 60 days after the date of death of the insured, the program may, at any time after the 60-day period, cancel coverage or insurance for the surviving spouse or dependent.

Sec. 22. NAC 287.420 is hereby amended to read as follows:

287.420 1. The total of the premiums which is billed by the ~~[division]~~ ***program*** and is owed by a department, agency, commission or public agency which ~~[employs]~~ ***:***

(a) Employs an officer or ~~[employer]~~ ***employee;***

(b) Is legally responsible for the surviving spouse or child of a police officer, fireman or volunteer fireman killed in the line of duty; or

(c) Is providing a premium subsidy for any of its retired officers or employees,

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for the officer, employee, surviving spouse or child, or retired officer or employee who elects to participate in the ~~[public employees' benefits]~~ program and the ~~[employee's]~~ ***respective*** contribution ***, if any,*** which is deducted from his compensation must be received by the ~~[division]~~ ***program*** by the 25th of each month.

2. If a department, agency, commission or public agency does not pay the amount billed by the ~~[division, the division shall assess]~~ ***program, the program shall determine if*** a penalty that is based on the amount actually paid ~~[.]~~ ***should be assessed.*** To determine the amount of the penalty, the ~~[division]~~ ***program*** shall determine a basis amount which is 80 percent of the amount billed the previous month. If the total payments made by the department, agency, commission or public agency were equal to or greater than the basis amount, the ~~[division]~~

program shall not assess a penalty. If the total payments made by the department, agency, commission or public agency were less than the basis amount, the ~~[division]~~ ***program*** shall assess a penalty of 1.5 percent of the basis amount.

3. For the purposes of this section, if the 25th day of the month is a Saturday, Sunday or legal holiday, the payment of a premium is timely if it is received on the next day which is not a Saturday, Sunday or legal holiday.

Sec. 23. NAC 287.430 is hereby amended to read as follows:

287.430 A person, other than a person who elects to continue coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. 99-272, Title 10 § 10001), who ~~[pays]~~ ***:***

1. Enrolls, reenrolls, joins or is continuing coverage in the program; and

2. Is responsible for the payment of the premium for group ***coverage or*** insurance directly to the ***program or an*** insurer ***,***

FLUSH ~~[or to a governmental entity]~~ shall pay the premium ***to the program or insurer, as appropriate,*** no later than the ~~[15th]~~ ***last*** day of the month of coverage. If the total amount of the premium is not received by the ~~[15th]~~ ***last*** day of the month, the coverage will be canceled effective on the last day of the month that the coverage was fully paid ~~[.]~~ ***unless the particular contract of coverage or insurance for which payment is being made otherwise provides.***

Sec. 24. NAC 287.440 is hereby amended to read as follows:

287.440 The following retired officers and employees may pay premiums for group ***coverage or*** insurance to the ~~[board:]~~ ***program:***

1. A retired officer or employee who ~~[has at least 5 years of service with the state or any other participating public agency and]~~ is receiving retirement benefits, if the retirement benefit is less than the premium.

2. A retired officer or employee who was 55 years of age or older in 1977 and was precluded from participation in the public employees' retirement system until 1979, if the officer or employee:

(a) Has at least 5 years of service with the state or any other participating public agency;

(b) Would have received a vested interest in retirement benefits but for the amendatory provisions of chapter 594, Statutes of Nevada 1977; and

(c) Has reached the age when retirement benefits could have been received had he not been precluded from participation in the system.

Sec. 25. NAC 287.450 is hereby amended to read as follows:

287.450 1. ~~[A participating public employer of]~~ ***The state or a public agency participating in the program that employs*** an employee who is on leave without pay shall not pay any amount of the cost of premiums or contributions ~~[for]~~ ***that is due the program for*** group insurance for that employee unless the employee is compensated for:

(a) Work actually performed;

(b) Accrued annual leave or sick leave, or both; or

(c) A combination of work actually performed and accrued annual leave or sick leave, or both, if the total is at least 80 hours per month for each month that coverage ***or insurance*** is provided.

2. An employee who is on approved leave without pay:

(a) May pay the premiums for his ~~[insurance]~~ coverage ***and insurance*** to the agency that employs him.

(b) Is not eligible for coverage ***or insurance*** as a dependent of his spouse if his spouse is also covered under the ~~[public employees' benefits]~~ program.

3. If an employee who is on approved leave without pay elects not to pay the premium for coverage ***and insurance from the program*** and returns to work:

(a) Before 1 year after taking leave without pay, the employee is not required to complete 90 days of full-time employment before being eligible to participate in the program ***.*** ~~[and the employee is not subject to any limitation of coverage for a preexisting condition.]~~

(b) One year or more after taking leave without pay, the employee is eligible to participate in the program on the first day of the month following 90 days of full-time employment ***.*** ~~[and is subject to any limitation of coverage for a preexisting condition.]~~

4. An employee who is on approved leave without pay may, at the time he returns to work, obtain coverage ***and insurance*** for any dependent who was previously covered. ~~[A dependent who is not covered at the time the employee returns to work must furnish evidence of insurability when coverage is sought.]~~

Sec. 26. NAC 287.460 is hereby amended to read as follows:

287.460 1. An officer or employee ***of the state or a public agency*** who:

(a) Is on leave because he was injured in the course of his employment;

(b) Receives compensation for a temporary total disability pursuant to NRS 616C.475; and

(c) Was a member of the ~~[public employees' benefits]~~ program at the time of the injury,

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may continue coverage ***or insurance*** for ***himself and*** any of his eligible dependents if he pays the premium ***due*** for coverage ~~[of that dependent]~~ ***or insurance*** to the agency that employs him.

The officer or employee shall report his change of status to ~~[the participating public agency]~~ ***his employer*** when he takes leave and when he returns to work. The ~~[participating public agency]~~ ***employer*** shall notify the ~~[division]~~ ***program*** of the change of status of the officer or employee.

2. If the officer or employee does not pay for coverage ***or insurance*** for his dependent while he is on leave and returns to work:

(a) Less than 1 year after taking leave, his dependent may be covered **.** ~~[without providing evidence of insurability. The dependent is subject to any limitation of coverage for a preexisting condition.]~~

(b) One year or more after taking leave, but did not continue coverage ***or insurance*** after the 9-month period provided by NRS 287.0445, the dependent ~~[:~~

~~(1) Is subject to any limitation of coverage for a preexisting condition; and~~

~~(2) Is]~~ ***is*** eligible to participate in the program on the first day of the month following the completion of full-time employment by the officer or employee if the dependent was previously covered.

~~[3. An eligible dependent who is not covered when the officer or employee returns to work must furnish evidence of insurability if coverage is sought at a later time.]~~

Sec. 27. NAC 287.470 is hereby amended to read as follows:

287.470 1. The provisions of this section apply if an overpayment or underpayment of a premium occurs because of:

(a) A clerical error by ***the state or*** a participating public agency;

(b) A change of coverage or a change in the working status of a participating officer or employee; or

(c) The failure of a participant to give timely notice that his dependent is ineligible for coverage because of his age or because of a change in his status as a student.

2. If ***the state or*** a participating public agency makes an overpayment of premiums, it may deduct the amount of the overpayment from the payment of premiums otherwise due for the following month. Any such deduction for a period greater than 1 month must:

(a) Be approved in advance by the ~~[division;]~~ ***program;*** and

(b) Equal the amount of the overpayment without provision for interest.

3. The ***state or*** participating public agency shall pay any money due to a participant because of an overpayment of premiums.

4. If ***the state or*** a participating public agency ***, or the program,*** makes an underpayment of premiums, it must add the amount of the underpayment to the payment of premiums otherwise due for the following month. Any such additions for a period greater than 1 month must:

(a) Be approved in advance by the ~~[division;]~~ ***program;*** and

(b) Equal the amount of the underpayment without provision for interest.

5. Any money owed by a participant because of an underpayment of premiums must be collected from the participant and paid by the ***state or*** participating public agency.

6. As used in this section "overpayment of premiums" does not include the payment of premiums for the month in which the employment of a participant terminated, regardless of the date on which the termination occurs.

Sec. 28. NAC 287.500 is hereby amended to read as follows:

287.500 1. If a seasonal employee returns to work with a participating public agency, the agency shall determine if the employee participated in the ~~[public employees' benefits]~~ program or was eligible to participate during his previous employment with the agency.

2. A seasonal employee who was eligible to participate in the program during his previous employment with a participating public agency and who returns to work within 1 year after the termination of his employment is eligible to participate in the program on the first day of the month following his return to work.

3. A seasonal employee who returns to work 1 year or more after the termination of his previous employment is eligible to participate in the program on the first day of the month following the completion of 90 days of full-time employment.

4. ~~[A seasonal employee who was eligible for coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. 99-272, Title 10, § 10001) upon the termination of his previous employment and who failed to obtain such coverage is subject to any limitation of coverage for a preexisting condition.]~~ ***An employee on a 4- to 6-month biennial plan who was working for a participating state agency is not subject to any waiting period upon reenrollment if the employee:***

(a) Plans to return, and does return, to the same or a similar position in the next authorized biennial employment period; and

(b) Continues to pay his full premium and allowable administrative fees as required by NRS 287.0467 for the enrolled coverage between biennial employment periods.

Sec. 29. NAC 287.510 is hereby amended to read as follows:

287.510 If a person is rehired from a reemployment list ***maintained by the state or a participating public agency*** within 1 year after leaving employment:

1. ~~[He must remain on the plan for health care]~~ ***The person must resume the coverage and insurance*** chosen before he left employment ~~[;]~~ ***, unless he is otherwise entitled to make a change because of a qualifying event, until the next open enrollment period for all***

participants, or if the employee is a seasonal employee and not eligible to make changes during the next open enrollment period, the next open enrollment period in which he is eligible to make changes; and

2. Coverage ***and insurance for the rehired person*** is effective on the effective date of his reemployment if that day is on the first day of the month or ***, if the effective date of reemployment is not on the first day of the month,*** on the first day of the month following the effective date of his reemployment ~~[if the date is not on the first day of a month; and~~

~~3. There must be no limitation on preexisting conditions.]~~ ***, as appropriate.***

Sec. 30. NAC 287.520 is hereby amended to read as follows:

287.520 1. A person may not be covered by the ~~[plan for group insurance]~~ ***program*** as both an employee and a dependent. If he qualifies as both, he is covered only as an employee and not as a dependent.

2. If a participating officer or employee changes his status to that of a dependent because he no longer qualifies as an employee, he must enroll as a dependent within ~~[31]~~ ***60*** days after losing his status as an employee to be eligible for coverage ~~[.]~~ ***and insurance as a dependent.*** If a participant complies with the requirements of this subsection, his coverage ***or insurance*** is not limited by ~~[:~~

~~(a) Any limitation of coverage for a preexisting condition; or~~

~~(b) A]~~ ***any*** waiting period that would otherwise apply.

Sec. 31. NAC 287.530 is hereby amended to read as follows:

287.530 1. If both spouses are retired employees who participated in the ~~[public employees' benefits]~~ program, one may elect to be the dependent of the other. If the retired

employee designated as the insured dies, the spouse who elected to be the dependent becomes the insured.

2. A person who ***, at the time of his retirement or disability,*** is ***a current participant in the program and who:***

(a) Is vested in a retirement system ~~[, attains]~~ ***as a retiree;***

(b) Has attained the age of eligibility ~~[, receives]~~ ***or is totally disabled;***

(c) Receives a retirement benefit ~~[and wishes to participate in the public employees' benefits program will be treated as a new employee unless he enrolls in the program within 31 days after his retirement. If he enrolls within 31 days after his retirement, he:~~

~~(a) Is not required to complete 90 days of full-time employment;~~

~~(b) Is not required to furnish evidence of insurability; and~~

~~(c) Is subject to any limitation of coverage for a preexisting condition.~~

~~3. The]~~ ***or disability benefit from such a system;***

(d) Wishes to continue participation in the program;

