

LCB File No. R154-03

**PROPOSED REGULATION OF THE BOARD OF THE
PUBLIC EMPLOYEES' BENEFITS PROGRAM**

(Received Initial Draft from agency; posted on November 26, 2003)

(Updated Notice of Hearing posted January 7, 2004)

(Updated Notice of Workshop posted January 14, 2004)

Notice Of Workshop To Solicit Comments On Proposed Regulation

The Public Employees' Benefits Program, 400 West King Street, Suite 300, Carson City, Nevada 89703, (775) 684-7000 or (800) 326-5496, is proposing the adoption, amendment, and repeal of regulations pertaining to chapter 287 of the Nevada Administrative Code. A second workshop has been set for 9:00 a.m., on **February 5, 2004**, at the Legislative Building, 401 South Carson Street, Room 1214, Carson City, Nevada, and videoconference to the Grant Sawyer State Office Building, 555 E. Washington Avenue, Room 4412, Las Vegas, Nevada. The purpose of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations:

- **Implementation of legislation that was enacted during the 2003 legislative session.**
- **10-year of review of regulations**

A copy of all materials relating to the proposal may be obtained at the workshop or by contacting the Public Employees' Benefits Program, 400 West King Street, Suite 300, Carson City, Nevada 89703, (775) 684-7000 or (800) 326-5496. A reasonable fee for copying may be charged. You may also access the information at Public Employees' Benefits Program's web site at <http://www.pebp.state.nv.us>.

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

ALL NEVADA COUNTY LIBRARIES, NEVADA STATE LIBRARY, LEGISLATIVE COUNSEL BUREAU, BLASDEL BUILDING, 209 East Musser Street, Carson City; PUBLIC EMPLOYEES' BENEFITS PROGRAM, 400 W. King Street #300, Carson City; MOTOR VEHICLES & PUBLIC SAFETY BLDG., 305 Galetti Way, Reno; GOVERNOR'S OFFICE-LAS VEGAS, 555 E. Washington Ave. Suite 5100, Las Vegas; MOTOR VEHICLES & PUBLIC SAFETY, 2701 E. Sahara Ave., Las Vegas; UNLV - HUMAN RESOURCES OFFICE, 4505 Maryland Parkway, Las Vegas; UNR - ARTEMESIA BUILDING, 70 Artemesia Way, Reno. In addition, the notice was mailed to all State agencies and to groups and individuals as requested.

Date: January 13, 2004

NOTICE OF INTENT TO ACT UPON A PROPOSED REGULATION

Notice of Hearing for the Adoption, Amendment and Repeal of Regulation of the Public Employees' Benefits Program

The Public Employees' Benefits Program will hold a public hearing at 10:00 a.m., on **February 5, 2004**, at the Legislative Building, 401 South Carson Street, Room 1214, Carson City, Nevada, videoconference to the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada. The purpose of the hearing is to receive comments from all interested persons regarding the adoption, amendment and repeal of regulations that pertain to chapter 287 of the Nevada Administrative Code.

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

1. The need for and the purpose of the proposed regulation.
10-Year Review.
2. Either the terms or the substance of the regulations to be adopted or a description of the subjects and issues involved.
See attached proposed regulation.
3. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately and in each case must include:
 - (a) Both adverse and beneficial effects; and
Adverse effects: None known at this time
Beneficial effects: None known at this time
 - (b) Both immediate and long term effects:
None.
4. The estimated cost to the agency for enforcement of the proposed regulation.
None.
5. A description of and citation to any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.
None.
6. If the regulation is required pursuant to federal law, a citation and description of the federal law.
Not applicable.
7. If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.
Not applicable.

8. Whether the proposed regulation establishes a new fee or increases an existing fee.
No.

Persons wishing to comment upon the proposed action of Public Employees' Benefits Program may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Public Employees' Benefits Program, Attention: Vicki Smerdon, 400 West King Street, Suite 300, Carson City, Nevada 89703. Written submissions must be received by the Public Employees' Benefits Program on or before Tuesday, February 3, 2004. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Public Employees' Benefits Program 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 regulations to be adopted, amended and repealed will be available at the Public Employees' Benefits Program, 400 West King Street, Suite 300, Carson City, Nevada, 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 <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation 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 information is also available at Public Employees' Benefits Program's web site at <http://www.pebp.state.nv.us>.

