

**LCB File No. R088-02**

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON  
PROPOSED REGULATIONS**

May 24, 2002

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to the Essential Insurance Association, Medicare Supplement Policies, Bail Advertising, Prohibition of Discretionary Clauses in Health Insurance Plans, Audited Financial Reports, Dental Care and Policies of Health Insurance, and Multiple Employer Welfare Arrangements. A workshop has been set for 9:00 a.m., on June 28, 2002, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested parties may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Manufactured Housing Division Conference Room, 2<sup>nd</sup> Floor, Las Vegas, Nevada 89104. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

- 1. Essential Insurance Association: Proposed regulation is to replace the emergency regulation of March 15, 2002, establishing the Medical Liability Association of Nevada, a Nevada Essential Insurance Association. Emergency regulations are effective for only a period of 120 days.**
- 2. Medicare Supplement Policies: Proposed regulation amends the requirements placed on insurers of Medicare Supplement policies to conform with federal laws. As a result of the federal passage of the Benefits Improvement and Protection Act and the Ticket to Work Act, coverage under Medicare has been modified. Changes to Medicare effects coverage under Medicare Supplement policies. The proposed changes to the Medicare Supplement regulations incorporate the federal changes.**
- 3. Bail Advertising: Proposed regulation adds language to ensure that the public is protected from deceptive or misleading advertising specifically related to bail transactions.**
- 4. Prohibition of Discretionary Clause in Health Insurance Plans: The proposed regulation prohibits a health carrier from issuing a policy, contract, certificate or agreement that contains a provision reserving discretion to the health carrier to interpret the terms of the contract, unless the carrier fully discloses all the rights available to the policyholder in the event of a dispute.**

5. **Audited Financial Reports: Proposed regulation updates certain requirements of insurers to register its independent certified public accountant with the Commissioner of Insurance and provides for the Commissioner of Insurance to not recognize an independent certified public accountant which has either directly or indirectly entered into an agreement of indemnity with respect to the audit of the insurer.**
  
6. **Dental Care and Policies of Health Insurance: Proposed regulation states that a health insurance policy that provides coverage for anesthesia in a hospital or out-patient setting must not deny coverage for anesthesia provided during certain dental procedures.**
  
7. **Multiple Employer Welfare Arrangements: Proposed regulation requires multiple employer welfare arrangements to meet the qualifications as any domestic insurer, set forth in Chapter 680A of the NRS.**

Members of the insurance industry, business community, and the public are also invited to comment on any impact the proposed regulations may have on small businesses. The Division has reviewed the proposed regulations and determined that the regulations do not impose a direct or significant impact on a small business, or directly restrict the formation, operation, or expansion of a small business.

A copy of this notice and the proposed regulations will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulations will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulations are also available in the **State of Nevada Register of Administrative Regulations** which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at **www.leg.state.nv.us**. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Regulations has been sent to all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry  
 Division of Insurance  
 788 Fairview Drive, Suite 300  
 Carson City, NV 89701

Department of Business and Industry  
 Division of Insurance  
 2501 East Sahara Avenue, Suite 302  
 Las Vegas, NV 89104

Legislative Counsel Bureau

Blasdel Building

Capitol Complex  
Carson City, NV 89710

Capitol Complex  
Carson City, NV 89710

State Capitol  
Capitol Complex  
Carson City, NV 89710

Capitol Press Room  
State Capitol Basement  
Carson City, NV 89710

County Clerk  
Courthouse  
Carson City, NV 89710

Nevada State Library & Archives  
Capitol Complex  
Carson City, NV 89710

Carson City Library  
900 North Roop Street  
Carson City, NV 89701

Churchill County Library  
553 South Maine Street  
Fallon, NV 89406

Las Vegas Library  
833 Las Vegas Blvd. North  
Las Vegas, NV 89101

Douglas County Library  
1625 Library Lane  
P.O. Box 337  
Minden, NV 89423

Elko County Library  
720 Court Street  
Elko, NV 89801

Goldfield Public Library  
Fourth & Cook Street  
P.O. Box 430  
Goldfield, NV 89013

Eureka Branch Library  
10190 Monroe Street  
P.O. Box 293  
Eureka, NV 89316

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

Battle Mountain Branch Library  
P.O. Box 141  
Battle Mountain, NV 89820

Lincoln County Library  
93 Main Street  
P.O. Box 330  
Pioche, NV 89043

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

Mineral County Library  
First & A Street  
P.O. Box 1390  
Hawthorne, NV 89415

Tonopah Public Library  
171 Central Street  
P.O. Box 449  
Tonopah, NV 89049

Pershing County Library  
1125 Central Avenue  
P.O. Box 781  
Lovelock, NV 89419

Storey County Library  
95 South R Street

Washoe County Library  
301 South Center Street

P.O. Box 14  
Virginia City, NV 89440

P.O. Box 2151  
Reno, NV 89505

White Pine County Library  
950 Campton Street  
Ely, NV 89301

Clark County Library  
1401 East Flamingo Road  
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (775) 687-4270, extension 260.

DATED this \_\_\_\_\_ day of May, 2002.

By: \_\_\_\_\_  
ALICE A. MOLASKY-ARMAN  
Commissioner of Insurance

## NOTICE OF INTENT TO ACT UPON REGULATIONS

### Notice of Hearing for the Adoption of Regulations of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 9:00 a.m., on June 28, 2002, immediately following a public workshop, at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Interested persons may also participate through a simultaneous video-conference conducted at the Bradley Building, 2501 East Sahara Avenue, Manufactured Housing Division Conference Room, Second Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations pertaining to dental care and health insurance.

