

LCB File No. R132-03

PROPOSED REGULATION OF THE DIVISION OF INSURANCE OF THE DEPARTMENT OF BUSINESS AND INDUSTRY

NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATIONS

The Department of Business and Industry, Division of Insurance (Division) is proposing new regulations pertaining to prompt payment to providers; complaints; determining minimum nonforfeiture amount for annuity insurance insurers; and medical professional liability insurance. A workshop has been set for 9:00 a.m., on October 2, 2003, 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 East Sahara Avenue, Manufactured Housing Division Conference Room, 2nd 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. Prompt Payment to Providers.** The proposed regulation will amend Nevada Administrative Code (NAC) 686A.306 to clarify the reporting requirements on prompt payment to providers.
- 2. Complaints.** The proposed regulation ensures that complaint procedures and carrier reporting on complaints are consistent among all licensees under Title 57 of the Nevada Revised Statutes. The new sections added address the changes made by Assembly Bill 79 of the 72nd Session of the Nevada Legislature. Chapters 695C, 695F and 695G of the NAC are amended.
- 3. Determining Minimum Nonforfeiture Amount for Annuity Insurance Insurers.** Presently, chapter 688A of the Nevada Revised Statutes regulates life insurers regarding minimum nonforfeiture amounts. This regulation will extend the nonforfeiture determination compliance to include licensed insurers marketing annuity insurance pursuant to chapters 688A of the laws and regulations.
- 4. Medical Professional Liability Insurance.** Disclosure requirements; statistical reporting requirements; and reporting requirements on excess judgments or settlements.
- 5. External Review Organization Certification.** This regulation adds a new section to chapter 683A of the NAC as required by Assembly Bill 79 of the 72nd Session of the Nevada Legislature. The new section sets forth the provisions in which an External Review Organization is certified by the Commissioner.
- 6. Workers' Compensation Insurance (Industrial Insurance).** Certification procedures, provisions and requirements for external review organizations.

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
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

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

Elko County Library
720 Court Street
Elko, NV 89801
Humboldt County Library

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

85 East 5th 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
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, (702) 687-4270, extension 260.

DATED this _____ day of August, 2003.

By: _____
ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R132-03

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE OF
THE DEPARTMENT OF BUSINESS AND INDUSTRY**

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 October 2, 2003, 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, 2nd Floor, Las Vegas, Nevada 89104. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of:

REGULATION CONCERNING COMPLAINTS

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Assembly Bill 79 of the 72nd Session of the Nevada Legislature required the Commissioner to address regulations. Chapters 695C, 695F and 695G of the Nevada Administrative Code are being amended to ensure regulations on complaints and reporting of complaints are consistent.
2. Assembly Bill 79 of the 72nd Session of the Nevada Legislature defined “medically necessary.” The definition of “medically necessary” in NAC 695C.055 has to be deleted.
3. (a) There is not an adverse or beneficial effect to the public because of this regulation. There is a not an adverse or beneficial effect to the industry being regulated.

(b) The immediate and long-term effect on the industry and the public is that the reporting of complaints will be consistent among all chapters of Title 57.
4. The Division already enforces the complaint reporting area. This will not require the Division to expend additional funds for enforcement.
5. This regulation does not overlap any other state, local government, or federal regulations.
6. This regulation is not pursuant to federal law.
7. There are no federal regulations regarding these activities.

8. This regulation does not require a new fee 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 September 25, 2003. 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 proposed regulation 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
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1401 East Flamingo Road
Las Vegas, NV 89119

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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 August, 2003.

By:

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R132-03

**PROPOSED REGULATION OF THE DIVISION OF INSURANCE OF
THE DEPARTMENT OF BUSINESS AND INDUSTRY**

SYSTEMS FOR THE RESOLUTION OF COMPLAINTS

Authority: NRS 679B.130, Section 2 of Assembly Bill 79 of the 72nd Session of the Nevada Legislature

Section 1. Chapter 695F of NAC is hereby amended by adding thereto a new section to read as follows:

To obtain approval of a system for resolving complaints of insureds concerning those health care services pursuant to sections 16 to 28, inclusive, of Assembly Bill 79 of the 72nd Session of the Nevada Legislature, each prepaid limited health service organization must:

1. Demonstrate that the system will resolve oral and written complaints concerning health care services pursuant to sections 16 to 28, inclusive, of Assembly Bill 79 of the 72nd Session of the Nevada Legislature; and

2. Submit to the division:

(a) The name and title of the employee responsible for the system;

(b) A description of the procedure used to notify an enrollee of the decision regarding his complaint; and

(c) A copy of the explanation of rights and procedures which is to be provided to enrollees pursuant to NAC 695F.620.

Sec. 2. Chapter 695G of NAC is hereby amended by adding thereto a new section to read as follows:

To obtain approval of a system for resolving complaints of insureds concerning those health care services pursuant to sections 16 to 28, inclusive, of Assembly Bill 79 of the 72nd Session of the Nevada Legislature, each managed care organization must:

1. Demonstrate that the system will resolve oral and written complaints concerning health care services pursuant to sections 16 to 28, inclusive, of Assembly Bill 79 of the 72nd Session of the Nevada Legislature; and

2. Submit to the division:

(a) The name and title of the employee responsible for the system;

(b) A description of the procedure used to notify an insured of the decision regarding his complaint; and

(c) A copy of the explanation of rights and procedures which is to be provided to insureds pursuant to NRS 695G.230.

Sec. 3. NAC 695F.620 is hereby amended to read as follows:

1. ~~Following~~ *After* approval by the commissioner, each organization that issues an evidence of coverage in this state shall provide *a* written notice to an enrollee, in clear and comprehensible language that is understandable to an ordinary layperson, explaining the right of the enrollee to file a written complaint. Such *a* notice must be provided to an enrollee:

(a) At the time he receives his evidence of coverage;

(b) Any time that the organization denies coverage of a limited health service or limits coverage of a limited health service to an enrollee; and

(c) Any other time deemed necessary by the commissioner.

2. ~~Any time that~~ *If* an organization denies coverage of a limited health service to an enrollee, it shall notify the enrollee in writing of:

(a) The reason for denying coverage of the limited health service;

(b) The criteria by which the organization determines whether to authorize or deny coverage of the limited health service; ~~and~~

(c) His right to ~~file a written complaint.~~:

(1) File a written complaint and the procedure for filing such a complaint;

(2) Appeal a final adverse determination pursuant to sections 16 to 28, inclusive, of Assembly Bill 79 of the 72nd Session of the Nevada Legislature;

(3) Receive an expedited external review of a final adverse determination if the managed care organization receives proof from the insured's provider of health care that failure to proceed in an expedited manner may jeopardize the life or health of the insured, including notification of the procedure for requesting the expedited external review; and

(4) Receive assistance from any person, including an attorney, in the pursuit of an external review of a final adverse determination; and

(d) The telephone number of the Office for Consumer Health Assistance.

3. A written notice which is approved by the commissioner shall be deemed to be in clear and comprehensible language that is understandable to an ordinary layperson.

Sec. 4. NAC 695C.055 is hereby repealed.

~~[NAC 695C.055 “Medically necessary” means services determined by an organization to be appropriate and necessary and required, not merely for the sake of convenience, according to generally accepted principles of medical practice, for the diagnosis or direct care and treatment of an illness or injury.]~~