

CHAPTER.....

AN ACT relating to insurance; requiring the establishment of an open enrollment period for a Medicare supplemental policy; prohibiting an insurer issuing such a policy from taking certain actions during the open enrollment period; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing federal law establishes the Medicare program, which is a public health insurance program for persons 65 years of age and older and specified persons with disabilities who are under 65 years of age. (42 U.S.C. §§ 1395 et seq.) Existing federal regulations define the term “Medicare supplemental policy” to mean a policy offered by a private insurer that is primarily designed to pay expenses not reimbursed under Medicare because of certain limitations under Medicare. (42 C.F.R. § 403.205) Existing state law authorizes the Commissioner of Insurance to adopt regulations relating to the form, content and sale of policies of insurance which provide for the payment of expenses which are not covered by Medicare, including Medicare supplemental policies. (NRS 687B.430) **Sections 1, 3 and 4** of this bill require an insurer offering a Medicare supplemental policy or the Public Employees’ Benefits Program or any local government that provides a similar policy for public employees to offer an open enrollment period for persons covered by such policies, during which the insurer or governmental entity is prohibited from placing certain restrictions on the issuance of such a policy. **Section 2** of this bill makes a conforming change to apply the provisions of **section 1** to nonprofit hospital and medical or dental service corporations that issue such policies.

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

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 687B of NRS is hereby amended by adding thereto a new section to read as follows:

1. An insurer that issues a Medicare supplemental policy shall offer to a person currently insured under any such policy an annual open enrollment period commencing with the first day of the birthday month of the person and remaining open for at least 60 days thereafter, during which the person may purchase any Medicare supplemental policy made available by the insurer in this State that includes the same or lesser benefits. Innovative benefits, as described in 42 U.S.C. § 1395ss(p)(4)(B), must not be considered when determining whether a Medicare supplemental policy includes the same benefits as or lesser benefits than another such policy.



2. During the open enrollment period offered pursuant to subsection 1, an insurer shall not deny or condition the issuance or effectiveness, or discriminate in the price of coverage, of a Medicare supplemental policy based on the health status, claims experience, receipt of health care or medical condition of a person described in subsection 1.

3. At least 30 days before the beginning of the open enrollment period offered pursuant to subsection 1 but not more than 60 days before the beginning of that period, an insurer that issues a Medicare supplemental policy shall notify each person to whom the open enrollment period applies of:

(a) The dates on which the open enrollment period begins and ends and the rights of the person established by the provisions of this section; and

(b) Any modification to the benefits provided by the policy under which the person is currently insured or adjustment to the premiums charged for that policy.

4. As used in this section, "Medicare supplemental policy" has the meaning ascribed to it in 42 C.F.R. § 403.205 and additionally includes policies offered by public entities that otherwise meet the requirements of that section.

Sec. 2. NRS 695B.320 is hereby amended to read as follows:

695B.320 1. Nonprofit hospital and medical or dental service corporations are subject to the provisions of this chapter, and to the provisions of chapters 679A and 679B of NRS, NRS 686A.010 to 686A.315, inclusive, 687B.010 to 687B.040, inclusive, 687B.070 to 687B.140, inclusive, 687B.150, 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B, 692C, 693A and 696B of NRS, *and section 1 of this act*, to the extent applicable and not in conflict with the express provisions of this chapter.

2. For the purposes of this section and the provisions set forth in subsection 1, a nonprofit hospital and medical or dental service corporation is included in the meaning of the term "insurer."

Sec. 3. NRS 287.010 is hereby amended to read as follows:

287.010 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada may:

(a) Adopt and carry into effect a system of group life, accident or health insurance, or any combination thereof, for the benefit of its officers and employees, and the dependents of officers and



employees who elect to accept the insurance and who, where necessary, have authorized the governing body to make deductions from their compensation for the payment of premiums on the insurance.

(b) Purchase group policies of life, accident or health insurance, or any combination thereof, for the benefit of such officers and employees, and the dependents of such officers and employees, as have authorized the purchase, from insurance companies authorized to transact the business of such insurance in the State of Nevada, and, where necessary, deduct from the compensation of officers and employees the premiums upon insurance and pay the deductions upon the premiums.

(c) Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank or credit union authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this State. Any contract with an independent administrator must be approved by the Commissioner of Insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided. The provisions of NRS 687B.408, *section 1 of this act*, 689B.030 to 689B.050, inclusive, 689B.287 and 689B.500 apply to coverage provided pursuant to this paragraph, except that the provisions of NRS 689B.0378, 689B.03785 and 689B.500 only apply to coverage for active officers and employees of the governing body, or the dependents of such officers and employees.

(d) Defray part or all of the cost of maintenance of a self-insurance fund or of the premiums upon insurance. The money for contributions must be budgeted for in accordance with the laws governing the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada.

2. If a school district offers group insurance to its officers and employees pursuant to this section, members of the board of trustees of the school district must not be excluded from participating in the group insurance. If the amount of the deductions from compensation



required to pay for the group insurance exceeds the compensation to which a trustee is entitled, the difference must be paid by the trustee.

3. In any county in which a legal services organization exists, the governing body of the county, or of any school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada in the county, may enter into a contract with the legal services organization pursuant to which the officers and employees of the legal services organization, and the dependents of those officers and employees, are eligible for any life, accident or health insurance provided pursuant to this section to the officers and employees, and the dependents of the officers and employees, of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency.

4. If a contract is entered into pursuant to subsection 3, the officers and employees of the legal services organization:

(a) Shall be deemed, solely for the purposes of this section, to be officers and employees of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency with which the legal services organization has contracted; and

(b) Must be required by the contract to pay the premiums or contributions for all insurance which they elect to accept or of which they authorize the purchase.

5. A contract that is entered into pursuant to subsection 3:

(a) Must be submitted to the Commissioner of Insurance for approval not less than 30 days before the date on which the contract is to become effective.

(b) Does not become effective unless approved by the Commissioner.

(c) Shall be deemed to be approved if not disapproved by the Commissioner within 30 days after its submission.

6. As used in this section, "legal services organization" means an organization that operates a program for legal aid and receives money pursuant to NRS 19.031.

Sec. 4. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the Board provides health insurance through a plan of self-insurance, it shall comply with the provisions of NRS 687B.409, *section 1 of this act*, 689B.255, 695G.150, 695G.155, 695G.160, 695G.162, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.170 to 695G.174, inclusive, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and



695G.405, in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.

Sec. 5. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 6. This act becomes effective on January 1, 2022.