(e) Has retired or was disabled directly from government service with at least 5 years of service; and

(f) Within 60 days after his official date of retirement or total disability:

(1) Notifies his last government employer of his intent to continue coverage in the program; and

(2) Reenrolls in the program within 60 days after his official date of retirement or total disability,

FLUSH ***will have uninterrupted benefits and is not subject to any waiting period.***

3. A person who, on the official date of his retirement or total disability, is not a participant in the program and who:

(a) Is vested in a retirement system as a retiree;

(b) Attains the age of eligibility or is totally disabled;

(c) Receives a retirement or disability benefit from such a system;

(d) Wishes to join the program;

(e) Has retired or was disabled directly from government service with at least 5 years of government service before receiving retirement benefits; and

(f) Within 60 days after his official date of retirement or total disability:

(1) Notifies his last government employer of his intent to enroll in the program; and

(2) Enrolls in the program,

FLUSH ***is subject to a 60-day waiting period.***

4. A person who is the surviving spouse or ***a surviving*** dependent of a deceased ***officer or*** employee ***, or a deceased retired officer or employee, of the state or a public agency*** who ~~[is covered]~~ ***, at the time of his death, was a participant*** under the ~~[state's program of group health insurance]~~ ***program,*** may ***join the program or*** maintain the coverage ***or insurance from the program*** if ~~[the]~~ ***:***

(a) The spouse or dependent receives retirement benefits ~~[. The surviving spouse or dependent of a deceased retired employee who is covered under the state's program of group health insurance may maintain the coverage pursuant to NRS 287.025.]~~ ***from which premiums can be deducted or the spouse or dependent pays the premium directly to the program;***

(b) For a surviving dependent, the dependent would have qualified to participate in the program as a dependent if the participant had not died; and

(c) Within 60 days after the date of death of the participant, the surviving spouse or dependent:

(1) Notifies the last government employer of the deceased participant that the surviving spouse or dependent intends to enroll in or continue coverage by reenrolling in the program; and

(2) Enrolls or reenrolls, as appropriate, in the program.

5. Continued coverage provided to a surviving spouse or dependent who reenrolls in the program in accordance with this section may not be changed until the next enrollment period that is open to all participants of the program.

6. If the surviving spouse has a dependent who is not covered under the program ~~[,]~~ ***at the time of death of the officer or employee, or retired officer or employee, of the state or a public agency,*** or acquires a dependent by marriage, adoption or birth, the dependent is not eligible for coverage ~~[.]~~ ***or insurance.***

Sec. 32. NAC 287.610 is hereby amended to read as follows:

287.610 A claim made to the ~~[public employees' benefits]~~ program must be submitted to the ***claims*** administrator ***of the program*** no later than 15 months after the date ***on which*** the expense reported in the claim is incurred. A claim submitted after that time will not be paid.

Sec. 33. NAC 287.660 is hereby amended to read as follows:

287.660 1. A participant ***in the program*** may request a review of a ~~[medical]~~ claim he has submitted if he feels the claim was not adjudicated pursuant to the current terms and conditions of the ~~[public employees' benefits program. To initiate the review, the participant must submit a written request to the claims administrator employed by the board within 60 days after the date the claim was adjudicated.~~

~~2. A request for a review must include:~~

~~(a) The participant's name;~~

~~(b) The participant's social security number;~~

~~(c) The number of his claim;~~

~~(d) A statement indicating whether the claim is for a public employee or a covered dependent; and~~

~~(e) A statement of why the claim is being contested.~~~~]~~ ***program.***

2. The failure to request a review in a timely manner will be deemed to be a waiver of any further right of review or appeal under the program unless the program determines that the failure was acceptable.

3. Upon request, the program may review claims that are the responsibility of an insurer, health maintenance organization or any other risk-bearing vendor which has responsibility for all the processing and payment of claims. A review of claims will be governed by the terms and conditions of the contract between the participant and vendor.

