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KENNY C. GUINN
Governor

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STATE OF NEVADA
PUBLIC EMPLOYEES' BENEFITS PROGRAM

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Carson City, Nevada 89703-4222
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LAURIE ENGLAND
Chairman

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LCB File No. R100-00

**PROPOSED REGULATION OF THE BOARD OF THE
PUBLIC EMPLOYEES' BENEFITS PROGRAM**

NOTICE OF INTENT TO ACT UPON A REGULATION

**Notice of Hearing for the Amendment
of Regulations of the Public Employees' Benefits Program**

The Public Employees' Benefits Program will hold a public hearing at 10:00 am, on November 14, 2000 at the Public Employees' Benefits Program, 400 W. King Street, Suite 300, Carson City, Nevada, 89703. The purpose of the hearing is to amend Chapter 287 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The need for and the purpose of the proposed regulations is to conform the Public Employees' Benefits Program regulations to the law contained in Chapter 287 of the Nevada Revised Statutes and the legislative changes there to which became effective July 1, 1999 over which the Public Employees' Benefits Program has jurisdiction.
2. The regulations to be amended address the administration of the Public Employees' Benefits Program.
3. The beneficial effect is to ensure that all participants are protected should the benefit plan under which they are covered incur economic disaster as well as to ensure that a plan to which a group of not less than 300 may opt to join is credible and does not adversely effect participants who wish to remain with the Public Employees' Benefits Program. Adverse effects, should the regulations not be revised would result in devastation to the program through poor practices both operational and financial. Adverse selection would occur, leaving participants to whom the benefits apply unprotected and the Fund depleted. The proposed regulations are not more stringent than necessary in order to protect participants in the Public Employees' Benefits Program.
4. There is additional cost to the Public Employees' Benefits Program for the administration of groups leaving the plan. However, the costs will be borne by those leaving the plan.
5. The proposed regulations do not overlap or duplicate any regulations of other state or local government agencies.

- 1 6. The proposed regulations are not required pursuant to federal law.
- 2
- 3 7. The proposed regulations do not include provisions, which are more stringent than any federal
- 4 regulation that regulates the same activity.
- 5
- 6 8. The proposed regulations establish fees for application processing and requires bonds to ensure
- 7 financial soundness.
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9 Persons wishing to comment upon the proposed action of the Public Employees' Benefits Program may appear at the
10 scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Public
11 Employees' Benefits Program. Written submissions must be received by the Public Employees' Benefits Program on
12 or before November 1, 2000. If no person who is directly affected by the proposed action appears to request time to
13 make an oral presentation, the Public Employees' Benefits Program may proceed immediately to act upon any
14 written submissions.

15

16 A copy of this notice and the regulations to be amended will be on file at the State Library, 100 Stewart Street,
17 Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the
18 notice and the regulation to be adopted will be available at the office of the Public Employees' Benefits Program,
19 400 W. King St., Suite 300, Carson City, Nevada, 89703-4222, and in all counties in which an office of the agency
20 is not maintained, at the main public library, for inspection and copying by members of the public during business
21 hours. This notice and the text of the proposed regulations are also available in the State of Nevada Register of
22 Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant
23 to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed
24 regulation will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if
25 it is deemed necessary.

26

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

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**DRAFT REGULATION OF THE
BOARD OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM**

LCB File No. _____

EFFECTIVE JANUARY 1, 2001

10 EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is to be
11 omitted. NOTE: All shaded text is either existing regulations that are unchanged by this
12 Proposed Regulation or is LCB copyright text, and will not appear in the final draft of the
13 Proposed Regulation for adoption. The text is being provided to the Board and Staff for
14 contextual review of the proposed changes. Changes to the regulations of the PEBP appear in the
15 following order: new provisions, amendments to existing provisions and then repealed
16 provisions.

17
18 AUTHORITY: NRS 287.043 and Act of June 9, 1999, ch. 573, §20(2)(f), Nev. Stat. 3020.

19
20 **Section 1.** Chapter 287 of NAC is hereby amended by adding thereto the provisions as set forth
21 as sections 2 to 42, inclusive, of this regulation.

22
23
24 **GROUP INSURANCE**

25 **General Provisions**

26 NAC 287.005 Definitions. As used in NAC 287.005 to 287.690, inclusive, unless the context
27 otherwise requires, the words and terms defined in NAC 287.0055 to 287.009, inclusive, have
28 the meanings ascribed to them in those sections.

29 ~~[Com. on Group Ins., Broker of Record Reg. § 2, eff. 2-5-82]~~-(NAC A 1-22-86; A by Com. to
30 Admin. Pub. Employees' Deferred Comp. Prog., 9-13-91; A by Com. on Benefits, 5-4-92; 10-3-
31 96)

32
33 **Section 2.** *“Dependents” include:*

- 1 *1. One spouse from a marriage pursuant to law; and*
2 *2. All other declared members of a declared program coverage unit as set forth in this*
3 *regulation.*

4 **Section 3.** *“Executive officer” means the program’s executive office employed by the board*
5 *pursuant to NRS.287.0424.*

6 **Section 4.** *“Group of not less than 300” means a group of not less than 300 officers,*
7 *employees or retired employees of the state, or any combination thereof, which is organized for*
8 *reasons other than acquiring insurance and whose members are employed by a State Agency*
9 *and share job definitions and who belong to the group for reasons other than acquiring*
10 *insurance and such groups demonstrate legal authority to enter into contracts, bind its*
11 *members into a group, meets non-discrimination federal and state statutes and has the ability*
12 *to purchase insurance.*

13 **Section 5.** *“Health Insurance” means medical, dental, vision and mental health/substance*
14 *abuse coverage.*

15 **Section 6.** *“Member” means an enrolled participant in the program, a public agency group*
16 *plan or a group of not less than 300 authorized by the board.*

17 **Section 7.** *“Open Enrollment” means the annual event offered by the program in which*
18 *program participants may change coverage and dependent elections offered by the program.*

19 **Section 8.** *“Plan year” means the calendar year (January 1 to December 31) in which*
20 *program benefits and rates are offered for enrollment.*

21 **Section 9.** *“Program” means the Public Employees’ Benefits Program as defined by*
22 *NRS.287.0402 through 287.049 inclusive.*

1 **Section 10.** *“Program coverage unit” means the family unit declared pursuant to Section 11 of*
2 *this regulation that seeks program coverage or insurance for more individuals than the sole*
3 *eligible officer, employee or retiree.*

4 **Section 11.** *“Public agency” means an agency as defined in NRS 287.010.*

5 **Section 12. 1.** *Except as otherwise provided in this section, an eligible officer, employee or*
6 *retiree of the State of Nevada or a public agency who desires to participate in the program*
7 *with one (1) or more dependents in a family unit must declare the existence of a qualifying*
8 *program coverage unit by executing, under penalty of perjury and NRS 686A.290-.291*
9 *insurance fraud, an enrollment declaration.*

10 **2.** *The eligible dependents must be declared by the declarant in the program coverage unit*
11 *enrollment declaration by names, addresses and social security numbers as follows:*

12 (a) *A spouse; and/or*

13 (b) *Any unmarried children under the age of 19 of the declarant, and/or*

14 (c) *Any unmarried children between the ages of 19 and 24 of the declarant, who are*
15 *enrolled in an accredited school on a full time basis; and/or*

16 (d) *Any unmarried children over the age of 19 or any full time student under age 24, of*
17 *the declarant that are incapable of self-support due to physical or mental disability,*
18 *who are incapable at the age of 19 or before age 24 if full time student, and provide*
19 *supporting evidence within 30 days of the dependents 19th birthday or 24th birthday if*
20 *a full time student.*

21 **3.** *All declared members of the program coverage unit must continually reside in the same*
22 *single-family dwelling with the declarant unless any dependent:*

23 (a) *child is a declared full time student;*

1 *(b) child or spouse is in institutional care for a disability;*

2 *(c) child is the subject of a child health insurance support agreement.*

3 *(d) spouse is working out of the area of the single-family dwelling.*

4 *4. Children declared by the declarant may include natural children, adopted children, children*
5 *placed in the declarant's single-family dwelling for adoption, stepchildren, and any other*
6 *child, except a foster child, who is related to the declarant, provided that in all cases the*
7 *children must be financially dependent on the declarant and the declarant's program*
8 *coverage unit for care and support and for which the declarant is legally responsible.*

9 *5. Other than an all participant open enrollment, the right to change declared dependent*
10 *coverage or add, remove or change dependents shall be governed by the terms and conditions*
11 *of any applicable plan, insurance policy or law.*

12
13 **Section 13.** NAC 287.0055 is hereby amended to read as follows:

14
15 NAC 287.0055 "Chairman" defined. "Chairman" means the chairman of the ~~[committee]~~ *board.*

16 (Added to NAC by Com. on Benefits, eff. 5-4-92)

17
18 **Section 14.** NAC 287.006 is hereby amended to read as follows:

19
20 NAC 287.006 "Committee" defined. ~~["Committee"]~~ *"Board"* means the ~~[committee on benefits]~~

21 *Board of the Public Employees' Benefits Program.*

22 created by NRS 287.041.

