

**ADOPTED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R129-03

Effective April 16, 2004

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

AUTHORITY: §1, NRS 679B.130, 679B.138 and 686A.015.

A REGULATION relating to health insurance; revising the requirement that a payer report compliance with the regulations related to the payment of claims against a policy of health insurance; and providing other matters properly relating thereto.

Section 1. NAC 686A.306 is hereby amended to read as follows:

686A.306 The ~~[Division may]~~ *Commissioner, when deemed appropriate, will* require a payer to ~~[show]~~ *report* substantial compliance with the provisions of NAC 686A.280 to 686A.306, inclusive. Proof that claims are being paid by a payer within the specified limits includes, without limitation, records demonstrating that a tracking system required by NAC 686A.304 has been developed and implemented. ~~[The Division may request a report from a payer that demonstrates compliance with NAC 686A.304 if:~~

- ~~—1. A violation is identified during an examination by the Division;~~
- ~~—2. A violation is found as a result of a complaint filed with the Division; or~~
- ~~—3. The Division determines that a pattern of violations exists.]~~

NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R129-03

The Commissioner of Insurance adopted regulations assigned LCB File No. R129-03 which pertain to chapter 686A of the Nevada Administrative Code on March 8, 2004.

Notice date: 9/2/2003
Hearing date: 10/2/2003

Date of adoption by agency: 3/8/2004
Filing date: 4/16/2004

INFORMATIONAL STATEMENT

A hearing was held on October 2, 2003, at the offices of the Department of Business and Industry, Division of Insurance (Division), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Manufactured Housing Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104, regarding the adoption of the regulation concerning prompt payment to providers.

Public comment was solicited by posting notice of the hearing in the following public locations: 788 Fairview Drive, Legislative Counsel Bureau, Capitol Building Lobby, Blasdel Building, Carson City Courthouse, State Library, Clark County Library, Capitol Press Room and the Division's Las Vegas Office.

In addition, the Division maintains a list of interested parties, comprised mainly of insurance companies, agencies and other persons regulated by the Division. These persons were notified of the hearing and that copies of the regulation could be obtained from or examined at the offices of the Division in Carson City.

The hearing was attended by 22 individuals. Ms. Kimberly K. Everett, representing the Division, provided oral testimony. There were no other speaking participants. The Division received no written testimony. During the workshop, the participants felt that the regulation was well written. There were no revisions recommended or made to the Proposed Regulation of the Commissioner of Insurance, LCB File No. 129-03, dated September 30, 2003.

The Commissioner has issued an order adopting the regulation as a permanent regulation.

The economic impact of the regulation is as follows:

- (a) On the business it is to regulate: A claims payer must report to the Commissioner substantial compliance of paying claims in a timely manner
- (b) On the public: The regulation will have a negligible economic impact on the public.

The Division anticipates a nominal expense to enforce the proposed regulation.

The Division is not aware of any overlap or duplication of the regulation with any state, local or federal regulation.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

IN THE MATTER OF THE

CAUSE NO. **03.689**
LCB File No. R129-03

**REGULATION RELATING
TO REINSURANCE.**

**SUMMARY OF PROCEEDINGS
AND ORDER**

SUMMARY OF PROCEEDINGS

A public workshop and hearing, as required by NRS 233B.061, on the proposed regulation relating to prompt payment to providers, was held before Alice A. Molasky-Arman, Commissioner of Insurance (Commissioner), on October 2, 2003, at the offices of the Department of Business and Industry, Division of Insurance (Division), 788 Fairview Drive, Suite 300, Carson City, Nevada 89701, with a simultaneous video-conference conducted at the Bradley Building, 2501 E. Sahara Avenue, Manufactured Housing Division Conference Room, 2nd Floor, Las Vegas, Nevada 89104. The regulation is proposed under the authority of NRS 679B.130, 679B.138 and 686A.015.

The hearing was attended by 22 individuals. The following person provided testimony before the Hearing Officer: Ms. Kimberly K. Everett, representing the Division. There were no other speaking participants. The Division did not receive any written comments.

Kimberly Everett testified that the intent of the regulation was to clarify that a claims payer will be required to provide a report demonstrating substantial compliance with the prompt payment provisions of NAC 686A.280 to 686A.306, inclusive, when deemed appropriate by the Commissioner.

Commissioner Molasky-Arman asked if there were any comments. Being none, she directed the staff to prepare the informational statement and the order adopting this regulation.

Based on the testimony received at the hearing the regulation is unchanged from the proposed regulation.

ORDER OF THE COMMISSIONER

Having reviewed the record in this matter, it is hereby ordered that the proposed regulation concerning prompt payment to providers, LCB File No. R129-03, be adopted as a permanent regulation of the Division.

SO ORDERED this 8th day of March, 2004.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance