

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

LCB FILE NO. R054-20

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”) Chapters 689A, 689B, 689C, 695A, 695B, 695C, and 695G.

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

This regulation seeks to continue to protect Nevadans by extending the emergency regulation that was promulgated on March 5, 2020, related to the COVID-19 pandemic. Given the fluid nature of this situation and the opened-ended timeline related to COVID-19, it has yet to be determined how and when this pandemic will end. As COVID-19 continues to spread throughout the world, it is essential that the Nevada Community take preventive measures to limit the spread of the virus in Nevada. The Division has determined that the cost of testing for COVID-19 may create a situation where Nevadans put off seeking medical services to determine if they have the virus due to costs they would incur for such medical services. Additionally, the Division believes having health insurers share useful information about benefits and options for medical services would help consumers and providers. Finally, the Division seeks to ensure that Nevadans can continue to get their needed prescriptions at normal costs despite disruptions to supplies in prescriptions.

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 and notice of intent to act upon the regulation 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>, the website of the Nevada Legislature, <http://www.leg.state.nv.us>, and the State of Nevada Public Notice website, <http://www.notice.nv.gov>.

Public comment was also solicited at the workshop held on June 15, 2020, and at the hearing held on June 30, 2020. The public workshop and hearing were held via teleconference pursuant to Governor Sisolak’s March 22, 2020 Declaration of Emergency Directive 006 which suspended the requirement contained in NRS 241.023.1(b) that there be a physical location designated for meetings of public bodies to mitigate the possible exposure or transmission of COVID-19 (Coronavirus).

(b) A summary of the public response:

The Division received public comment at both the workshop and hearing related to the proposed regulation. The public comment related specifically to the limitations on medical management, the circumstances under which COVID-19 must be covered, the no additional cost for non-formulary prescription drugs, and potential balance billing for out-of-network providers.

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

The summary in part 2(b) above reflects the comments and testimony that transpired with regard to regulation R054-20. A copy of said summary may be obtained by contacting Jeremy Gladstone, Assistant Chief Examiner of the Life and Health Section, at (775) 687-0729 or jgladstone@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: 12
- (b) Testified at the hearing: 3
- (c) Submitted to the agency written statements: 2

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
Tray Abney	America's Health Insurance Plans (AHIP)	601 Pennsylvania Ave NW S Bldg Suite 500 Washington, DC 20004	202-778-3200	tray@abneytauchen.com
Tom Clark	NV Association of Health Plans	P.O. Box 15836 Las Vegas, NV 89114	775-829-1400	tom@tomclarkolutions.com
Bill Welch	NV Hospital Association	5190 Neil Road, Suite 400 Reno, NV 89502	775-827-0184	bill@nvha.net

Submitted to the agency written statements:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Philip Ramirez	Prominence Health Plan	1510 Meadow Wood Lane Reno, NV 89502	775-770-9348	philip.ramirez@uhsinc.com
Tom Clark	NV Association of Health Plans	P.O. Box 15836 Las Vegas, NV 89114	775-829-1400	tom@tomclarksolutions.com

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

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 relied on the language of the proposed regulation, which is directed at health insurance carriers, as well as its expertise in insurance, to determine the impact on small businesses. The Division's Life and Health Section and members of the ACA Team discussed the regulation's impact upon small businesses, and they do not anticipate an impact on small businesses. The regulation currently exists as an emergency regulation, which was approved by the Governor on March 5, 2020, and, to date, the Division has not received comments that the emergency regulation has impacted small businesses.

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 reviewed the comments received and provided clarifying testimony to address the issues raised. The clarification addressed the majority of the concerns raised during public comment and the Division is moving forward with the language as written in the LCB draft dated May 26, 2020 to ensure Nevadans have the necessary access to medical services throughout the state of emergency caused by the COVID-19 pandemic.

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

(1) Both adverse and beneficial effects: *The Division does not anticipate any benefit to the businesses which this regulation is meant to regulate. The regulation will result in increased and unplanned costs to the health insurers required to comply with this regulation but the Division does not anticipate a long-term*

adverse impact.

(2) Both immediate and long-term effects: *In the immediate, the regulation will result in increased and unplanned costs to the health insurers required to comply with this regulation but the Division does not anticipate a long-term adverse impact.*

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

(1) Both adverse and beneficial effects: *The provisions of this regulation will assist in the containment of COVID-19 which is necessary to end this pandemic and restore normal economic activity. The ability to contain COVID-19 at its earliest stages will play a major role in the long-term health of Nevada's citizens. Removal of a cost barrier to the public's seeking early testing will greatly impact the public's long-term outlook, as will the cost of immunization once that option is available. The Division does not anticipate an immediate adverse impact on the public, however, the cost of insurance may increase in future years to offset losses incurred during the pandemic, since insurance carriers will have to recoup losses to ensure solvency.*

(2) Both immediate and long-term effects: *Reducing the immediate barriers to getting medical services related to identifying COVID-19 for consumers of health plans will allow for faster identification of cases. This will limit the spread of COVID-19 to all members of the public.*

From a long-term perspective, the identification and containment of COVID-19 will allow for a quicker response to the current pandemic and ultimately allow small communities to return to normal economic activities. The ability to contain COVID-19 at its earliest stages will play a major role in the long-term health of Nevada's citizens. Removal of a cost barrier to the public's seeking early testing will greatly impact the public's long-term outlook, as will the cost of immunization once that option is available. This is especially needed in smaller communities where medical services may be less available.

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 Governor adopted an emergency regulation of the Division on March 5, 2020, which sets forth the provisions in this proposed permanent regulation. Other than the emergency

regulation, there are no regulations of other state or local governmental agencies that overlap or duplicate the proposed regulation.

The federal government enacted the Families First Coronavirus Response Act (H.R.6201) on March 17, 2020, which imposes a similar requirement of the proposed regulation related to medical services and testing related to COVID-19. Notably, however, the federal law does not include the provisions related to guidance for consumers and the prescription disruption protections that are included in the provisions of this 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.

The proposed regulation requires health insurance carriers to inform consumers and providers of the available benefits, options for medical advice and treatment through telehealth, and preventive measures related to COVID-19 by requiring the health insurers to issue guidance to consumers. It also includes additional provisions intended to ensure that consumers can continue getting their needed prescriptions, despite supply-chain disruptions, at no additional cost to members.

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.