23 (Added to NAC by Com. on Benefits, eff. 5-4-92)

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NAC 287.0075 "Medicare" defined. "Medicare" has the meaning ascribed to it in NRS 439B.130.

(Added to NAC by Com. on Benefits, eff. 5-4-92)

Section 15. NAC 287.008 is hereby amended to read as follows:

NAC 287.008 "Participant" defined. "Participant" includes *a program eligible:*

1. ~~[An]~~ officer or employee *of the state or a public agency;*
2. ~~[A]~~ retired officer or employee;
3. ~~[A]~~ dependent of an officer or employee or a retired officer or employee; ~~[and]~~
4. ~~[A]~~ survivor ~~[or dependent]~~ of a deceased officer or employee or a deceased retired officer or employee~~;~~;
5. *surviving spouse of a police officer, fireman or official member fireman of a volunteer fire department killed in the line of duty;*
6. *surviving child of a police officer, fireman or official member fireman of a volunteer fire department killed in the line of duty; and*
7. *state employee participating in a four to six month biennial plan who plans to return to the same or similar position in the next authorized biennial employment period, who ~~[participates in the state's program of group health insurance]~~ has timely enrolled, re-enrolled, opted to continue coverage or opted to join the program pursuant to NRS chapter 287 and NAC chapter 287 in any applicable group coverage or insurance offered by, through or in cooperation with the program.*

1 *8. former member of board of trustees of school district pursuant to NRS 287.024.*

2 *9. legislator*

3 (Added to NAC by Com. on Benefits, eff. 5-4-92)

4

5 **Section 16.** NAC 287.0085 is hereby amended to read as follows:

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7 NAC 287.0085 "Retired officer or employee" defined. "Retired officer or

8 employee" means an officer or employee *of the state or a public agency* who has *met the*

9 *requirements to receive* at least 5 years of service; with the state or a ~~participating~~ public

10 ~~agency~~; and is receiving *any distribution of* benefits from:

11 1. The judges' retirement system;

12 2. The Public Employees' Retirement System (PERS);

13 3. The legislators' retirement system;

14 ~~4. The teachers' insurance annuity association college retirement equities fund (TIAA-~~

15 ~~CREP))~~

16 *4. A retirement plan alternative program for professional employees offered by or*

17 *through the University and Community College System of Nevada*; or

18 5. ~~The~~ A long-term disability plan of the state *or a public agency*.

19 (Added to NAC by Com. on Benefits, eff. 5-4-92)

20

21 **Section 17.** NAC 287.009 is hereby amended to read as follows:

22

23 NAC 287.009 "Vendor" defined. "Vendor" means an *NRS 284.173* independent contractor who

1 provides *products or* ~~professional~~ services to *the program or the* participants ~~and the~~
2 ~~committee~~ *in the program*, including, but not limited to, ~~an~~ *an insurance* broker ~~of record~~, a
3 consultant ~~and~~, a claims administrator, *an insurer, a health maintenance organization, a*
4 *physical or mental health care provider, a case management or utilization management*
5 *company, a dental or vision care provider, a hospital, a medical facility, a certified public*
6 *accountant, an actuary, a health educator, a pharmacy or pharmacy benefit manager, a*
7 *preferred provider organization, a publisher, and a court reporter.*

8 *(a) An approved group of not less than 300 pursuant to this regulation shall not be*
9 *considered a vendor.*

10 (Added to NAC by Com. on Benefits, eff. 5-4-92)

11
12 **Section 18.** NAC 287.0095 is hereby amended to read as follows:

13
14 NAC 287.0095 Interpretation of certain statutory terms regarding eligibility to participate in
15 state's program.

16 The ~~committee~~ *board* interprets these ~~terms, as used in NRS 287.045,~~ *statutory provisions* as
17 follows:

18 1. "Full-time employment" *as set forth in NRS 287.045* means the employment, *election or*
19 *appointment by the state or a public agency* of a person who:

20 (a) In any calendar month, works *as an employee or a public officer* at least one-half of
21 the hours of an employee who works 40 hours per week~~;~~, and ~~(b) Is~~ *shall be deemed*
22 *to be* employed ~~by the state~~ at the beginning of the month following the date of his
23 employment, *election, or appointment*~~;~~ *;* *or*

1 ~~[2. "Officer" means]~~ (b) *Is an elected or ~~[appointed official]~~ public officer who receives*
2 *any compensation regardless of the number of hours worked, or is a member of a*
3 *board of trustees of a school district who is not an employee but receives ~~[a salary]~~ any*
4 *compensation for public service from a ~~[participating]~~ public agency, and shall be*
5 *deemed to be employed at the beginning of the month following the month in which his*
6 *service term or appointment to office begins; or*
7 (c) *Is a biennial plan participating state employee under Section 30 of this regulation,*
8 *and shall be deemed to be employed at the beginning of the month following the date of*
9 *his first employment and at reemployment and reenrollment in the program at each*
10 *successive authorized biennial employment period.*

11 *2. Regardless of receipt of retirement distributions as set forth in Section 33 of this regulation,*
12 *professional staff employed by the University of Nevada, Reno and Las Vegas, to teach a*
13 *course of study or training pursuant to the Act of May 24, 1999, ch. 261, §§1-3, 1999 Nev.*
14 *Stat. 1111, or any continuation by the Legislature of the teaching program beyond July 1,*
15 *2001, to whom the university will provide an employee premium subsidy, may at the board's*
16 *discretion be treated under this section as a state employee participant, rather than a retired*
17 *NRS 287.023 public agency employee, until voluntary or involuntary termination from the*
18 *teaching program.*

19 (Added to NAC by Com. on Benefits, eff. 5-4-92)

21 Vendors of Professional Services to Committee on Benefits

23 **Section 19.** NAC 287.310 is hereby amended to read as follows:

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Participation by Public Agency in State’s Program

NAC 287.310 Prerequisites to participation; provision to agency of reports on history of claims.

1. To participate in the ~~state’s program~~ *program’s* ~~of~~ group *coverage or* insurance, a public agency, through its governing body, must ~~make a written request to the committee. The request must include~~ *provide to the program:*

(a) A nonrefundable *cost analysis and actuarial* fee *as follows:*

<i>Less than 50 participants</i>	<i>\$250.00</i>
<i>50-200 participants</i>	<i>\$450.00</i>
<i>Over 200 participants</i>	<i>\$2.25/per participant</i>

(b) Information, as determined by the ~~committee, sufficient to make an~~ *program’s* *actuary, sufficient for* an actuarial determination as to the appropriate rates ~~and plan of benefits~~ for the *public* agency ~~;~~ *and*, *including but not limited to, the immediate previous three (3) years of claims history data of the public agency, if any exists, in an electronic format that is compatible with the program’s actuarial services;*

(c) The names, *addresses, phone numbers and social security numbers* of:

- (1) All eligible members, regardless of current enrollment, of that public agency;*
- and*
- (2) Those that are currently enrolled in the public agencies group plan and their respective number of enrolled dependents;*

(d) An executed NRS 287.043(2) interlocal contract in a form acceptable to the executive officer of the program; and

1 *(e) A statement that all terminal fees and costs associated with their old health plan will*
2 *be paid by that public agency group.*

3 *(f) Upon notification of acceptance a non-refundable set-up fee will be assessed to*
4 *cover the costs for loading eligibility and initiation of billing services of \$1.00 per*
5 *participant.*

6
7 2. The ~~[committee's consultant, if any, or]~~ *program's actuary and the* members of the
8 ~~[committee's]~~ *program's* staff shall review the request and establish the rates for the requesting
9 public agency ~~[.]~~ *as follows:*

10 *(a) If, upon review the of claims experience in the program or the public agency's past*
11 *claim history, the program's actuary determines the experience [the rates do] does not*
12 *exceed [H10] 105 percent of the appropriate rate for a same or similar non-state group*
13 *public agency [that is not a state agency], the public agency will not be rated separate*
14 *from the same or similar non-state group which participate in the program; [a member*
15 *of the staff will notify the requesting public agency of the terms and conditions of entry*
16 *into the state's*
17 *program.] ;*

18 *(b) If the experience [rates] exceeds [H10] 105 percent of the appropriate rate for a*
19 *[public*
20 *agency that is not a state agency] same or similar non-state group public agency, the*
21 *[consultant] program's actuary and [or a member of] the staff will submit a written report*
22 *with recommended rates to the [committee within 45 days after receipt of the request]*

1 *board . The rate recommended will equal the difference of the non-state premium and*
2 *the cost of that agency's experience.*

3 *(c) If the public agency has no claims experience, the rate shall be 105% of the*
4 *standard rate for a non-state group participating under the plan who have no separate*
5 *rating applied.*

6 *(d) The rates established in (b) and (c) above shall apply for a two year period at which*
7 *time the staff with the program's actuary will review the experience of the group to*
8 *determine an appropriate rate or to determine if the standard rate shall apply.*

9 ~~[3. The committee will act on a report submitted pursuant to subsection 2 within 60 days after its~~
10 ~~receipt of the report. If the committee acts favorably on the request to participate, the committee~~
11 ~~will submit to the agency by certified mail an offer to participate which contains the terms and~~
12 ~~conditions of entry into the state's program. The public entity must accept the committee's offer~~
13 ~~within 30 days after receipt of the offer, or the offer is withdrawn. The effective date of coverage~~
14 ~~is the first day of the month which follows the month in which the committee receives written~~
15 ~~acceptance of its offer]~~

16 ~~[4]~~ 3. For a participating public agency ~~[with more than 200 officers and employees]~~, the
17 ~~[committee]~~ *program* will provide, upon written request from the agency, the history of claims
18 for that public agency. ~~[If the agency requests more than one report in a year, the]~~
19 ~~The~~ ~~[committee]~~ *program* will charge for each ~~[additional]~~ report the actual cost of providing the
20 report. The report will include:

21 (a) A summary of the medical, surgical and dental claims paid *by the self-funded plan*
22 *for* each month covered by the report; and

23 (b) A summary of the monthly premiums paid during the period covered by the report.

1 The ~~committee~~ program will provide the report within ~~45~~ 90 days after receipt of the request.

2 (Added to NAC by Com. on Group Ins., eff. 5-27-86; A by Com. on Benefits,

3 5-4-92)

4

5 **Section 20.** NAC 287.314 is hereby amended to read as follows:

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7 NAC 287.314 Orientation program: Attendance by employee; release time; exception.

8 1. Except as otherwise provided in subsection 3, a public agency which participates in the

9 ~~state's program of group insurance~~ program shall, upon appointing to the agency a person who

10 will be eligible to participate in the program pursuant to NRS 287.045, ensure that the employee

11 attends an orientation program conducted by the ~~division~~ program within 60 days after he

12 begins his employment with the agency. The ~~division~~ program shall provide to the employee at

13 the orientation program information concerning the benefits provided ~~by the state's program of~~

14 ~~group insurance~~].

15 2. A public agency which is required to grant release time pursuant to NAC 284.484 shall grant

16 release time to such an employee to attend the orientation program.

17 3. The provisions of this section do not apply to any person who is employed by the University

18 and Community College System of Nevada.

19 (Added to NAC by Com. on Benefits, eff. 10-3-96)

20

21 **Section 21.** NAC 287.317 is hereby amended to read as follows:

22

1 NAC 287.317 Orientation program: Monthly program by division; request for registration of
2 employee by public agency; form.

3 1. The ~~[division]~~ *program* shall conduct the orientation program required pursuant to NAC
4 287.314 each month at locations designated by the ~~[division]~~ *program*.

5 2. A public agency which participates in the ~~[state's program of group insurance]~~ *program* shall,
6 upon appointing to the agency a person who will be eligible to participate in the program
7 pursuant to NRS 287.045, request that the ~~[division]~~ *program* register the employee for the
8 orientation program at the location which is nearest to the employee's place of employment. The
9 request must be ~~[made in writing on a form]~~ *provided in a format* prescribed by the ~~[division]~~
10 *program* and submitted ~~[to the division not]~~ *no* later than 5 days after the employee's first day of
11 employment with the agency.

12 3. The ~~[form]~~ *format* prescribed ~~[by the division]~~ pursuant to subsection 2 must include a portion
13 to be completed by the employee and a portion to be completed by the public agency. The public
14 agency shall ensure that the employee completes the portion of the form which the employee is
15 required to complete.

16 *4. If any employee cannot attend the orientation program, a complete packet with enrollment*
17 *information shall be provided to the employee. An employee has 60 days from their first day*
18 *of employment to submit an enrollment form with their selection, otherwise, they will be*
19 *placed in the self-funded plan, employee only.*

20 *5. If any employee terminates employment, the pay center and the employee have*
21 *responsibility to notify the Program within 5 days of termination.*

22 (Added to NAC by Com. on Benefits, eff. 10-3-96)

23

1 **Section 22.** NAC 287.320 is hereby amended to read as follows:

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3 NAC 287.320 Withdrawal from program: Procedure; limitation on reentry; liability of program.

4 1. A public agency which intends to *terminate its interlocal contract* and withdraw from the
5 ~~[state's program]~~ *program* must give a written notice to the ~~[committee]~~ *executive officer of the*
6 *program* at least 60 days before the date it intends to withdraw.

7 (a) The effective date of withdrawal is the first day of the month following the month in
8 which the 60-day period expires.

9 ~~[2.]~~ (b) *Unless waived by the board, [H] a public agency that withdraws from the [state's*
10 ~~program] program, [it] may not [apply for reentry into] reenter the program for 3 years
11 after the date it withdraws.~~

12 ~~[3.]~~ (c) *Except for retirees that opt to continue coverage in the program pursuant to*
13 *NRS 287.023 at the time of the public agency's withdrawal from the program, [F]the*
14 ~~[state's program] program~~ is not liable for any expenses *or claims* of an officer or
15 employee or retired officer or employee, *or the respective dependents of the same*, of a
16 *withdrawing* public agency incurred after the effective date of the withdrawal of the
17 agency from the ~~[state's program] program~~.

18 2. *A group of not less than 300, that has not been previously denied the option to leave the*
19 *program within the last 18 months, may apply to the board to leave the program, in part, to*
20 *obtain a program of equivalent benefits offered by this plan for life, accident, or health*
21 *insurance, or any combination thereof, provided the group provides a letter of intention to the*
22 *Executive Officer.*

1 3. *The Program shall furnish the necessary application to be completed and returned*
2 *between March 1 and March 31 of each year, with 15 copies of the following:*

3 (i) *Evidence that the group consists of not less than 300 active employees and retirees*
4 *in proportions equivalent to the program, showing names, addresses, social security*
5 *numbers, signatures and state agency affiliation and said group’s legal authority to*
6 *enter into contracts, authority to bind its members into a group, evidence that group*
7 *meets non-discriminatory state and federal statutes, has the ability to purchase*
8 *insurance, statement of shared job definition and purpose for being organized;*

9 (ii) *Evidence that the employee benefits plan or the intended insurer of the group is a*
10 *legally recognized entity under Nevada law, having a valid federal tax identification*
11 *number to which the program will be expected to disburse funds;*

12 (iii) *A \$1,500.00 non-refundable application processing fee;*

13 (iv) *A statement providing the reason for leaving the Program.*

14 (v) *A statement of the proposed program’s eligibility rules, including but not limited to,*
15 *the ability of retirees to join the proposed plan at the same cost that benefits are offered*
16 *to all the retirees of the proposed plan.*

17 (vi) *Documentation of all marketing materials to be distributed to the proposed*
18 *participants.*

19 (vii) *If an insurer is intending to provide coverage, the group will provide a copy of a*
20 *current certificate issued by the Nevada Insurance Commissioner to provide the*
21 *intended coverage in this state; the insurer will further provide:*

22 (i) *A plan document and summary plan description; including the explanation*
23 *of the equivalency to all benefits offered by the program.*

1 (2) *The prior year audited financial statement of the insurer which must reflect*
2 *an unqualified opinion;*

3 (3) *A written opinion of the proposed insurer's underwriter stating no adverse*
4 *affect to the insured plan; and*

5 (4) *The proposed contracts with the insurer for the intended coverage, which*
6 *contracts shall include, but are not limited to, the premium rates to be*
7 *charged for the coverage offered and must be approved by the Nevada*
8 *Insurance Commissioner*

9 (h) *If an employee benefits plan is intending to provide coverage, the group will further*
10 *provide:*

11 (1) *A plan document and summary plan description;*

12 (2) *The previous three years audited financial statement of the plan, which must*
13 *reflect unqualified opinions;*

14 (3) *A written opinion of the proposed plan's actuary that the addition of the*
15 *group will not adversely affect the plan and the plan members will continue to*
16 *receive equivalent eligibility and benefits;*

17 (4) *The proposed contracts with the intended plan and the plan member*
18 *contributions required for the coverage offered;*

19 (5) *A memorandum of understanding that a security deposit of 105% of*
20 *expected annual incurred claims and administrative costs as determined by*
21 *the Program will be required in the form of surety bond, certificate of*
22 *deposit, letter of credit or other instrument;*

1 (6) *Specific excess insurance for all claims over \$50,000.00 and aggregate*
2 *excess insurance in an amount equal to \$4,000.00 times number of*
3 *participants in the proposed group from admitted carrier in the State of*
4 *Nevada; and*

5 (7) *Evidence claims payment process will occur within the State of Nevada.*

6 **4. In exercising its discretion to approve or deny a qualifying group's proposed contract and**
7 **application to leave, in part, the program's plan of benefits, the board may approve if:**

8 (a) *The proposed insurer(s) are duly authorized by the Nevada Insurance*
9 *Commissioner;*

10 (b) *The proposed employee benefits plan, if any, has provided evidence of sound*
11 *accounting and financial management practices;*

12 (c) *The actuary of a proposed employee benefits plan has opined in writing that the*
13 *addition of the proposed group will not adversely affect the plan and the plan members*
14 *will continue to receive adequate benefits;*

15 (d) *The program's actuary has opined that, in considering the cumulative impact of the*
16 *proposed group and other groups that have left or are proposing to leave the program*
17 *under this regulation, the group proposing to leave will not cause an increase of more*
18 *than five (5) percent in the costs of premiums or contributions for the remaining*
19 *participants in the program. The program's actuary will estimate the financial impact*
20 *of the withdrawal of the group and the Board, in conjunction with their approval of the*
21 *withdrawal and at the same time as that approval, must take action to designate how*
22 *the program will offset the negative fiscal impact.*

1 (e) *The proposed plan offers benefits to those offered by the State program and the*
2 *Board is assured that premiums for the group of 300 will not be used to subsidize*
3 *premiums for any other participants of the proposed plan.*

4 (f) *The proposed group pays the Program all incurred program, staff and consulting*
5 *costs associated with the move, including without limitation the cost of providing claim*
6 *experience reports, providing plan documents, and setting up the new health plans in*
7 *association with the program.*

8 (g) *The group agrees to pay the ongoing program administrative costs as set forth in*
9 *this section; and*

10 (h) *The proposed plan maintains the same eligibility rules as the program, all eligibility*
11 *and qualifying events shall be submitted through and maintained by the program.*

12 (i) *Any and all other requirements are met as defined heretofore.*

13 5. *If, at the time the group leaves, the Program is in a deficit position, the group will owe the*
14 *Program an amount equal to the percentage of participants leaving the Program times the*
15 *amount necessary to return the plan to a non-deficit position. A deficit position will be defined*
16 *as having less assets than liabilities, including incurred but not reported claims with*
17 *administrative loads.*

18 6. *Upon approval of the Board, the group may withdraw 120 days from notice of approval.*
19 *The date of withdrawal will be the first day of the month following 120 days. Members may*
20 *not leave the group and return to the program unless they have participated in the group of*
21 *not less than 300 for a period of 12 months, and;*

22 (a) *they notify the program in writing before July 1 of their intent to participate in the*
23 *State's open enrollment in the fall; or*

1 ***(b) the group is dissolved for any reason.***

2 ***If, on July 1 of each year, the membership in the group is below 300 participants or is***
3 ***projected to fall below 300 on January 1 of the following year, the group may apply to add***
4 ***members to bring it's enrollment to the level it originally left the program with. If the group is***
5 ***unable to meet a population of 300 members by September 1, it's authority as a group is***
6 ***dissolved effective January 1 of the following year and the group's remaining participants***
7 ***must participate in the State's current year open enrollment or be placed in the self-funded***
8 ***plan. When adding members pursuant to this section, the active/retiree proportions as***
9 ***originally approved must be maintained.***

10 ***7. In the event of any termination of a plan or coverage of a group, the opportunity to reenter***
11 ***the coverage options offered by the program shall be at the sole discretion of the board.***

12 ***8. A group of not less than 300 that is approved to leave, in part, the program's plan of***
13 ***benefits will be subject to an offset deduction against premiums and contributions on a per***
14 ***member per month pro rata basis for the program's administrative costs related to the***
15 ***group and the group shall cooperate with the program in the coordination of premium and***
16 ***contribution payments for coverage for its members both inside and outside the program***
17 ***as its members may choose, as follows:***

18 ***(a) On a pro rata per member per month basis the group members shall be responsible***
19 ***to pay the program the administrative costs calculated as THE TOTAL MONTHLY***
20 ***ENROLLMENT OF EMPLOYEES AND RETIREES IN THE GROUP, divided***
21 ***by THE TOTAL MONTHLY ENROLLMENT OF EMPLOYEES AND***
22 ***RETIREES IN THE PROGRAM, INCLUDING ALL GROUPS, multiplied by THE***
23 ***TOTAL MONTHLY ADMINISTRATIVE COST OF THE PROGRAM.***

1 ***(b) The allocated monthly per-participant per-month amount stated in the Public***
2 ***Employees' Benefits Program written policy that is placed into the program's***
3 ***reserve.***

4 ***(c) The cost of any extraordinary services performed at the request of the group.***

5 ***(d) Net of program administrative costs, and not exceeding appropriation or***
6 ***authorization, the program will disburse to the group's plan or insurer(s) the***
7 ***premium and contribution of program participant members of the group. Such***
8 ***premium shall not exceed the lesser of Self-Funded program participant-only***
9 ***premium or the participant only premium of the group of not less than 300.***

10 ***On a form required by the Program the groups of not less than 300 shall supply required***
11 ***financial information annually which may result in possible adjustment to the security deposit***
12 ***required above.***

13 (Added to NAC by Com. on Group Ins., eff. 5-27-86; A by Com. on Benefits, 5-4-92)

14
15 **Section 23.** NAC 287.410 is hereby amended to read as follows:

16
17 Payment of Premiums and Coverage

18 NAC 287.410 Payment of premiums by surviving spouse or dependent.

19 ***1.*** If a surviving spouse or dependent is ***eligible to continue coverage in the program, but is*** not
20 eligible to receive benefits as the insured, he ~~may~~ ***must*** pay the premium for group insurance
21 directly to the ~~committee~~ ***program to continue insurance coverage.***

1 (a) *The survivor's failure to re-enroll within sixty (60) days after the date of death of*
2 *the insured may, at the discretion of the program, result in the cancellation of*
3 *coverage at any time.*

4 (Added to NAC by Com. on Group Ins., eff. 5-27-86; A by Com. on Benefits, 5-4-92)

5
6 **Section 24.** NAC 287.420 is hereby amended to read as follows:

7
8 NAC 287.420 Payment of premiums by department, agency, commission or public agency: Date
9 due; penalty.

10 1. The total of the premiums which is billed by the ~~[division]~~ *program* and is owed by a
11 department, agency, commission or public agency which employs an officer or employee, *or is*
12 *legally responsible for the surviving spouse or child of a police officer, fireman or volunteer*
13 *fireman killed in the line of duty, or is providing a premium subsidy for any of its retirees,* who
14 elects to participate in the ~~[state's]~~ *program* ~~[of group insurance]~~ and the ~~[employee's]~~ *respective*
15 contribution, *if any*, which is deducted from his compensation must be received by the ~~[division]~~
16 *program* by the 25th of each month.

17 2. If a department, agency, commission or public agency does not pay the amount billed by the
18 ~~[division]~~ *program*, the ~~[division]~~ *program* shall ~~[assess]~~ *determine if* a penalty that is based on
19 the amount actually paid *is to be assessed*. To determine the amount of the penalty, the ~~[division]~~
20 *program* shall determine a basis amount which is 80 percent of the amount billed the previous
21 month. If the total payments made by the department, agency, commission or public agency were
22 equal to or greater than the basis amount, the ~~[division]~~ *program* shall not assess a penalty. If the

1 total payments made by the department, agency, commission or public agency were less than the
2 basis amount, the ~~[division]~~ *program* shall assess a penalty of 1.5 percent of the basis amount.

3 3. For the purposes of this section, if the 25th day of the month is a Saturday, Sunday or legal
4 holiday, the payment of a premium is timely if it is received on the next day which is not a
5 Saturday, Sunday or legal holiday.

6 (Added to NAC by Com. on Group Ins., eff. 5-27-86; A 12-17-87; A by Com. on Benefits, 5-4-
7 92)

8

9 **Section 25.** NAC 287.430 is hereby amended to read as follows:

10

11 NAC 287.430 Direct payment of premiums: Date due; cancellation of coverage.

12 A person *who enrolls, re-enrolls, joins or is continuing coverage*, other than a person who
13 elects to continue coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of
14 1985 (Pub. L. 99-272, Title 10 § 10001), *and* ~~[who pays]~~ *is responsible to pay* the premium for
15 group *coverage or* insurance directly to the *program or an* insurer ~~[or to a governmental entity]~~
16 shall pay the premium *to such, as the case may be*, no later than the ~~[15th]~~ *last* day of the month
17 of coverage. If the total amount of the premium is not received by the ~~[15th]~~ *last* day of the
18 month, the coverage will be canceled effective on the last day of the month that the coverage was
19 fully paid *unless the particular contract of coverage or insurance provides otherwise*.

20 (Added to NAC by Com. on Group Ins., eff. 5-27-86; A 12-17-87; A by Com. on Benefits, 5-4-
21 92)

22

23 **Section 26.** NAC 287.440 is hereby amended to read as follows:

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NAC 287.440 Payment of premiums to committee: Eligible retired officers and employees.

The following retired officers and employees may pay premiums for group *coverage or* insurance to the ~~committee~~ *program*:

1. A retired officer or employee who ~~has at least 5 years of service with the state or any other participating public agency and~~ is receiving retirement benefits, if the retirement benefit is less than the premium.

2. A retired officer or employee who was 55 years of age or older in 1977 and was precluded from participation in the public employees' retirement system until 1979, if the officer or employee:

(a) Has at least 5 years of service with the state or any other participating public agency;

(b) Would have received a vested interest in retirement benefits but for the amendatory provisions of chapter 594, Statutes of Nevada 1977; and

(c) Has reached the age when retirement benefits could have been received had he not been precluded from participation in the system.

(Added to NAC by Com. on Benefits, eff. 5-4-92)

Section 27. NAC 287.450 is hereby amended to read as follows:

NAC 287.450 Employees on leave without pay: Payment of premiums; eligibility for coverage as dependent of spouse; coverage upon return to work.

- 1 1. A *program* participating *state or* public *agency* employer of an employee who is on leave
2 without pay shall not pay any amount of the cost of premiums or contributions ~~for~~ *due the*
3 *program for* group insurance for that employee unless the employee is compensated for:
- 4 (a) Work actually performed;
 - 5 (b) Accrued annual leave or sick leave, or both; or
 - 6 (c) A combination of work actually performed and accrued annual leave or sick
7 leave, or both, if the total is at least 80 hours per month for each month that
8 coverage is provided.
- 9 2. An employee who is on approved leave without pay:
- 10 (a) May pay the premiums for his ~~[insurance]~~ coverage *and insurance* to the agency that
11 employs him.
 - 12 (b) Is not eligible for coverage as a dependent of his spouse if his spouse is also covered
13 under the ~~[state's]~~ program ~~[of group insurance]~~.
- 14 3. If an employee who is on approved leave without pay elects not to pay the premium for
15 *program* coverage and *insurance* and returns to work:
- 16 (a) Before 1 year after taking leave without pay, the employee is not required to complete
17 90 days of full-time employment before being eligible to participate in the program ~~[and~~
18 ~~the employee is not subject to any limitation of coverage for a preexisting condition]~~.
 - 19 (b) One year or more after taking leave without pay, the employee is eligible to
20 participate in the program on the first day of the month following 90 days of full-time
21 employment ~~[and is subject to any limitation of coverage for a preexisting condition]~~.
- 22 4. An employee who is on approved leave without pay may, at the time he returns to work,
23 obtain coverage for any dependent who was previously covered. ~~[A dependent who is not~~

1 ~~covered at the time the employee returns to work must furnish evidence of insurability when~~
2 ~~coverage is sought.]~~

3 (Added to NAC by Com. on Benefits, eff. 5-4-92)

4
5 **Section 28.** NAC 287.460 is hereby amended to read as follows:

6
7 NAC 287.460 Officers and employees on leave because of injury in course of employment:

8 Payment of premiums; coverage of dependents upon return to work.

9 1. An officer or employee *of the state or a public agency* who:

10 (a) Is on leave because he was injured in the course of his employment;

11 (b) Receives compensation for a temporary total disability pursuant to NRS 616C.475;

12 and

13 (c) Was a member of the ~~[state's]~~ program ~~[of group insurance]~~ at the time of the injury,
14 may continue coverage for *himself and* any of his eligible dependents if he pays the premium

15 *due*

16 for *insurance* coverage ~~[of that dependent]~~ to the agency that employs him. The officer or

17 employee shall report his change of status to ~~[the participating public agency]~~ *his employer*

18 when he takes leave and when he returns to work. The ~~[participating public agency]~~ *employer*

19 shall notify the ~~[division]~~ *program* of the change of status of the officer or employee.

20 2. If the officer or employee does not pay for coverage for his dependent while he is on leave and
21 returns to work:

1 (a) Less than 1 year after taking leave, his dependent may be covered ~~[without providing~~
2 ~~evidence of insurability. The dependent is subject to any limitation of coverage for a~~
3 ~~preexisting condition].~~

4 (b) One year or more after taking leave, but did not continue coverage after the 9-month
5 period provided by NRS 287.0445, the dependent ~~[(1) Is subject to any limitation of~~
6 ~~coverage for a preexisting condition; and(2) Is]~~ *is* eligible to participate in the program on
7 the first day of the month following the completion of full-time employment by the
8 officer or employee if the dependent was previously covered.

9 ~~[3. An eligible dependent who is not covered when the officer or employee returns to work must~~
10 ~~furnish evidence of insurability if coverage is sought at a later time.]~~

11 (Added to NAC by Com. on Benefits, eff. 5-4-92)

12
13 **Section 29.** NAC 287.470 is hereby amended to read as follows:

14
15 **NAC 287.470 Overpayment or underpayment of premiums.**

16 1. The provisions of this section apply if an overpayment or underpayment of a premium occurs
17 because of:

18 (a) A clerical error by a *state or* participating public agency, *or an approved group of not*
19 *less than 300;*

20 (b) A change of coverage or a change in the working status of a participating officer or
21 employee; or

22 (c) The failure of a participant to give timely notice that his dependent is ineligible for
23 coverage because of his age or because of a change in his status as a student.

1 2. If a *state or* participating public agency makes an overpayment of premiums, it may deduct the
2 amount of the overpayment from the payment of premiums otherwise due for the following
3 month. Any such deduction for a period greater than 1 month must:

- 4 (a) Be approved in advance by the ~~[division]~~ *program*; and
- 5 (b) Equal the amount of the overpayment without provision for interest.

6 3. The *state or* participating public agency *or group of not less than 300, having possession of*
7 *premium payments*, shall pay any money due to a participant because of an overpayment of
8 premiums.

9 4. If a *state or* participating public agency *or the program* makes an underpayment of premiums,
10 it must add the amount of the underpayment to the payment of premiums otherwise due for the
11 following month. Any such additions for a period greater than 1 month must:

- 12 (a) Be approved in advance by the ~~[division]~~ *program and any affected insurer or plan*
13 *of a group of not less than 300*; and
- 14 (b) Equal the amount of the underpayment without provision for interest.

15 5. Any money owed by a participant because of an underpayment of premiums must be collected
16 from the participant and paid by the *state or* participating public agency.

17 6. As used in this section "overpayment of premiums" does not include the payment of premiums
18 for the month in which the employment of a participant terminated, regardless of the date on
19 which the termination occurs.

20 (Added to NAC by Com. on Benefits, eff. 5-4-92)

21

22 **Section 30.** NAC 287.500 is hereby amended to read as follows:

23

1 NAC 287.500 Coverage of seasonal employees.

2 1. If a seasonal employee returns to work with a participating public agency, the agency shall
3 determine if the employee participated in the ~~[state's]~~ program ~~[of group insurance]~~ or was
4 eligible to participate during his previous employment with the agency.

5 2. A seasonal employee who was eligible to participate in the program during his previous
6 employment with a participating public agency and who returns to work within 1 year after the
7 termination of his employment is eligible to participate in the program on the first day of the
8 month following his return to work.

9 3. A seasonal employee who returns to work 1 year or more after the termination of his previous
10 employment is eligible to participate in the program on the first day of the month following the
11 completion of 90 days of full-time employment.

12 4. ~~[A seasonal employee who was eligible for coverage pursuant to the Consolidated Omnibus~~
13 ~~Budget Reconciliation Act of 1985 (Pub. L. 99-272, Title 10, § 10001) upon the termination of~~
14 ~~his previous employment and who failed to obtain such coverage is subject to any limitation of~~
15 ~~coverage for a preexisting condition.] A four to six month biennial plan participating state~~
16 ~~employee who:~~

17 (a) planned to return to the same or similar position in the next authorized biennial

18 *employment period;*

19 *(b) continued to pay his full premium and allowable administrative fees as set forth in*
20 *the NRS 287.0467, Act of June 9, 1999, ch. 573, § 11.5, 1999 Nev. Stat. 3020 , for the*
21 *enrolled coverage between biennial employment periods; and*

22 *(c) does return to the same or similar employment during that next authorized biennial*
23 *employment period, shall not be subject to any waiting period upon re-enrollment.*

1 (Added to NAC by Com. on Benefits, eff. 5-4-92)

2
3 **Section 31.** NAC 287.510 is hereby amended to read as follows:

4
5 NAC 287.510 Coverage of persons rehired within 1 year after leaving employment.

6 If a person is rehired from a reemployment list *maintained by the state or a participating public*
7 *agency* within 1 year after leaving employment:

8 1. He must ~~remain on~~ *resume* the ~~plan for health care~~ *coverage, insurance and benefits*
9 chosen before he left employment *unless otherwise entitled to make a change due to a*
10 *qualifying event, until the next all participant open enrollment unless employee is seasonal*
11 *and not eligible to make changes during the all participant open enrollment period;*

12 2. Coverage is effective on the effective date of his reemployment if that day is on the first day of
13 the month or on the first day of the month following the effective date of his reemployment if the
14 date is not on the first day of a month~~[-and].~~

15 ~~[3. There must be no limitation on preexisting conditions.]~~

16 (Added to NAC by Com. on Group Ins., eff. 5-27-86)

17
18 **Section 32.** NAC 287.520 is hereby amended to read as follows:

19
20 NAC 287.520 Coverage as both employee and dependent prohibited; change of status from
21 employee to dependent.

1 1. A person may not be covered by the ~~plan for group insurance~~ program as both an employee
2 and a dependent. If he qualifies as both, he is covered only as an employee and not as a
3 dependent.

4 2. If a participating officer or employee changes his status to that of a dependent because he no
5 longer qualifies as an employee, he must enroll as a dependent within ~~31~~ sixty (60) days after
6 losing his status as an employee to be eligible for coverage. If a participant complies with the
7 requirements of this subsection, his coverage is not limited by ~~:(a) Any limitation of coverage for~~
8 ~~a preexisting condition; or (b) A~~ a waiting period that would otherwise apply.

9 (Added to NAC by Com. on Group Ins., eff. 5-27-86; A by Com. on Benefits, 5-4-92)

10

11 **Section 33.** NAC 287.530 is hereby amended to read as follows:

12

13 **NAC 287.530 Coverage of retired persons.**

14 1. If both spouses are retired employees who participated in the ~~state~~ program ~~of group~~
15 ~~insurance~~, one may elect to be the dependent of the other. If the retired employee designated as
16 the insured dies, the spouse who elected to be the dependent becomes the insured.

17 2. A person who *is a current participant in the program at the time of retirement or disability*
18 *that:*

19 (a) is vested in a retirement system *set forth in NAC 287.0085* ~~;~~;

20 (b) attains the age of eligibility *or is totally disabled* ~~;~~;

21 (c) receives a retirement benefit *or disability benefit from such system;* ~~and~~

22 (d) wishes to *continue participation* ~~participate~~ in the ~~state's~~ program; ~~of group~~

23 ~~insurance will be treated as a new employee unless he enrolls in the program within 31~~

1 ~~days after his retirement. If he enrolls within 31 days after his retirement, he: (a) Is not~~
2 ~~required to complete 90 days of full time employment; (b) Is not required to furnish~~
3 ~~evidence of insurability; and~~
4 ~~(c) Is subject to any limitation of coverage for a preexisting condition.]~~

5 *(e) has either retired or was disabled directly from government service with at least five*
6 *(5) years of service;*

7 *(f) notifies within sixty (60) days of his official date of retirement or total disability the*
8 *program and his last government employer of his intent to continue coverage in the*
9 *program; and*

10 *(g) re-enrolls in the program within sixty (60) days of his official date of retirement,*
11 *will have uninterrupted benefits and will not be subject to any waiting period.*

12 *3. A person who is not a participant in the program at the time of retirement or disability that:*

13 *(a) is vested in a retirement system set forth in NAC 287.0085;*

14 *(b) attains the age of eligibility or is totally disabled;*

15 *(c) receives a retirement benefit or disability benefit from such system;*

16 *(d) wishes to join the program;*

17 *(e) has either retired or was disabled directly from government service with at least five*

18 *(5) years of service of government service prior to receiving retirement benefits;*

19 *(f) notifies within sixty (60) days of his official date of retirement the program and his*

20 *last government employer of his intent to join the program; and*

21 *(g) enrolls in the program within sixty (60) days of his official date of retirement,*

22 *will be subject to a sixty (60) day waiting period.*

1 ~~[3.]~~ 4. ~~[The]~~ *A person who is the surviving spouse or otherwise is a surviving* dependent of a
2 deceased *officer or employee or retired officer or employee of the state or a public agency* who
3 is ~~[covered]~~ *a participant* under the ~~[state's]~~ program ~~[of group health insurance]~~ at the time of
4 death may maintain the coverage *or join the program* if:

5 (a) the spouse or dependent receives retirement benefits *from which premiums can be*
6 *deducted or otherwise pays the premium directly to the program* ~~[The surviving spouse~~
7 ~~or dependent of a deceased retired employee who is covered under the state's program of~~
8 ~~group health insurance may maintain the coverage pursuant to NRS 287.025.];~~

9 (b) *assuming the death of the participant had not occurred, the surviving dependent*
10 *continues to otherwise qualify as a dependent;*

11 (c) *the survivor notifies the program and the deceased's last government employer of*
12 *the survivors' intent to continue coverage or join the program within sixty (60) days of*
13 *the date of death; and*

14 (d) *the survivor re-enrolls or enrolls, as the case may be, in the program within sixty*
15 *(60) days of the date of death.*

16 (e) *Except upon an initial joining of the program, coverage may not be changed until*
17 *the next all participant open enrollment period.*

18 (f) If the surviving spouse has a dependent who is not covered under the program *at the*
19 *time of the death of the officer, employee or retired officer or employee*, or acquires a
20 dependent by marriage, adoption or birth, the dependent is not eligible for coverage.

21 (Added to NAC by Com. on Group Ins., eff. 5-27-86; A by Com. on Benefits, 5-4-92)

22
23 **Section 34.** NAC 287.610 is hereby amended to read as follows:

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Claims

NAC 287.610 Period for submission. A claim made ~~[to the state's]~~ upon program ~~[of group insurance]~~ *benefits from the self insurance trust fund* must be submitted to the *program's claims* administrator no later than 15 months after the date the expense reported in the claim is incurred. A claim submitted after that time will not be paid.

(Added to NAC by Com. on Group Ins., eff. 9-10-87)

NAC 287.620 Assumption regarding availability of benefits under Medicare;
coordination with Medicare.

- 1. If a medical claim is made by a retired participant who is 65 years of age or older, the claims administrator shall assume that benefits are available to the participant pursuant to Medicare Part B.2. To coordinate benefits under Medicare, the claims administrator shall use the first day of the month in which the birthday of the retired participant occurs.(Added to NAC by Com. on Benefits, eff. 5-4-92)

Section 35. NAC 287.660 is hereby amended to read as follows:

NAC 287.660 Request for review.

- 1. A participant may request a review of a medical claim he has submitted if he feels the claim was not adjudicated pursuant to the current terms and conditions of the ~~[state's]~~ program ~~[of group health insurance]~~. ~~[To initiate the review, the participant must submit a written request to~~

1 ~~the claims administrator employed by the committee within 60 days after the date the claim was~~
2 ~~adjudicated.~~

3 ~~2. A request for a review must include:~~

4 ~~(a) The participant's name;~~

5 ~~(b) The participant's social security number;~~

6 ~~(c) The number of his claim;~~

7 ~~(d) A statement indicating whether the claim is for a public employee or a~~
8 ~~covered dependent; and~~

9 ~~(e) A statement of why the claim is being contested.]~~

10 *2. The failure to timely request a review shall be deemed a waiver of any further review or*
11 *appeal rights under the program unless such failure is deemed as acceptable by the Program.*

12 *3. The program may review claims that are the responsibility of an insurer, health*
13 *maintenance organization, authorized group of not less than 300 or any other risk bearing*
14 *vendor that has responsibility for all claims processing and payment. Claims review will be*
15 *governed by the terms and conditions of the participant's contract with such vendor.*

16
17 (Added to NAC by Com. on Group Ins., eff. 3-9-88)

18
19 **Section 36.** NAC 287.670 is hereby amended to read as follows:

20
21 NAC 287.670 Initial review by and decision of claims administrator.

1 *To initiate the review, the participant must submit a written request to the program's claims*
2 *administrator within 60 days after the date the claim was adjudicated or to the insurer under*
3 *terms of the contract with said insurer. A request for a review must include:*

4 *(a) The participant's name;*

5 *(b) The participant's social security number;*

6 *(c) The number of his claim;*

7 *(d) A statement indicating whether the claim is for a public employee or retiree or a*
8 *covered dependent; and*

9 *(e) A statement of why the claim is being contested.*

10 The claims administrator shall:

11 1. Review a request for the review of a ~~medical~~ *benefits* claim *and may consult* with the
12 ~~claims~~ *program's vendors or* consultants ~~employed by the committee~~ to determine if the
13 claim was adjudicated pursuant to the current terms and conditions of the ~~state's~~ program ~~of~~
14 ~~group health insurance~~ *and the applicable vendor contract*; and

15 2. Advise the participant in writing of their decision within 20 working days after receiving the
16 request for a review.

17 (Added to NAC by Com. on Group Ins., eff. 3-9-88)

18
19 **Section 37.** NAC 287.680 is hereby amended to read as follows:

20
21 NAC 287.680 Initial appeal to and decision of staff of committee.

22 1. If the participant is unsatisfied with the results of the initial review *he may further* ~~of a~~
23 ~~medical claim, he may file a written~~ appeal ~~with members of the staff~~ *to the executive officer*

1 of the ~~[committee who have been appointed by the committee to hear appeals]~~ *program*. The
2 appeal must *be in writing and* include all supporting documentation and must be filed within
3 ~~[30]~~ *35* days after *the date* ~~[receipt]~~ of a written decision provided by the claims administrator.
4 ~~[The members of the staff and the [committee] program will not consider any information~~
5 ~~concerning the appeal which is received after the date of filing.]~~

6 2. *The Executive Officer of the program shall appoint a staff committee to* ~~[The members of~~
7 ~~the staff so appointed shall]~~ review the material submitted by the participant and the claims
8 administrator to determine if the claim was adjudicated correctly.

9 9. The ~~[members of the staff so appointed]~~ *Executive Officer of the program*

10 10. shall notify the participant in writing of their decision within 20 working days after receipt of
11 the participant's appeal.

12 (Added to NAC by Com. on Group Ins., eff. 3-9-88; A by Com. on Benefits, 5-4-92)

14 **Section 38.** NAC 287.690 is hereby amended to read as follows:

16 NAC 287.690 Appeal to and decision of committee.

17 1. If the participant is not satisfied with the decision of the ~~[members of the]~~ staff *committee* of
18 the ~~[committee]~~ *program* appointed to hear appeals, he may file an appeal with the ~~[committee]~~
19 *board* for its review of the claim. The appeal must be filed within ~~[30]~~ *35* days *of the date of the*
20 *written decision* ~~[after receipt of the staff's decision].~~

21 2. After receipt of an appeal *prior to the Board agenda deadline*, members of the staff shall
22 present a report to the ~~[committee]~~ *board* at its next meeting. The report must include the

1 grounds for the appeal, supporting documentation, information concerning the claim and
2 recommendations for action by the ~~[committee]~~ *board*.

3 ~~3. If the committee decides not to hear the appeal, the committee will mail to the participant, by~~
4 ~~first class mail, notice of its decision within 10 working days after its determination.]~~ *The staff*
5 *of the program* will notify the participant in writing of the date, time and place of the meeting *no*
6 *later than 10 days before the meeting in which the appeal will be heard by the board.*

7 ~~[4. If the committee board decides to hear the appeal, the committee]~~

8 ~~[5.]~~ 4. The participant may appear with counsel before the ~~[committee]~~ *board* in a closed
9 portion of an open meeting pursuant to NRS 241.030 to review orally his claim and the reasons
10 why he is not satisfied with the adjudication of the claim.

11 ~~[6.]~~ 5. The ~~[committee]~~ *board* may render a decision on the claim at that time *during its open*
12 *meeting* or defer action to a future meeting if additional information is required for review.

13 ~~[7.]~~ 6. The ~~[committee]~~ *staff committee* will mail to the participant by first-class mail notice of
14 ~~[its]~~ *the board's* decision within 10 working days after the decision is rendered.

15 ~~[8.]~~ 7. A decision of the ~~[committee]~~ *board* is final.

16 (Added to NAC by Com. on Group Ins., eff. 3-9-88; A by Com. on Benefits, 5-4-92)

17
18 **Section 39.** NAC 287.0065 is hereby repealed:

19
20 ~~[NAC 287.0065 "Division" defined. "Division" means the risk management division of the~~
21 ~~department of administration.~~
22 ~~(Added to NAC by Com. on Benefits, eff. 5-4-92)]~~

23
24 **Section 40.** NAC 287.007 is hereby repealed:

25
26 ~~[NAC 287.007 "Insurance carrier" defined. "Insurance carrier" means an insurance company, a~~
27 ~~nonprofit medical service corporation or a health maintenance organization that is licensed by~~
28 ~~the State of Nevada and provides services or coverage pursuant to NRS 287.500 to 287.530,~~
29 ~~inclusive, or chapter 688B, 689B, 695B, 695C or 695D of NRS.~~
30 ~~(Added to NAC by Com. on Benefits, eff. 5-4-92)]~~

1
2 **Section 41.** NAC 287.010 is hereby repealed:

3
4 ~~NAC 287.010 Purpose and scope of provisions.~~

5 ~~[1. The purpose of NAC 287.010 to 287.080, inclusive, is to set forth the qualifications and the~~
6 ~~procedure for the selection of a broker of record, a consultant, a claims administrator or other~~
7 ~~vendor to represent the committee in connection with its purchase of policies of group life~~
8 ~~insurance, group health insurance or group hospital, medical, dental or other service contracts~~
9 ~~provided pursuant to chapter 695B of NRS.~~

10 ~~2. NAC 287.010 to 287.080, inclusive, do not require a request for proposals or bids for~~
11 ~~administrative services that are used to assist the office of the risk manager in the discharge of~~
12 ~~his obligation to the plan or for the services of an insurance carrier.~~

13 ~~[Com. on Group Ins., Broker of Record Reg. § 1, eff. 2-5-82]-(NAC A by Com. on~~
14 ~~Benefits, 5-4-92)~~

15
16 **Section 42.**

17
18 NAC 287.030 Authority of committee.

19 ~~[1. The committee may select a broker of record, consultant, claims administrator or other vendor~~
20 ~~to act on its behalf. The committee may request separate proposals for the broker of record,~~
21 ~~consultant and claims administrator.~~

22 ~~2. A vendor serves at the pleasure of the committee and may be removed at any time for any~~
23 ~~cause by a majority vote of the committee's members.~~

24 ~~3. The selection of a broker of record, consultant and claims administrator by the committee will~~
25 ~~be based on the qualifications set forth in NAC 287.040, the past performance and experience of~~
26 ~~the applicant, the answers to a questionnaire to be completed by all applicants, any oral~~
27 ~~interviews conducted by the committee and any other criteria stated by the committee in its~~
28 ~~request for~~
29 ~~proposals.]~~

30 ~~(Com. on Group Ins., Broker of Record Reg. § 3, eff. 2-5-82]-(NAC A 6-23-86; A~~
31 ~~by Com. on Benefits, 5-4-92)~~

1
2 **Section 43.** NAC 287.040 through NAC 287.080, inclusive, are hereby repealed:

3
4 ~~[NAC 287.040 Minimum qualifications of applicants.~~

5 ~~1. Each person who applies to represent the committee as its broker of record must:~~

6 ~~(a) Be a resident or nonresident broker licensed pursuant to chapter 683A of NRS;~~

7 ~~(b) Possess brokers' liability insurance for errors and omissions in an amount of not less than \$1 million per occurrence; and~~

8 ~~(c) Have at least two account managers, each of whom:~~

9 ~~(1) Is licensed as an insurance broker or is authorized to act for a corporation licensed as an insurance broker; and~~

10 ~~(2) Has placed and serviced at least two policies of group health insurance covering 1,000 persons or more.~~

11 ~~2. Each person who applies to represent the committee as its consultant must have:~~

12 ~~(a) Experience in providing consulting services for plans of self insurance which provide group coverage; and~~

13 ~~(b) A staff of qualified employees to provide services.~~

14 ~~3. Each person who applies to represent the committee as an administrator of the claims made pursuant to policies of group insurance and the plan of self insurance must have sufficient employees to act upon the monthly claims received by the committee pursuant to its policies of group insurance and its plan of self insurance.~~

15 ~~[Com. on Group Ins., Broker of Record Reg. § 4, eff. 2-5-82] (NAC A by Com. on Benefits, 5-4-92)~~

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25 ~~NAC 287.050 Procedure for selection:~~

26 ~~1. The committee will give notice in newspapers published in Las Vegas and Reno before it requests proposals for a broker of record, consultant, claims administrator or other vendor. The notice will be published:~~

27 ~~(a) Not more than 60 days before the date on which a proposal must be returned to the chairman; and~~

28 ~~(b) Not more than 30 days before the date on which a proposal must be returned to the chairman.~~

29 ~~2. The notice will set forth in general terms when the selection will occur, the general qualifications required of a vendor and the manner in which a vendor may obtain a proposal.~~

30 ~~3. The chairman may send copies of the notice to state and national trade associations concerned with the business of insurance for inclusion in their publications or for dissemination among their members.~~

31 ~~4. The chairman may select a consultant to prepare a request for proposals. The request must contain:~~

32 ~~(a) The service required;~~

33 ~~(b) The criteria to be used for selection of the vendor; and~~

34 ~~(c) The date when the proposal must be submitted.~~

35 ~~5. All completed proposals must be:~~

36 ~~(a) Returned to the chairman on the date specified by the committee.~~

37 ~~(b) Submitted in a sealed envelope and clearly marked "RFP: Services."~~

38 ~~6. A response to a request for proposals becomes public information on the date and time specified by the committee. The committee is not responsible for~~

1 proposals that are not securely sealed or clearly marked.

2 7. The chairman may appoint a subcommittee to review and evaluate proposals and
3 to make a recommendation to the committee. The committee may select a consultant
4 to assist the subcommittee.

5 8. The chairman shall call a general meeting of the committee to:

6 (a) Accept information from the subcommittee, if any, and from other appropriate
7 sources concerning a vendor;

8 (b) Conduct interviews of vendors that are recommended by the subcommittee; and

9 (c) Select a vendor from among the applicants.

10 ~~[Com. on Group Ins., Broker of Record Reg. § 5, eff. 2-5-82]~~ (NAC A by Com. on
11 Benefits, 5-4-92)

12
13 NAC 287.060 Responses to requests for proposals; responsibility for costs.

14 1. A vendor must submit eight copies of his response to a request for proposals
15 on or before the date specified in the request to, Chairman, Committee on
16 Benefits, 209 East Musser Street, Room 104, Carson City, Nevada 89710.

17 2. The committee will not consider a proposal that is:

18 (a) Received after the specified date. The committee will return such a proposal
19 to the vendor unopened.

20 (b) Incomplete or incorrect.

21 (c) Not signed by an authorized representative of the vendor.

22 3. A vendor is responsible for payment of the cost for completing the proposal
23 and any expenses incurred for an interview that is required by the committee.
24 Such costs and expenses are not a charge against the state.

25 (Added to NAC by Com. on Benefits, eff. 5-4-92)

26
27 ~~NAC 287.070 Consideration of qualifications of applicants. Before selecting a~~
28 ~~vendor, the committee will consider the following qualifications of each~~
29 ~~applicant:~~

30 1. Possession of a license or certificate by the vendor if a license or
31 certificate is required to provide the services specified in the request for
32 proposals;

33 2. The capability of the vendor to provide the services required;

34 3. Employment of a sufficient number of trained and qualified employees to
35 provide the services required;

36 4. The capability to provide appropriate data to analyze the cost effectiveness
37 of the services provided;

38 5. The ability to provide detailed reports concerning claims and utilization on
39 a quarterly basis, if applicable;

40 6. The availability of the vendor to attend meetings of the committee or
41 meetings requested by the committee or members of its staff; and

42 7. Other qualifications as determined by the committee.

43 (Added to NAC by Com. on Benefits, eff. 5-4-92)

44
45 NAC 287.080 Presentation of contract by person selected; renewal of contract.

46 1. A vendor who is selected by the committee shall present a written contract

1 that is acceptable to the committee within 30 days after being selected by the
2 committee.

3 ~~2. If a vendor does not present a contract that is acceptable to the committee
4 within 30 days after being selected by the committee, the committee may
5 negotiate with the vendor or select a vendor which was previously considered.~~

6 ~~3. The renewal of a contract between the committee and a vendor is not subject
7 to the selection process set forth in NAC 287.010 to 287.080, inclusive.
8 (Added to NAC by Com. on Benefits, eff. 5-4-92)]~~

9

10