

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

LCB FILE NO. R041-17

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 687B.

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

This regulation is needed to bring the current Medicare Supplement regulation (NAC 687B) into compliance with the Medicare Access and CHIP Reauthorization Act of 2015 (“MACRA”) that was signed into law on April 16, 2015.

2. A description of how public comment was solicited, a summary of the 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:

Nevada Division of Insurance
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Nevada Division of Insurance
3300 West Sahara Avenue, Suite 275
Las Vegas, Nevada 89102

Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Nevada State Business Center
3300 West Sahara Avenue
Las Vegas, Nevada 89102

Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

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

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

Public comment was also solicited at the workshop held on January 4, 2018, and at the hearing held on April 29, 2019. The public workshop and hearing took place at the offices of the Division, 1818 East College Parkway, Carson City, Nevada 89706, with simultaneous videoconferencing to the Nevada State Business Center, 3300 West Sahara Avenue, Las Vegas, Nevada 89102.

(b) A summary of the public response:

Public comment was received from America’s Health Insurance Plans (“AHIP”) and United Healthcare (“UHC”) prior to the workshop, and from UHC again, prior to the hearing, and from AHIP during the hearing. Some suggested changes were for the purpose of ensuring that the outlines of coverage contained in R041-17 were consistent with those listed in NAC 687B.250. Other comments, less substantial in nature, included removing unnecessary language added by LCB and suggestions for adding language concerning benefit requirements for Medicare Supplement Plans C and F, which were already located elsewhere in the regulation.

Further, similar comments made by both AHIP and UHC concerned the use of the term “newly eligible before January 1, 2020.” In order to avoid confusion and remain consistent with the National Association of Insurance Commissioners’ (“NAIC”) Medicare Supplement Model Regulation, the Division agreed to remove this term. At the hearing, AHIP agreed with the Division’s decision to remove the term and fully supported the regulation.

(c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 2(b) above reflects the public comments and testimony that transpired with regard to proposed regulation R041-17. A copy of said summary may be obtained by contacting Mark Garratt (Section Chief, at (775) 687-0736 or mgarratt@doi.nv.gov). This summary will also be made available by e-mail request to insinfo@doi.nv.gov.

3. The number of persons who:

(a) Attended the hearing: 5 people (includes 4 Division employees).

(b) Testified at the hearing: 2 people (includes 1 Division employee).

(c) Submitted to the agency written statements: 3

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3 (b) and (c), as provided to the agency.

Testified at the hearing:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Jack Childress	Nevada Division of Insurance	1818 College Parkway Suite 103 Carson City, NV 89706	775-687-0731	jchildress@doi.nv.gov
Tray Abney	America's Health Insurance Plans	Reno, NV	775-443-5561	tray@abneytauchen.com

Submitted to the agency written statements:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Sunshine Moore	America's Health Insurance Plans	No address provided	916-996-2376	smoore@ahip.org
Michael F. Mann	United Healthcare	No address provided	215-902-8469	michael_f_mann@uhc.com
Nancy B. Amsden	United Healthcare	No address provided	215-902-8812	nancy_b_amsden@uhc.com

5. A description of how comments were solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

(a) A description of how comments were solicited from affected businesses:

Comments were solicited from affected businesses in the same manner as solicited from the public. Please see the description provided above in response to 2(a).

(b) A summary of the responses from affected businesses:

A summary of the responses from affected businesses is the same as the summary of the public response. Please refer to the response in 2(b).

(c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 5(b) above reflects the comments that were received from affected businesses in regards to proposed regulation R041-17. A copy of said summary may be obtained by contacting Mark Garratt (Section Chief), at (775) 687-0736 or mgarratt@doi.nv.gov. This summary will also be made available by e-mail request to insinfo@doi.nv.gov.

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.

There were changes made to R041-17 due to public comment as described in 2(b).

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:
 - (1) Both adverse and beneficial effects:
 - (i) Adverse effects:

Based on changes mandated by MACRA, insurers will no longer be able to sell Medicare Supplement Plans C and F to newly eligible Medicare enrollees as of January 1, 2020. This could impact insurers financially, as new enrollees will no longer be able to select plan F which is the most expensive Medicare Supplement plan.
 - (ii) Beneficial effects:

Insurers will still be able to sell Medicare Supplement Plans C and F to individuals who first became eligible for Medicare prior to January 1, 2020.
 - (2) Both immediate and long-term effects:
 - (i) Immediate effects:

The rate at which people are enrolling in Medicare Supplement Plans C and F will decrease as newly eligible Medicare enrollees will no longer be able to select the plans as of January 1, 2020. However, enrollment in Medicare Supplement Plans D and G will proportionally increase as these plans are replacing plans C and F.
 - (ii) Long-term effects:

The rate at which people are enrolling in Medicare Supplement Plans C and F will decrease as newly eligible Medicare enrollees will no longer be able to select the plans as of January 1, 2020. However, enrollment in Medicare Supplement Plans D and G will proportionally increase as these plans are replacing plans C and F.
- (b) The estimated economic effect of the adopted regulation on the public:
 - (1) Both adverse and beneficial effects:
 - (i) Adverse effects:

Policyholders will end up paying more for the Medicare Part B deductible, which will no longer be covered for individuals newly eligible for Medicare on or after January 1, 2020.
 - (ii) Beneficial effects:

Individuals newly eligible for Medicare on or after January 1, 2020, may save a little on the premium for a Medicare Supplement plan because plan F will no longer be available.

- (2) Both immediate and long-term effects:
 - (i) Immediate effects:

Individuals newly eligible for Medicare on or after January 1, 2020, will have a lower premium to pay because Plan F will no longer be available; however, they will have to pay for the Medicare Part B deductible, which will no longer be covered under any Medicare Supplement plan.
 - (ii) Long-term effects:

Individuals newly eligible for Medicare on or after January 1, 2020, will have a lower premium to pay because Plan F will no longer be available; however, they will have to pay for the Medicare Part B deductible, which will no longer be covered under any Medicare Supplement plan.

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

None.

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.

The proposed regulation duplicates federal regulation from the Centers for Medicare and Medicaid Services (“CMS”) and is necessary because CMS may take regulatory control over Medicare Supplement products in Nevada if the Division does not adopt this regulation prior to January 1, 2020.

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

R041-17 does not include provisions that are more stringent than federal regulation.

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.

Not applicable, as this regulation does not establish a new fee or increase an existing fee.