

PROPOSED REGULATION OF THE COMMISSIONER OF INSURANCE

LCB File No. R025-17

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

AUTHORITY: §§1-29, NRS 679B.130 and 687B.490; §30, NRS 679B.130, 695C.130 and 695C.275.

A REGULATION relating to insurance; establishing certain requirements relating to the adequacy of a network plan issued by a carrier; and establishing provisions relating to the determination by the Commissioner of Insurance of whether a network plan is adequate.

Section 1. Section 9 of LCB File No. R049-14 is hereby amended to read as follows:

Sec. 9. 1. For the purpose of determining the adequacy of a network plan made available for sale in this State, ~~the Commissioner~~ *a network plan must contain, at a minimum, the following:*

- (a) ~~hereby adopts by reference t~~ The standards contained in the *latest version of the ~~2017~~ Letter to Issuers in the Federally-facilitated Marketplaces* issued by the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services. A copy of the letter may be obtained free of charge at the Internet address <https://www.cms.gov/CCIIO/resources/regulations-and-guidance/>. *For purposes of this section, the standards contained in the Letter to Issuers in the Federally-facilitated Marketplaces, issued by Centers for Medicare and Medicaid Services, are hereby adopted by reference~~[-];~~ and*

(b)

<i>Specialty Area</i>	<i>Maximum Time and Distance Standards</i>			
	<i>(Minutes/Miles)</i>			
	<i>Metropolitan</i>	<i>Micro</i>	<i>Rural</i>	<i>Counties with Extreme Access Considerations(CEAC)</i>
<i>Pediatrics</i>	<i>25/15</i>	<i>30/20</i>	<i>40/30</i>	<i>105/90</i>

2. Upon the issuance of a new Letter to Issuers in the Federally-facilitated Marketplaces, the Commissioner will determine whether the requirements of sections 2 to 18, inclusive, of this regulation, including, without limitation, the standards adopted by reference in subsection 1, conform with any similar standards prescribed in the new Letter to Issuers in the Federally-facilitated Marketplaces. If the Commissioner determines that the requirements of sections 2 to 18, inclusive, of this regulation do not conform with any similar standards prescribed in the new Letter to Issuers in the Federally-facilitated Marketplaces, the Commissioner will hold a public hearing concerning possible amendments to sections 2 to 18, inclusive, of this regulation and give notice of that hearing in accordance with NRS 233B.060 at least 30 days before the date of the hearing.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS
INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066**

LCB FILE NO. T007-16

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter(s) 687B.

1. A clear and concise explanation of the need for the adopted regulation.

The temporary regulation is necessary to comply with the requirement that the Commissioner issue the network adequacy standards required of all network plans. See NRS 687B.490 and R049-14. The purpose of the temporary regulation is to establish adequacy standards for network plans for plan year 2018.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how public comment was solicited:

Public comment was solicited by e-mailing the proposed regulation, notice of workshop, notice of intent to act upon the regulation, and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, mailed to the main library for each county in Nevada, and posted at the following locations:

Department of Business and Industry
Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Department of Business and Industry
Division of Insurance
2501 East Sahara Avenue, Suite 302
Las Vegas, Nevada 89104

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Grant Sawyer Building
555 East Washington Avenue
Las Vegas, Nevada 89101

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Capitol Building
101 North Carson Street
Carson City, Nevada 89701

Nevada Department of Employment,
Training and Rehabilitation
2800 E. Saint Louis Avenue
Las Vegas, Nevada 89104

6. If after consideration of public comment the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

No public comment was received that necessitated a change to the regulation.

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects:

Benefits: Health insurance carriers will be able to better measure members' needs and use of health care providers to design network plans.

Adverse: The health carriers will be required to demonstrate the adequacy of their network plans based on the network adequacy standards in the temporary regulation. Carriers will likely have to adjust their network plans to meet policyholder needs. Carriers may have to add additional healthcare providers to their current network plan designs.

Once carriers establish the relevant number and types of healthcare providers necessary to meet the network adequacy requirements, the impact on carriers will be better known. Data will be gathered by the Division through its annual review of performance of a carrier's network plan. This data can then be studied to better predict long-term effects of certain network adequacy requirements.

(2) Both immediate and long-term effects:

The immediate and long-term effects of the temporary regulation overlap. Health insurance carriers will be able to better measure members' needs and use of health care providers to design network plans. The health carriers will be required to demonstrate the adequacy of their network plans based on the network adequacy standards in the temporary regulation. Carriers will likely have to adjust their network plans to meet policyholder needs. Carriers may have to add additional healthcare providers to their current network plan designs.

Once carriers establish the relevant number and types of healthcare providers necessary to meet the network adequacy requirements, the impact on carriers will be better known. Data will be gathered by the Division through its annual review of performance of a carrier's network plan. This data can then be studied to better predict long-term effects of certain network adequacy requirements.

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects:

Benefits: Once implemented, policyholders should be able to more reasonably access appropriate care with in-network providers. As the network adequacy requirements are updated each year, they should provide a more broad base of “in network” healthcare providers and access thereto. By providing a more broad base of “in network” healthcare providers and access thereto, policyholders should experience lower out-of-pocket costs.

Adverse: As health insurance carriers obtain experience data, there may be a learning curve that may impact members’ abilities to access care as quickly as hoped. Additionally, although network adequacy requirements will be issued each year, this does not guarantee that every healthcare provider sought by a policyholder will always be an “in network” provider. As a result, the policyholder may still be responsible for paying some additional amounts out-of-pocket for an “out of network” provider.

(2) Both immediate and long-term effects:

The immediate and long-term effects of the temporary regulation overlap. Once implemented, policyholders should be able to more reasonably access appropriate care with in-network providers. As the network adequacy requirements are updated each year, they should provide a more broad base of “in network” healthcare providers and access thereto. By providing a more broad base of “in network” healthcare providers and access thereto, policyholders should experience lower out-of-pocket costs.

As health insurance carriers obtain experience data, there may be a learning curve that may impact members’ abilities to access care as quickly as hoped. Additionally, although network adequacy requirements will be issued each year, this does not guarantee that every healthcare provider sought by a policyholder will always be an “in network” provider. As a result, the policyholder may still be responsible for paying some additional amounts out-of-pocket for an “out of network” provider.

8. The estimated cost to the agency for enforcement of the adopted regulation.

The Division anticipates no additional costs. NRS 687B.490(6) requires that any expense borne by the Division in determining the adequacy of a network plan be assessed against the insurance carrier applying for the network plan approval.

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no other regulations that overlap or duplicate the temporary regulation.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

There are no federal regulations that address the requirements in the temporary regulation for all network plans in the individual and small group markets.

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The regulation does not create a new fee or increase an existing fee.