

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

LCB File No. R017-08

March 31, 2008

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

AUTHORITY: §1, NRS 287.043.

A REGULATION relating to group insurance; providing an additional prerequisite for participation by a local governmental agency in the Public Employees' Benefits Program; and providing other matters properly relating thereto.

Section 1. NAC 287.310 is hereby amended to read as follows:

287.310 1. To participate in group coverage or insurance provided by the Program, a local governmental agency, through its governing body, must provide to the Program:

(a) A nonrefundable application fee of \$250, plus \$2.25 per participant for any application involving 100 or more participants.

(b) *A nonrefundable fee to be deposited in the Fund for the Public Employees' Benefits Program created pursuant to NRS 287.0435 for the purpose of funding the reserve maintained by the Program to stabilize rates. The Executive Officer or his designee shall calculate the amount of the nonrefundable fee by:*

(1) Dividing the funded reserve maintained by the Program to stabilize rates on the date on which the local governmental agency submitted its application to participate in the Program by the total number of participants in the Program on that date; and

(2) Multiplying the number determined pursuant to subparagraph (1) by the total number of officers and employees of the local governmental agency who enroll in the

Program on the effective date of participation by the local governmental agency in the Program.

↪ The fee, or if installment payments are authorized by the Program, the first installment payment of the fee, must be paid by the effective date of participation by the local governmental agency in the Program..

(c) If the local governmental agency has 100 or more participants, information, as determined by the actuary of the Program, sufficient to make an actuarial determination as to the appropriate rates for the local governmental agency, including, without limitation, the 3 most recent years of claims history data of the local governmental agency, if any exists, in an electronic format that is compatible with the actuarial services of the Program.

~~(d)~~ (d) The residential zip code, gender, age and current selection for coverage of:

(1) The eligible members, regardless of current enrollment, of the local governmental agency; and

(2) Those members that are currently enrolled in the group plan of the local governmental agency and their respective number of enrolled dependents.

~~(d)~~ (e) An interlocal contract executed pursuant to NRS 287.043, on a form provided by the Program. Effective November 30, 2008, such an interlocal contract must include a provision that requires the local governmental agency to participate in the Program for at least 4 years before the local governmental agency may withdraw from the Program in accordance with NAC 287.320.

~~(d)~~ (f) A statement that all terminal fees and costs associated with the previous health plan will be paid by that local governmental agency group.

2. The actuary for, and the members of the staff of, the Board shall review the request and establish the initial rates for the requesting local governmental agency as follows:

(a) For a local governmental agency with less than 100 participants, the requesting local governmental agency will not be rated separately from those same or similar participating local governmental agencies.

(b) For a local governmental agency with 100 or more participants:

(1) If, upon review of the claims experience of participating local governmental agency groups or the past claims history of the requesting local governmental agency, the actuary for the Board determines the experience for the requesting local governmental agency does not exceed 105 percent of the appropriate rate for the same or similar participating local governmental agency groups, the requesting local governmental agency will not be rated separately from those same or similar participating local governmental agency groups.

(2) If the claims experience for the requesting local governmental agency exceeds 105 percent of the appropriate rate for the same or similar participating local governmental agency groups, the actuary for the Program and a member of the staff will submit a written report, with recommended rates, to the Board. The recommended rates must equal the difference of the premium or contribution for participating local governmental agency groups and the cost of the experience of the requesting local governmental agency.

(3) If the requesting local governmental agency has no claims experience, the rates will be equal to 105 percent of the standard rate for a participating local governmental agency that has no separate rating applied.

↪ Rates established pursuant to subparagraphs (2) and (3) apply until the end of the plan year immediately following the year in which the rates were established, at which time the actuary

for, and the members of the staff of, the Board shall review the claims experience of the requesting local governmental group to determine an appropriate rate or whether the standard rate should be applied.

3. For a participating local governmental agency, the Executive Officer or his designee shall provide, upon written request from the participating local governmental agency, the history of claims for that participating local governmental agency. The Executive Officer or his designee shall charge for each report the actual cost of providing the report. The report must include:

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

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

↪ The Executive Officer or his designee shall provide the report within 90 days after receipt of the request.