

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R180-12

Effective February 20, 2013

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

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

A REGULATION relating to insurance; revising provisions relating to the cost sharing between a health maintenance organization or provider-sponsored organization, and an enrollee in such an organization; and providing other matters properly relating thereto.

Section 1. NAC 695C.215 is hereby amended to read as follows:

- 695C.215 1. An organization may establish schedules for ~~[nominal copayments to be made by]~~ *cost sharing between* an enrollee ~~[to a provider. A copayment]~~ *and the organization. For a benefit provided pursuant to a health care plan by a provider who is under contract with the organization to provide services on a preferred basis, commonly referred to as a “preferred” or “in-network” benefit, cost sharing* may be not more than 50 percent of the ~~[total cost of that]~~ *usual and customary charges for* providing any single service *or supplying an item* to an enrollee ~~[or, for a health maintenance organization, in the aggregate, not more than 20 percent of the total cost of providing all of the basic health care services described in NAC 695C.170.]~~ *, but in no case more than 50 percent of the maximum benefits provided by the evidence of coverage for such service or item, after any applicable deductible has been met.*
2. ~~[An organization shall not impose additional copayments against an enrollee in a calendar year if the copayments actually paid in that calendar year are 200 percent or more of the total annual premium the enrollee would pay if he or she were enrolled under a health care plan;~~

~~offered by the organization, which had no copayment. The organization shall submit to the Division copies of the procedure it uses to notify an enrollee and his or her primary physician when the costs of the enrollee exceed that limit.~~

~~—3.‡~~ The amount of ~~{each copayment}~~ *the cost sharing* listed in the schedule given to the enrollee and submitted to the Division for approval must be ~~{stated}~~ :

(a) Stated in dollars ~~{and must not be expressed}~~ ; *or*

(b) Expressed as a percentage of the cost of the service or the item supplied.

~~{4. With each filing of a schedule of copayment, the organization shall submit a:~~

~~—(a) Certificate, signed by an officer of the organization, stating that the schedule meets the requirements of this section; and~~

~~—(b) Copy of the calculations demonstrating that the schedule meets those requirements.~~

~~—5. If the Division fails to notify the organization of the denial of the schedule within 30 days after it has been filed, the schedule shall be deemed to be approved as submitted by the organization.‡~~

**INFORMATIONAL STATEMENT
LCB File No. R180-12**

**Regulation Concerning Cost Sharing Requirements and Limitations for Health
Maintenance Organizations (HMOs)
Division's Cause No. 12.0582**

A workshop was held on January 16, 2013, and a hearing was held on January 23, 2013, at the offices of the Department of Business and Industry, Division of Insurance ("Division"), 1818 East College Parkway, Carson City, Nevada 89706, with a simultaneous videoconference conducted at the Bradley Building, 2501 East Sahara Avenue, 2nd Floor Conference Room, Las Vegas, Nevada 89104, in regard to adoption of the regulation concerning the cost sharing requirements and limitations for Health Maintenance Organizations (HMOs).

Public comment was solicited by posting notices of the workshop and hearing at the following public locations: the Division's Web site, the Division's Carson City and Las Vegas offices, Carson City Courthouse, Office of the Attorney General, Capitol Building Lobby, Capitol Building Press Room, Blasdel Building, and Legislative Counsel Bureau; and by providing the notices of the workshop and hearing to: the Donald W. Reynolds Press Center, Nevada State Library, Carson City Library, Churchill County Library, Clark County District Library, Douglas County Library, Elko County Library, Esmeralda County Library, Eureka Branch Library, Humboldt County Library, Lander County Library, Lincoln County Library, Lyon County Library, Mineral County Library, Pershing County Library, Tonopah Public Library, Washoe County Library, and White Pine County Library.

The Division maintains a list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the workshop and hearing and that a copy of the regulation could be accessed from the Division's Internet Web site.

The workshop was attended by one (1) interested individual in Carson City and one (1) interested individual in Las Vegas. The Division received one written comment from interested parties. Oral testimony was provided by Cliff King, representing the Division. Public comments supporting the amendment to the regulation were provided by the individuals in Carson City and Las Vegas.

One (1) interested party attended the hearing in Carson City and two (2) interested parties attended the hearing in Las Vegas. During the hearing, oral testimony was provided by Cliff King, representing the Division. Public comments supporting the amendments were offered by one (1) interested party in Carson City and one (1) interested party in Las Vegas.

Regarding the persons who gave testimony at the workshop and hearing and/or submitted written comments, the following disclosures are made pursuant to NRS 233B.066(1)(c):

Name	Organization Represented	Business Address	Business Telephone Number	Electronic Mail Address
Larry Hurst	Anthem Blue Cross and Blue Shield	9133 W. Russell Rd. Las Vegas, NV 89148	702-586-6250	Larry.Hurst@anthem.com
Dr. Linda Ash-Jackson	Hometown Health		775-982-3048	LAsh-Jackson@hometownhealth.com
Jack Kim	United HealthCare		702-240-8890	jack.kim@uhc.com

Based upon the testimony at the workshop and hearing, and the public comments received, subsection 1 of section 1 of LCB File No. R180-12 (NAC 695C.215(1)) was amended to read as follows:

“An organization may establish schedules for cost sharing between an enrollee and an insurer. For a preferred or in-network benefit, when expressed as a percentage, the cost sharing may be not more than 50 percent of the allowed cost of providing any single service or supplying an item to an enrollee, after the deductible has been met, if applicable.”

After considering the record and the recommendation of the hearing officer, the Commissioner has issued an order adopting the regulation, R180-12, as amended, as a permanent regulation of the Division.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: The amendment to NAC 695C.215 will allow HMOs to compete in the marketplace both inside and outside the Silver State Health Insurance Exchange. Without this amendment, HMOs would not be able to meet the requirements of the Affordable Care Act which requires every health benefit plan to offer, at a minimum, both a Silver and Gold plan in the Exchange.
- (b) On Small Business: The proposed regulation will allow small businesses to continue to be able to purchase HMO plans after the January 1, 2014 implementation of the Affordable Health Act.
- (c) On the public: The proposed regulation allows individuals to continue to be able to purchase HMO plans after the January 1, 2014 implementation of the Affordable Care Act.

There should be no cost to the Division to comply with the proposed regulation since the Division already regulates HMO health benefit plans. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.