Sec. 34. NAC 287.670 is hereby amended to read as follows:

287.670 ***1. To initiate a review of a claim, a participant in the program must submit a written request to the claims administrator of the program within 60 days after the date on which the claim was adjudicated or to the insurer in accordance with the terms and conditions of the contract between the participant and the vendor. A request for a review of a claim must include:***

(a) The name of the participant;

(b) The social security number of the participant;

(c) The identifying number of the claim for benefits;

(d) A statement indicating whether the claim is for a public officer or employee, or a retired officer or employee, or a surviving spouse or dependent of such an officer or employee; and

(e) A statement setting forth the reasons the claim is being contested.

2. The claims administrator shall:

~~[1.]~~ ***(a)*** Review a request for the review of a ~~[medical]~~ claim with the ~~[claims consultants employed by the board]~~ ***vendors and consultants of the board*** to determine if the claim was adjudicated pursuant to the current terms and conditions of the ~~[public employees' benefits program; and~~

~~2.]~~ ***program under the contract between the program and applicable vendor; and***

(b) Advise the participant in writing of ~~[their]~~ ***the*** decision ***of the claims administrator*** within 20 working days after receiving the request for a review.

Sec. 35. NAC 287.680 is hereby amended to read as follows:

287.680 1. If ~~[the]~~ ***a*** participant ***in the program*** is unsatisfied with the results of ~~[the]~~ ***an*** initial review of a ~~[medical]~~ claim, he may file ~~[a written]~~ ***an*** appeal with ~~[members of the staff of the board who have been appointed by the board to hear appeals.]~~ ***the executive officer.*** The appeal must ***be in writing,*** include all supporting documentation and ~~[must]~~ be filed within ~~[30]~~ ***35*** days after ~~[receipt of a written decision provided by the]~~ ***the*** claims administrator ~~[. The members of the staff and the board will not consider any information concerning the appeal which is received after the date of filing.~~

~~2. The members of the staff so appointed shall]~~ ***issues his written decision on the review of the claim.***

2. The executive officer shall appoint a committee of members of the staff of the board to review the material submitted by the participant and the claims administrator to determine if the claim was adjudicated correctly.

3. The ~~[members of the staff so appointed]~~ ***executive officer*** shall notify the participant in writing of ~~[their]~~ ***the*** decision ***of the committee*** within 20 working days after receipt of the participant's appeal.

Sec. 36. NAC 287.690 is hereby amended to read as follows:

287.690 1. If ~~[the]~~ ***a*** participant ***in the program*** is not satisfied with the decision of ~~[the members of]~~ the ***committee of the*** staff of the ~~[board]~~ ***program*** appointed to hear ~~[appeals, he]~~ ***the appeal made by the participant, the participant*** may file an appeal with the board for its review of the claim. The appeal must be filed within ~~[30]~~ ***35*** days after ~~[receipt of the staff's decision.~~

~~2. After]~~ ***the date on which the committee issues its written decision concerning the review.***

2. Except as otherwise provided in this subsection, after the receipt of an appeal ~~[,]~~ ***pursuant to this section,*** members of the staff shall present a report to the board at its next meeting. ***If an appeal is received after the deadline for placing items on the agenda for the next meeting of the board, the members of the staff shall present the report to the board at its next following meeting.*** The report ***by the members of the staff*** must include the grounds for the appeal, supporting documentation, information concerning the claim and recommendations for action by the board.

3. ~~[If the board decides not to hear the appeal, the board will mail to the participant, by first-class mail, notice of its decision within 10 working days after its determination.~~

~~4. If the board decides to hear the appeal, the board will~~] ***Not later than 10 days before the date of the meeting in which an appeal was made by a participant pursuant to this section will be heard by the board, the staff shall*** notify the participant in writing of the date, time and place of the meeting.

~~[5.]~~ ***4.*** The participant may appear with counsel before the board in a closed portion of an open meeting pursuant to NRS 241.030 to review orally his claim and the reasons why he is not satisfied with the adjudication of the claim.

~~[6.]~~ ***5.*** The board may render a decision on the claim at that time ***during its open meeting*** or defer action to a future meeting if additional information is required for review.

