

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

Financial Prerequisites for Local Government Participation

Proposed Change¹:

NAC 287.310 Prerequisites to participation; fees; establishment of rates; provision to agency of report on history of claims. (NRS 287.043)

1. To participate in group coverage or insurance provided by the Program, a local governmental 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 local governmental 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 local governmental agency, including, without limitation, the 3 most recent years of claims history data of the local governmental agency, if any exists, in an electronic format that is compatible with the actuarial services of the Program.

(c) The residential zip code, gender, age and current selection for coverage of:

- (1) The eligible members, regardless of current enrollment, of the local governmental agency; and
- (2) Those members that are currently enrolled in the group plan of the local governmental 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 local governmental agency group.

(f) A nonrefundable reserve buy-in based on participant count as of the effective date of coverage. The buy-in amount shall be based upon the Program's current funded Rate Stabilization Reserve, but be no greater than that actuarially determined to maintain a 95% probability that the Program will maintain long-term solvency. Initial payment of the reserve buy-in to the Program shall be made no later than the effective date of coverage.

¹ Does not include amendments proposed in regulation amendment R126-07 scheduled for consideration by the Legislative Commission on January 30, 2008.