

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

LCB FILE NO. R067-19

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 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 NAC 687B.768. The purpose of the regulation is to make permanent the network adequacy standards for network plans for plan year 2020 which were adopted under temporary regulation T005-18.

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(s) of workshop, notice(s) 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 October 29, 2019, and at the hearing held on November 14, 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: *The Division did not receive any public response in favor of or against the regulation.*

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

The Division did not receive any public response in favor or against the regulation. Any inquiries pertaining to this regulation can be directed to Jeremy Gladstone, Assistant Chief Insurance Examiner of the Life and Health section at (775) 687-0729 or jgladstone@doi.nv.gov.

3. The number of persons who:

- (a) Attended the **hearing**: 2
- (b) Testified at the **hearing**: 0
- (c) Submitted to the agency written statements: 0

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:

There was no testimony given at the hearing for the regulation.

Submitted to the agency written statements:

There were no written statements submitted to the agency.

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 they were solicited from the public. Please see the description, summary and explanation provided above in response to question #2. The Division also solicited comments from the Chambers of Commerce throughout the state of Nevada and requested that the solicitation be forwarded to members of the Chambers.

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

The Division did not receive direct comments from any affected businesses.

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

Refer to #2(c): The summary in part 5(b) above reflects the public comments and testimony that transpired with regard to regulation R067-19. The Division did not receive any business response in favor or against the regulation. Any inquiries pertaining to this regulation can be directed to Jeremy Gladstone, Assistant Chief Insurance Examiner of the Life and Health section at (775) 687-0729 or jgladstone@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.

The Division did not receive any direct comment from the public or affected businesses.

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 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 regulation overlap and a summary of the overall effects is provided. 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 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 regulation overlap and a summary of the overall effects is provided. 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.

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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 67B.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 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 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.