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 adoption.

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

NEVADA STATE LIBRARY, LEGISLATIVE COUNSEL BUREAU, BLASDEL BUILDING, 209 East Musser Street, Carson City; PUBLIC EMPLOYEES' BENEFITS PROGRAM, 400 W. King Street #300, Carson City; MOTOR VEHICLES & PUBLIC SAFETY BLDG., 305 Galetti Way, Reno; GOVERNOR'S OFFICE-LAS VEGAS, 555 E. Washington Ave. Suite 5100, Las Vegas; MOTOR VEHICLES & PUBLIC SAFETY, 2701 E. Sahara Ave., Las Vegas; UNLV - HUMAN RESOURCES OFFICE, 4505 Maryland Pkway, Las Vegas; UNR - ARTEMESIA BUILDING, 70 Artemesia Way, Reno. In addition, the notice was mailed to all State agencies and to groups and individuals as requested.

Date: December 31, 2003

LCB File No. R154-03

**PROPOSED REGULATION OF THE BOARD OF THE
PUBLIC EMPLOYEES' BENEFITS PROGRAM**

November 26, 2003

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

AUTHORITY: NRS 287.043

Section 1. Chapter 287 of NAC is hereby amended by adding thereto the provisions set forth as section 2 to 22 inclusive, of this regulation.

Sec. 2. *Pursuant to NRS 287.023, nonstate means the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency.*

Sec 3. *Base plan means the plan adopted by the PEBP Board for the current plan year and is specifically defined in the plan document: summary plan description.*

Sec. 4. *Subsidy means a portion of the cost of coverage paid to the program by a retiree's former public employer(s).*

Sec 5.

1. A retiree currently participating in or newly electing to participate in the program is required to certify for the program his years of service for each public agency he has worked for as follows:

a. Only complete years of full-time service will apply pursuant to NRS 286.495 and NRS 286.501,

- b. Service that has been restored by the repayment of withdrawn contributions is applicable,*
- c. Service that has been purchased but does not reflect time worked does not apply, and,*
- 2. For service to be used in determining subsidy amounts, the following must apply:*
- a. A retiree must have at least 5 years of service with a public employer to receive a subsidy from that public employer;*
- b. Certification of service must be received from the participant by the program, on a form designated by the program, for the subsidy to be applied to the premium due for the first of the month following receipt of such form;*
- i. The program will request that PERS or a retirement program for professional employees offered by or through the University and Community College System of Nevada, which is the certifying agency for years of service, provide service credit audits when requested in any of the following circumstances:*
- 1. If the total years of service provided to the program by such certifying agency do not match the total years of service provided to the program by the retiree;*
- 2. If the agency responsible for providing the subsidy contests the years of service reported to it;*
- a. Appeals submitted, in writing, to the Executive Officer of the program within 90 days of the commencement of the subsidy which clearly enumerates its contention and includes all applicable documentation supporting that contention regarding service credit requirements as defined in NRS Chapter 286.501 and NRS 286.495;*
- b. The Executive Officer shall forward all such relevant appeals to the certifying agency within 10 working days;*

c. Such agency shall continue to pay any required subsidy amount until the certifying agency confirms the years of service.

ii. The certifying agency must complete the service credit audit and submit the results within 30 days following receipt of the request or the appeal.

iii. The determination by the certifying agency that is the result of a service credit audit is final.

Sec. 6. *The premiums or contributions enumerated in NRS 281.129(1)(b) and NRS 218.6853(3) are not limited to payments for active employees, but may also include payments for retirees as provided in NRS 287.023(4)(b).*

Sec 7.