### REGULATIONS CONCERNING DENTAL CARE

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulation clarifies that anesthesia provided in certain dental procedures are a covered benefit under health insurance policies.
2. The proposed regulation states that a health insurance policy that provides coverage for anesthesia in a hospital or out-patient setting must not deny coverage for anesthesia provided during certain dental procedures.
3. Estimated economic effect of the regulation:  
On the business which it is to regulate:  
The proposed regulation may have a minimal immediate and long-term impact on the industry, if the regulation results in an expansion of benefits currently provided by policies of health insurance.  
On the public:  
The proposed regulations may have a minimal economic impact on the public, if the cost of insurance increases to cover an expansion of benefits.
4. The Division expects to incur some additional expense to enforce the proposed regulation.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation does not establish any new fees or increase an existing fee.

Persons wishing to comment upon the proposed action of the Division may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701. Written submissions must be received by the Division on or before June 21, 2002. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Department of Business and Industry  
Division of Insurance  
788 Fairview Drive, Suite 300  
Carson City, NV 89701

Department of Business and Industry  
Division of Insurance  
2501 East Sahara Avenue, Suite 302  
Las Vegas, NV 89104

Legislative Counsel Bureau  
Capitol Complex  
Carson City, NV 89710

Blasdel Building  
Capitol Complex  
Carson City, NV 89710

State Capitol  
Capitol Complex  
Carson City, NV 89710

Capitol Press Room  
State Capitol Basement  
Carson City, NV 89710

County Clerk  
Courthouse  
Carson City, NV 89710

Nevada State Library & Archives  
Capitol Complex  
Carson City, NV 89710

Carson City Library  
900 North Roop Street  
Carson City, NV 89701

Churchill County Library  
553 South Maine Street  
Fallon, NV 89406

Las Vegas Library  
833 Las Vegas Blvd. North  
Las Vegas, NV 89101

Douglas County Library  
1625 Library Lane  
P.O. Box 337  
Minden, NV 89423

Elko County Library  
720 Court Street  
Elko, NV 89801

Goldfield Public Library  
Fourth & Cook Street  
P.O. Box 430  
Goldfield, NV 89013

Eureka Branch Library  
10190 Monroe Street  
P.O. Box 293  
Eureka, NV 89316

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

Battle Mountain Branch Library  
P.O. Box 141  
Battle Mountain, NV 89820

Lincoln County Library  
93 Main Street  
P.O. Box 330  
Pioche, NV 89043

Mineral County Library  
First & A Street  
P.O. Box 1390  
Hawthorne, NV 89415

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

Tonopah Public Library  
171 Central Street  
P.O. Box 449  
Tonopah, NV 89049

Pershing County Library  
1125 Central Avenue  
P.O. Box 781  
Lovelock, NV 89419

Storey County Library  
95 South R Street  
P.O. Box 14  
Virginia City, NV 89440

Washoe County Library  
301 South Center Street  
P.O. Box 2151  
Reno, NV 89505

White Pine County Library  
950 Campton Street  
Ely, NV 89301

Clark County Library  
1401 East Flamingo Road  
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 788 Fairview Drive, Suite

300, Carson City, Nevada 89701, or by calling no later than 5 working days prior to the hearing, (775) 687-4270, extension 260.

DATED this \_\_\_\_\_ day of May, 2002.

ALICE A. MOLASKY-ARMAN  
Commissioner of Insurance

**PROPOSED REGULATION OF THE  
COMMISSIONER OF INSURANCE**

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE**

**REGULATIONS CONCERNING DENTAL CARE AND  
POLICIES OF HEALTH INSURANCE**

**Authority:** NRS 679B.130, NRS 686A.015

**Section 1.** Chapter 686A of NAC is hereby amended by adding thereto a new section to read as follows:

*1. A policy of health insurance issued pursuant to chapter 689A, 689B, 689C, 695B or 695C that is delivered or issued for delivery in this state that provides coverage for medically required hospital services must not deny coverage for a dependent child covered by that policy who is referred by a dentist to a hospital, a surgical center for ambulatory patients, an independent center for emergency medical care or a rural clinic, licensed pursuant to chapter 449 of NRS, for general anesthesia and associated care if the child is being referred because, in the opinion of the dentist, the child:*

- (a) Has a physical, mental or medically compromising condition;*
- (b) Has dental needs for which local anesthesia is ineffective because of an acute infection, an anatomic anomaly or an allergy;*
- (c) Is extremely uncooperative, unmanageable or anxious; or*
- (d) Has sustained extensive orofacial and dental trauma; to a degree that would require unconscious sedation.*

*2. An insurer may:*

*(a) Require prior authorization for the provision of general anesthesia and for hospitalization or the use of a surgical center for ambulatory patients for dental procedures in the same manner that it requires prior authorization for hospitalization for the provision of general anesthesia for other diseases or conditions covered by the policy or contract of health insurance;*

*(b) Require that the benefits paid be adjusted according to the policy or contract of health insurance if the services are rendered by a provider who is not designated by or associated with the insurer, if applicable; and*

*(c) Restrict coverage to include only general anesthesia provided during procedures performed by:*

- (1) A qualified specialist in pediatric dentistry;*
- (2) A dentist who is qualified, by virtue of his education, in a recognized dental specialty for which hospital privileges are granted; or*
- (3) A dentist who is certified, by virtue of his completion of an accredited program of postgraduate hospital training and is granted hospital privileges.*

*3. Failure to comply with the provisions of this section shall constitute an unfair trade practice as provided in NRS 686A.170.*

*4. A policy or contract of health insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2002, has the legal effect of including the coverage required by this section, and any provision of such policy or contract that conflicts with the provisions of this section is void.*