

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R025-08

Effective June 17, 2008

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

AUTHORITY: §1, NRS 679B.130, 695C.130 and 695C.275.

A REGULATION relating to health maintenance organizations; revising certain requirements relating to the geographic area of service; and providing other matters properly relating thereto.

Section 1. NAC 695C.160 is hereby amended to read as follows:

1. An organization shall clearly define the geographic area it intends to serve ~~†~~ which:

~~†1.†~~ *(a)* In a county having a population of ~~†30,000†~~ *100,000* or more, must have a radius of not more than 25 miles between the subscriber or individual enrollee and a primary physician and the hospital used by the organization. *This subsection does not apply to services rendered pursuant to Medicaid or Nevada Check Up.*

~~†2.†~~ *(b)* In any other county, must be defined by the organization under a plan for the provision of health care services if the organization receives the written approval of the Division for such a geographic area by:

~~†a)†~~ *(1)* Demonstrating the availability and accessibility of services to its enrollees, including reasonable access to primary physicians, a hospital and to medically necessary services or services in an emergency; and

~~(b)~~ (2) Submitting a statement concerning the standards within that community regarding the availability and accessibility of other health care services and demonstrating that the organization will meet the community's standards for such services.

2. *As used in this section, "Nevada Check Up" has the meaning ascribed to it in NAC 442.688.*

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R025-08

The Commissioner of Insurance adopted regulations assigned LCB File No. R025-08 which pertain to chapter 695C of the Nevada Administrative Code.

INFORMATIONAL STATEMENT

A workshop was held on April 23, 2008, and a hearing was held on May 1, 2008, at the offices of the Department of Business and Industry, Division of Insurance (Division), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Real Estate Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation concerning HMO geographic area expansion.

Public comment was solicited by posting notice of the hearing in the following public locations: Division's Carson City Office, Legislative Counsel Bureau, Capitol Building Lobby, Blasdel Building, Carson City Courthouse, State Library, Capitol Press Room, and the Division's Las Vegas Office. The Commissioner's Advisory Committee on Health Care and Insurance was briefed on this regulation at their meeting held March 25, 2008. In addition, the Division maintains a general list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were also notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

The workshop was attended by one interested party in Carson City and one interested party in Las Vegas. Oral testimony, in the form of suggested changes to the existing regulation, was provided by Van Mouradian, representing the Division, John Whaley, representing Medicaid, and Jack Kim, representing Sierra Health Services, Inc.

The hearing was attended by one interested party in Carson City and one interested party in Las Vegas. During the hearing, oral testimony was provided by Marilyn Jeffers, representing the Division.

The Life and Health staff feels that the changes recommended address the comments made at the workshop and the written public comments received.

After considering the comments by those attending the hearing, and by those who submitted written comments, the Commissioner has issued an order adopting the regulation, as amended, as a permanent regulation of the Division.

Based upon written comments and the testimony received at the hearing, the proposed regulation, LCB File No. R025-08, is amended as follows:

1. Subsection 1 of Section 1 is amended as follows:

In a county having a population of ~~{30,000}~~ 100,000 or more, must have a radius of not more than 25 miles between the subscriber or individual enrollee and a primary physician and the hospital used by the organization. This subsection does not apply to services rendered pursuant to the Medicaid Program ~~{-}~~ **and Nevada Check Up.**

The economic effects of the regulation are as follows:

- (a) On the business it regulates: The health maintenance organizations that provide services to the Medicaid Program and Nevada Check Up will be able to provide those services in counties and thus save the State expenditures in the future.
- (b) On the public: Medicaid Program and Nevada Check Up members will be able to access health maintenance organization providers in counties where they were not able to prior to this change.

The Division does not anticipate an additional cost for enforcing the regulation. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.