

LCB File No. R082-98

NOTICE OF WORKSHOPS TO SOLICIT COMMENTS ON PROPOSED REGULATIONS

May 18, 1998

The Department of Business and Industry, Division of Insurance (Division) is proposing the amendment of regulations pertaining to chapters 679B, 688A, 688B and 695C of the Nevada Administrative Code. A workshop has been set for 10:00 a.m., on June 25, 1998, at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the workshop is to solicit comments from interested persons on the following general topics addressed in the proposed regulations.

1. Amendments to chapters 679B and 695C of NAC. The proposed regulation:

- (a) Establishes a fee of \$15 for a returned check;**
- (b) Adds unfair trade practices as an authorized use of the fraud assessment;**
- (c) Establishes HIV reporting requirements for insurers;**
- (d) Repeals the regulations for the Office of Hospital Patients;**
- (e) Provides for the payment of commissions to agents by HMOs;**
- (f) Establishes time limits for the filing of provider lists by HMOs.**

2. Amendments to chapter 688A and 688B of NAC. The proposed regulation establishes guidelines of the use of the Annuity 2000 Mortality Table, 1994 GAR Table, 1993 GAM Table and the 1983 Table "a".

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This Notice of Workshop to Solicit Comments on Proposed Regulation has been sent all persons on the agency's mailing list for administrative regulations and posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

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

Legislative Counsel Bureau
Capitol Complex
Carson City, NV 89710

Blasdel Building
Capitol Complex
Carson City, NV 89710

State Capitol
Capitol Complex
Carson City, NV 89710

Capitol Press Room
State Capitol Basement
Carson City, NV 89710

County Clerk
Courthouse
Carson City, NV 89710

Nevada State Library & Archives
Capitol Complex
Carson City, NV 89710

Carson City Library
900 North Roop Street
Carson City, NV 89701

Churchill County Library
553 South Maine Street
Fallon, NV 89406

Las Vegas Library
833 Las Vegas Blvd. North
Las Vegas, NV 89101

Douglas County Library
1625 Library Lane
P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

Goldfield Public Library
Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

Eureka Branch Library
10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

Humboldt County Library
85 East 5th Street
Winnemucca, NV 89445

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

Lincoln County Library
93 Main Street
P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

Mineral County Library
First & A Street
P.O. Box 1390
Hawthorne, NV 89415

Tonopah Public Library
171 Central Street
P.O. Box 449
Tonopah, NV 89049

Pershing County Library
1125 Central Avenue
P.O. Box 781
Lovelock, NV 89419

Storey County Library
95 South R Street
P.O. Box 14
Virginia City, NV 89440

Washoe County Library
301 South Center Street
P.O. Box 2151
Reno, NV 89505

White Pine County Library
950 Campton Street
Ely, NV 89301

Clark County Library
1401 East Flamingo Road
Las Vegas, NV 89119

Members of the public who are disabled and require special accommodations or assistance at the hearing are requested to notify the Commissioner's secretary in writing at 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, or by calling no later than 5 working days prior to the hearing, (702) 687-4270.

DATED this _____ day of _____, 19_____.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

NOTICE OF INTENT TO ACT UPON REGULATIONS

Notice of Hearing for the Amendment of Regulations of the Department of Business and Industry, Division of Insurance

The Department of Business and Industry, Division of Insurance (Division) will hold a public hearing at 2:00 p.m., on June 25, 1998 at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada. The purpose of the hearing is to receive comments from all interested persons regarding the amendment of regulations pertaining to chapters 679B and 695C of the Nevada Administrative Code.

REGULATIONS FOR RETURNED CHECKS, USE OF FRAUD ASSESSMENT, HIV REPORTING, OFFICE OF HOSPITAL PATIENTS, COMMISSION PAYMENTS BY HMOs, and FILING OF PROVIDER LISTS BY HMOs.

The following information is provided pursuant to the requirements of NRS 233B.060:

1. The proposed regulation is needed to establish standards for returned checks, use of the fraud assessment, reporting requirements for insurers, and to repeal outdated regulations.
2. The amendments include: a \$15.00 fee for returned checks; the addition of unfair trade practices as an authorized use of the fraud assessment; HIV reporting requirements for insurers; payment of commissions by HMOs; deadlines for the filing of provider lists by HMOs; and the repeal of regulations regarding the Office of Hospital Patients.
3. Estimated economic effect of the regulation:
On the business which it is to regulate:
 - (a) The amendments should have little beneficial impact on the industry.
 - (b) The amendments may have both an immediate and long-term adverse impact on insurance companies for the on-going reporting requirements for HIV testing, and for the fees for returned checks.On the public:

The amended regulation should have no economic impact on the public.
4. The Division anticipates a nominal expense to enforce the proposed regulation.
5. The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.
6. The proposed regulation establishes a new fee for checks returned to the Division due to insufficient funds.