1. All public employers are required to pay the subsidy in accordance with NRS 287.046.

2. Each prior public employer of the retiree will pay its proportional share of the total years of service attributed to all prior public employers of the retiree for persons with service credit greater than 20 years or who retired before January 1, 1994;

3. Public employers at which the retiree worked less than 5 years are not included in the computations of this section.

Sec. 8. NAC 287.095 is hereby amended to read as follows:

“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 retired officer or employee;

4. A survivor of a deceased officer or employee of the state or a public agency ~~for a deceased retired officer or employee of the state or a public agency~~ *if the deceased officer or employee has at least 10 years of service as determined by the certifying agency;*

5. *A survivor of a deceased retired officer or employee of the state or a public agency;*

~~5.~~ 6. 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.~~ 7. 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.~~ 8. 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~~ *who* 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.~~ 9. A former member of the board of trustees of a school district pursuant to NRS 287.024; and

~~9.~~ 10. A legislator.

Sec. 9. NAC 287.150 is hereby amended to read as follows:

1. The board interprets ~~“full-time employment”~~ *“benefits eligible 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. The board will consider such ~~full-time employment~~ *benefits eligible employment* to commence at the beginning of the month

concurrent with or immediately following the date of employment of the public employee or officer.

(b) Is elected or appointed as a public officer who receives 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 public agency. The board will consider such ~~[full-time employment]~~ *benefits eligible employment* to commence at the beginning of the month *concurrent with or* 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]~~ *benefits eligible 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. 10. NAC 287.310 is hereby amended to read as follows:

1. To participate in the public employees' benefits program group coverage or insurance, a nonstate agency, through its governing body, must provide to the program:

(a) A nonrefundable application fee of:

- (1) For less than 50 participants..... ..\$250
plus the administrative fee
- (2) For not less than 50 participants or more than 200 participants..... ..\$450
plus the administrative fee
- (3) For over 200 participants..... ..\$2.25
per participant plus the administrative fee

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

(b) Information, as determined by the actuary of the program, sufficient to make an actuarial determination as to the appropriate rates for the public agency, including, without limitation, the 3 most recent years of claims history data of the public agency, if any exists, in an electronic format that is compatible with the actuarial services of the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec.11. NAC 287.312 is hereby amended to read as follows:

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}~~ *secondary education*,

independently accredited post secondary education institution such as a college or university, community or junior college, graduate school, or accredited trade or business 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 *secondary education*, an ~~accredited school~~ *independently accredited post secondary education institution such as a college or university, community or junior college, graduate school, or accredited trade or business 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~~ *residence* 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~~ *residence*.

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~~ *residence* 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 287.317 is hereby amended to read as follows:

1. The program shall conduct the orientation program required pursuant to NAC 287.314 each month at locations designated by the program.

2. A public agency which participates in the 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 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 in a format prescribed by the program and submitted to the program not later than 5 *business* days after the employee's first day of employment with the agency.

3. ~~[The format to register an employee for an orientation program prescribed by the 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.]~~ *The public agency shall ensure that the employee is notified and understands that they must return to the agency or PEBP enrollment forms and supporting documents within 5 business days of attending the Employee Benefits Orientation or they will be defaulted into the self funded base plan with employee only coverage.*

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}~~ 90 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}~~ 90-day period, the employee only will be placed in the self-funded *base* plan.

5. If a professional staff member employed by the University and Community College System of Nevada fails to submit an enrollment form with 30 days of the employee's contract date of hire, the employee only will be placed in the self-funded base plan.

~~{5-}~~ 6. 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}~~ 15 calendar days after the date on which the employment was terminated.

Sec.13. NAC 287.450 is hereby amended to read as follows:

1. 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 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 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 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,~~ *Within 12 months of the last day of their plan coverage,* the employee is not required to complete 90 days of ~~full-time~~ *benefits eligible* employment before being eligible to participate in the program.

(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~~ *benefits eligible* employment.

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.

Sec. 14. NAC 287.460 is hereby amended to read as follows:

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 161C.475; and

(c) Was a member of the program at the time of the injury,

may continue coverage or insurance for himself and any of his eligible dependents if he pays the premium due for coverage or insurance to the agency that employs him. The officer or employee shall report his change of status to his employer when he takes leave and when he returns to work. The employer shall notify the program *within 15 calendar days* 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(s) while he is on leave and returns to work:

(a) ~~[Less than 1 year after taking leave,]~~ *Within 12 months of the last day of their plan coverage*, his dependent may be covered.

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

Sec. 15. NAC 287.500 is hereby amended to read as follows:

1. If a seasonal employee returns to work with a participating public agency, the agency shall determine if the employee participated in the 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]~~ *benefits eligible* employment.

4. 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. 16. NAC 287.510 is hereby amended to read as follows:

If a person ~~[is rehired from a reemployment list maintained by the state or a participating public agency]~~ *returns to work for the same employer* within 1 year after leaving employment:

1. 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, as appropriate.

Sec. 17 NAC 287.530 is hereby amended to read as follows:

1. *For retirements prior to July 1, 2004, Hif* both spouses are retired employees who participated in the program, one may elect to be the dependent of the other. If the retired employee designated as the *primary* insured dies, the spouse who elected to be the dependent becomes the *primary* insured.

2. *The spouse who elected to be the dependent may elect to become the primary insured during open enrollment.*

~~[2.]~~ 3. 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 as a retiree;
 - (b) Has attained the age of eligibility or is totally disabled;
 - (c) Receives a retirement benefit 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,
- will have uninterrupted benefits and is not subject to any waiting period.

~~3.~~ **4.** 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,

is subject to a 60-day waiting period.

~~[4.]~~ **5.** 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, at the time of this death, was a participant under the program, may ~~[join the program or]~~ maintain the coverage or insurance from the program if:

(a) The spouse or dependent receives retirement benefits from which premiums can be deducted or ~~[the]~~ *such* spouse or dependent pays the premium directly to the program;

(b) For a surviving dependent, the dependent would have qualified to *continue 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.]~~ **6.** 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.]~~ **7.** 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.

8. A Retiree who retires on or after July 1, 2004 may not elect to be a dependent of his spouse if he is eligible to participate in the program in his own right.

9. A surviving spouse currently on the plan who is eligible to participate in the program in his own right, may elect to change his status to that of a retiree during open enrollment. Such person must certify his years of service with the certifying agency, on a form prescribed by the program, in order to activate any applicable subsidy.

Sec.18. NAC 287.610 is hereby amended to read as follows:

A claim made to the program must be submitted to the claims administrator of the program no later than ~~15~~ 12 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. 19 NAC 287.670 is hereby amended to read as follows:

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 *or member identification 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:

- (a) Review a request for the review of a claim with the vendors and consultants of the board to determine if the claim was adjudicated pursuant to the current terms and conditions of the program under the contract between the program and applicable vendor; and

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

Sec. 20. NAC 287.680 is hereby amended to read as follows:

1. If a participant in the program is unsatisfied with the results of an initial review of a claim, he may file an appeal with the ~~[executive officer.]~~ *quality control officer*. The appeal must be in writing, include all supporting documentation and be filed within 35 days after the claims administrator 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.]~~ *The quality control officer shall use all resources available, including but not limited to, members of the staff of the board, third party administrator, pharmacy benefit manager, Internet, and the PEBP Summary Plan Description to determine if the claim was adjudicated correctly.*

3. The ~~[executive officer]~~ *quality control officer* shall notify the participant in writing of the decision of the committee within ~~[20]~~ *30* ~~[working]~~ days after receipt of the participant's appeal.

Sec. 21. NAC 287.690 is hereby amended to read as follows:

1. If a participant in the program is not satisfied with the decision of the ~~[committee of the staff of the program appointed to hear the appeal made by the participant,]~~ *quality control officer*, the participant may file an appeal with the board for its review of the claim. The appeal must be filed within 35 days after the date on which the ~~[committee]~~ *quality control officer* issues ~~[its]~~ *his* 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. Not later than 10 days before the date of the meeting in which an appeal that was made by a participant pursuant to this section will be heard by the board, the ~~[staff]~~ *quality control officer or his designee* shall notify the participant in writing of the date, time and place of the meeting.

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.

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.

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

7. A decision of the board is final.

Sec. 22. NAC 287.410 is hereby deleted:

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, the surviving spouse or dependent must pay the premium for group insurance directly to the 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.]~~