~~[7. The board will]~~

6. The staff shall mail to the participant by first-class mail notice of ~~[its]~~ ***the*** decision ***of the board*** within 10 working days after the decision is rendered.

~~[8.]~~ ***7.*** A decision of the board is final.

Sec. 37. NAC 287.0065, 287.007, 287.010, 287.030, 287.040, 287.050, 287.060, 287.070 and 287.080 are hereby repealed.

Sec. 38. This regulation becomes effective on January 1, 2001, or the date on which it is filed with the secretary of state, whichever occurs later.

TEXT OF REPEALED SECTIONS

287.0065 "Division" defined. "Division" means the risk management division of the department of administration.

287.007 "Insurance carrier" defined. "Insurance carrier" means an insurance company, a nonprofit medical service corporation or a health maintenance organization that is licensed by the State of Nevada and provides services or coverage pursuant to NRS 287.500 to 287.530, inclusive, or chapter 688B, 689B, 695B, 695C or 695D of NRS.

287.010 Purpose and scope of provisions.

1. The purpose of NAC 287.010 to 287.080, inclusive, is to set forth the qualifications and the procedure for the selection of a broker of record, a consultant, a claims administrator or other vendor to represent the board in connection with its purchase of policies of group life insurance, group health insurance or group hospital, medical, dental or other service contracts provided pursuant to chapter 695B of NRS.

2. NAC 287.010 to 287.080, inclusive, do not require a request for proposals or bids for administrative services that are used to assist the office of the risk manager in the discharge of his obligation to the plan or for the services of an insurance carrier.

287.030 Authority of board.

1. The board may select a broker of record, consultant, claims administrator or other vendor to act on its behalf. The board may request separate proposals for the broker of record, consultant and claims administrator.

2. A vendor serves at the pleasure of the board and may be removed at any time for any cause by a majority vote of the board's members.

3. The selection of a broker of record, consultant and claims administrator by the board will be based on the qualifications set forth in NAC 287.040, the past performance and experience of the applicant, the answers to a questionnaire to be completed by all applicants, any oral interviews conducted by the board and any other criteria stated by the board in its request for proposals.

287.040 Minimum qualifications of applicants.

1. Each person who applies to represent the board as its broker of record must:

(a) Be a resident or nonresident broker licensed pursuant to chapter 683A of NRS;

(b) Possess brokers' liability insurance for errors and omissions in an amount of not less than $1 million per occurrence; and

(c) Have at least two account managers, each of whom:

(1) Is licensed as an insurance broker or is authorized to act for a corporation licensed as an insurance broker; and

(2) Has placed and serviced at least two policies of group health insurance covering 1,000 persons or more.

2. Each person who applies to represent the board as its consultant must have:

(a) Experience in providing consulting services for plans of self-insurance which provide group coverage; and

(b) A staff of qualified employees to provide services.

3. Each person who applies to represent the board as an administrator of the claims made pursuant to policies of group insurance and the plan of self-insurance must have sufficient employees to act upon the monthly claims received by the board pursuant to its policies of group insurance and its plan of self-insurance.

287.050 Procedure for selection.

1. The board will give notice in newspapers published in Las Vegas and Reno before it requests proposals for a broker of record, consultant, claims administrator or other vendor. The notice will be published:

(a) Not more than 60 days before the date on which a proposal must be returned to the chairman; and

(b) Not more than 30 days before the date on which a proposal must be returned to the chairman.

2. The notice will set forth in general terms when the selection will occur, the general qualifications required of a vendor and the manner in which a vendor may obtain a proposal.

3. The chairman may send copies of the notice to state and national trade associations concerned with the business of insurance for inclusion in their publications or for dissemination among their members.

4. The chairman may select a consultant to prepare a request for proposals. The request must contain:

(a) The service required;

(b) The criteria to be used for selection of the vendor; and

(c) The date when the proposal must be submitted.

5. All completed proposals must be:

(a) Returned to the chairman on the date specified by the board.

(b) Submitted in a sealed envelope and clearly marked “RFP: Services.”

6. A response to a request for proposals becomes public information on the date and time specified by the board. The board is not responsible for proposals that are not securely sealed or clearly marked.

7. The chairman may appoint a subcommittee to review and evaluate proposals and to make a recommendation to the board. The board may select a consultant to assist the subcommittee.

8. The chairman shall call a general meeting of the board to:

(a) Accept information from the subcommittee, if any, and from other appropriate sources concerning a vendor;

(b) Conduct interviews of vendors that are recommended by the subcommittee; and

(c) Select a vendor from among the applicants.

287.060 Responses to requests for proposals; responsibility for costs.

1. A vendor must submit eight copies of his response to a request for proposals on or before the date specified in the request to, Chairman, Board of the Public Employees’ Benefits Program, 209 East Musser Street, Room 104, Carson City, Nevada 89710.

2. The board will not consider a proposal that is:

(a) Received after the specified date. The board will return such a proposal to the vendor unopened.

(b) Incomplete or incorrect.

(c) Not signed by an authorized representative of the vendor.

3. A vendor is responsible for payment of the cost for completing the proposal and any expenses incurred for an interview that is required by the board. Such costs and expenses are not a charge against the state.

287.070 Consideration of qualifications of applicants. Before selecting a vendor, the board will consider the following qualifications of each applicant:

1. Possession of a license or certificate by the vendor if a license or certificate is required to provide the services specified in the request for proposals;

2. The capability of the vendor to provide the services required;

3. Employment of a sufficient number of trained and qualified employees to provide the services required;

4. The capability to provide appropriate data to analyze the cost effectiveness of the services provided;

5. The ability to provide detailed reports concerning claims and utilization on a quarterly basis, if applicable;

6. The availability of the vendor to attend meetings of the board or meetings requested by the board or members of its staff; and

7. Other qualifications as determined by the board.

287.080 Presentation of contract by person selected; renewal of contract.

1. A vendor who is selected by the board shall present a written contract that is acceptable to the board within 30 days after being selected by the board.

2. If a vendor does not present a contract that is acceptable to the board within 30 days after being selected by the board, the board may negotiate with the vendor or select a vendor which was previously considered.

3. The renewal of a contract between the board and a vendor is not subject to the selection process set forth in NAC 287.010 to 287.080, inclusive.

LCB File No. R126-00

NOTICE OF ADOPTION OF REGULATION

The Board of the Public Employees' Benefits Program adopted LCB File No. R126-00 on November 29, 2000.

INFORMATIONAL STATEMENT

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED
BY ADMINISTRATIVE PROCEDURES ACT, NRS 223B.066
LCB FILE #R126-00

The following statement is submitted for adopted amendments to NAC 287.

1. The public comment was solicited at workshops on May 18, 2000 in Carson City, Nevada and on May 23, 2000 in Las Vegas, Nevada. Written comments were also solicited and were asked to be presented to the Executive Officer of the Program. Written comment did not revolve around any portions of the attached.

2. Attendance at the workshops was as follows:

   May 18 4
   May 23 5

   Testimony at each workshop was as follows:

   May 18 3
   May 23 1

   These comments did not revolve around any portions of the attached.

3. Affected businesses were asked to provide comment in writing. Three businesses did so. The concern focused around:
   a. Rules regarding re-entry to avoid adverse selection.
   b. Retiree requirements due to high costs of aging population.

   These comments were received by PacifiCare Secure Horizons, Washoe Health System, and Hometown Health Plan.

4. These regulations reflect changes made to ensure time was addressed for providing notification (Section 21-5). A correction was made to reflect the age unmarried children are covered under the Plan (section 12-2-d).

5. These regulations ensure that the business practices are consistent with the law and that good business practices provide fair opportunities for the participants.

6. There is no projected cost impact.

7. These regulations do not overlap or duplicate any other state, governmental or federal regulations.

8. These regulations are not more stringent than any federal regulations.

9. Application fees are increased for Non-State agency's wishing to join the Public Employees' Benefits Program. The agency can not predict the volume of activity, but does not anticipate any significant dollars to be collected. Fees, which are collected, are used to offset additional administrative costs for processing applications.