Persons wishing to comment upon the proposed action of the Division may appear at

the scheduled public hearing or may address their comments, data, views or arguments, in written form, to the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706. Written submissions must be received by the Division on or before June 19, 1998. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be amended will be available at the offices of the Division, 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, and 2501 East Sahara Avenue, Suite 302, Las Vegas, Nevada 89104, and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Department of Business and Industry
Division of Insurance
1665 Hot Springs Road, Suite 152
Carson City, NV 89706

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

Legislative Counsel Bureau
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P.O. Box 337
Minden, NV 89423

Elko County Library
720 Court Street
Elko, NV 89801

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Fourth & Cook Street
P.O. Box 430
Goldfield, NV 89013

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10190 Monroe Street
P.O. Box 293
Eureka, NV 89316

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85 East 5th Street
Winnemucca, NV 89445

Battle Mountain Branch Library
P.O. Box 141
Battle Mountain, NV 89820

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93 Main Street
P.O. Box 330
Pioche, NV 89043

Lyon County Library
20 Nevin Way
Yerington, NV 89447

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writing at 1665 Hot Springs Road, Suite 152, Carson City, Nevada 89706, or by calling no later than 5 working days prior to the hearing, (702) 687-4270.

DATED this _____ day of _____, 19____.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

LCB File No. R082-98

PROPOSED REGULATION OF THE DIVISION OF INSURANCE

**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE**

REGULATION FOR:

1. FEES FOR A RETURNED CHECK;
2. ADDITION OF UNFAIR TRADE PRACTICES AS AN AUTHORIZED USE OF THE FRAUD ASSESSMENT;
3. HIV REPORTING REQUIREMENTS FOR INSURERS;
4. REPEAL OF REGULATIONS FOR THE OFFICE OF HOSPITAL PATIENTS;
5. PAYMENT OF COMMISSIONS BY HMOs; and
6. FILING OF PROVIDER LISTS BY HMOs

Authority: NRS 679B.130, 679B.153 and 679B.228

Section 1. Chapter 679B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Sec. 2. The division will charge a fee of \$15 for each check returned to the division because the person had insufficient funds or credit with the drawee to pay the check or because the person stopped payment on the check.

Sec. 3. Insurers that require or request any applicant or other person who is a resident of, or is physically located in, the State of Nevada, to be examined or tested with any medical, clinical, or laboratory test that yields evidence of a communicable disease as defined in NAC 441A.040, shall be subject to the same reporting requirements as a health care provider, as set forth in NAC 441A.230.

Sec. 4. Insurers that request or require any applicant, or other person, to surrender a

specimen to be tested for the presence of Human Immunodeficiency Virus (HIV), HIV antibodies, or CD4 T-lymphocyte counts, shall comply with the following:

1. Before obtaining a specimen the insurer is to:

(a) Counsel the applicant or person from whom the specimen is to be obtained, regarding HIV and the test to be used.

(b) Give the applicant or other person the opportunity to designate and authorize a health care provider, as defined in NAC 441A.110, to receive any positive, reactive, indeterminate or abnormal test results.

(c) Inform the applicant, or other person, that if he or she does not designate a health care provider, the local health authority will be notified of any positive, reactive, indeterminate, or abnormal test results, for notification, counseling and appropriate referral.

2. Any report of a positive, reactive, indeterminate, or abnormal results, by the insurer to the health authority, is to include the name, address, and telephone number of the health care provider that was sent the test results.

Sec. 5. 1. The Nevada State Board of Health shall have the authority to regulate or specify what HIV laboratory tests may be used by insurers.

2. The Nevada State Board of Health shall have the authority to regulate or specify which medical laboratories may be used by insurers to perform HIV laboratory test.

Sec. 6. NAC 679B.154 is hereby amended to read as follows:

1. The commissioner will determine the assessment for the special investigative account by dividing the amount of money [appropriated] authorized by the legislature for that year for the support of the program to investigate fraudulent claims and compliance with chapter 686A of NRS by the number of insurers who hold a certificate of authority in this state as of June 1 of the year of assessment.

2. The [department] division will mail to each company a notice of the amount of the assessment on or before July 1 of each year.

Sec. 7. NAC 679B.760 to 679B.774, inclusive, is hereby repealed.

Sec. 8. NAC 695C.150 is hereby amended to read as follows:

A person shall not solicit or sell to any group or person any health care plan which provides for comprehensive health care services unless he:

1. Has a valid agent or broker license to sell health insurance issued by the commissioner;
2. Has been appointed by the organization if licensed as an agent; and
3. Meets all other requirements for an agent or broker licensed to sell health insurance.

Sec. 9. Subsection 2 of NAC 695C.200 is hereby amended to read as follows:

2. The health maintenance organization shall notify:

(a) the division and the state board of health in writing [at] not later than 14 days after the end of each quarter of each calendar year of any changes in its list of providers.

A request for an extension of time to file the list must be submitted to the commissioner before the day on which the list is due. An extension for not more than 30 days may be granted by the commissioner; and

(b) An enrollee in writing of the disassociation of his primary physician from the organization not later than 30 days after such disassociation.