

Nevada

Nevada Insurance Commission
1665 Hot Springs Road, No. 152
Carson City, NV 89710
(702) 687-4276

Summary of Important Regulations

MEWA Regulations	No
TPA Regulations	Yes
Stop-Loss Regulations	No
UR Regulations	Yes

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	None	Nev. Rev. Stat. § 681B.080
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	None	Nev. Rev. Stat. § 697B.138, Nev. Rev. Stat. §§ 689A.105, 689B.250; Nev. Admin. Code §§ 689A.310 to 689A.350
Small Employer Health Insurance Availability Model Law	None	Nev. Rev. Stat. §§ 689C.015 to 689C.355, 689C.610 to 689C.980
Model Regulation To Eliminate Unfair Sex Discrimination	Nev. Ins. Reg. § 686A.110 to 686A.150	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	Nev. Rev. Stat. § 689B.061; Nev. Admin. Code §§ 689B.110 to 689B.210
Utilization Review Model Law	None	Nev. Rev. Stat. §§ 683A.375 to 683A.379; Nev. Admin. Code §§ 683A.280 to 383.295
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	Nev. Rev. Stat. §§ 683A.025; 683A.085 to	Nev. Admin. Code §§ 683A.103 to 683A.165

Stop-loss Insurance Model Law 683A.0893
 Nev. Admin. Code § 689C.240 None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	Nev. Rev. Stat. § 680A.070; Nev. Admin. Code § 679B.036
Standard Group Health Model Law	None	Nev. Rev. Stat. §§ 689B.010 to 689B.030
Group Health Insurance Mandatory Conversion Law	Nev. Rev. Stat. §§ 689B.130 to 689B.240	None
Group Coverage Discontinuance/ Replacement Model Regulation	None	Nev. Rev. Stat. § 689B.065
Premium Rates and Renewability of Coverage-Small Groups	None	Nev. Rev. Stat. §§ 689C.015 to 689C.350
Group Coordination of Benefits Model Law	Nev. Rev. Stat. §§ 689B.063 to 689B.064	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	Nev. Rev. Stat. § 689A.0404
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Nev. Rev. Stat. §§ 689B.036 §§ 689A.046 to 689A.047; §§ 695C.170 to 695C.174
Model Newborn Children's Law	Nev. Rev. Stat. § 689A.043; § 689B.033; § 695C.173; 695C.193	None

Health Examination Benefits Availability Law	None	None
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NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Nev. Rev. Stat. §§ 683A.010 to 683A.490
MEWA Licensing Model Law	None	None
Managing General Agents Law	Nev. Admin. Code §§ 683A.450 to 683A.560	None
Health Maintenance Organization Model Law	None	Nev. Rev. Stat. §§ 695C.010 to 695C.350
Insurance Information and Privacy Protection Law	Nev. Admin. Code §§ 679B.560 to 679B.750	None
Unfair Trade Practices Law	Nev. Rev. Stat. §§ 686A.010 to 686A.320	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	Nev. Admin. Code § 686A.160	None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Nev. Rev. Stat. § 689B.068
Unfair Claims Settlement Practices Law	Nev. Rev. Stat. § 686A.310 44-1536 to 44-1544	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	Nev. Rev. Stat. § 686.0265 Nev. Admin. Code §§ 616.136 to 616.204
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	Nev. Rev. Stat. § 616.0267
Twenty Four Hour Coverage Pilot Project Model Law	None	None

State-Mandates

Benefits That Must Be Covered

- Alcoholism treatment
- Breast reconstruction
- Cervical cancer screening
- Complications of pregnancy
- Contraceptives
- Diabetic supplies, education
- Drug abuse treatment
- Emergency services
- Formula for PKU
- Hospice care
- Mammography screening
- Mental illness, serious
- Minimum maternity stays
- Off-label drug use
- TMJ disorders

Benefits That Must Be Offered

None

Persons Who Must Be Offered Coverage

- Adopted children
- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Newborns

Providers Who Must Be Covered

- Acupuncturists
- Chiropractors
- Dentists
- Licensed Health Professional
- Marriage Family Therapists
- Nurses
- Nurse Practitioners
- Nurse Psychiatric
- Optometrists

- Osteopaths
- Podiatrist
- Psychologists
- Social Workers

Coordination of Benefits

- Birthday Rule? Yes
- Divorced/Separated Rule? Yes
- Joint Custody Rule? No
- Active v. Inactive Rule? Yes
- Longer v. Shorter Rule? Yes
- Managed Care Rule? No
- COBRA Rule? No
- Preservation Rule? Yes

Patient's Bill of Rights Legislation

None

High Risk Health Pool

None

External Grievance System

None

Prompt Payment of Health Claim Requirement

Yes—60 days

Commentary

- Treatment of the temporomandibular joint, where liability may be limited to no more than 50% of the usual and customary charges of such treatment actually received, but in no case more than 50% of the maximum benefits provided by the policy for such treatment, where treatment is medically necessary. However, a policy may exclude coverage of methods of treatment recognized as dental procedures, including but not limited to, the extraction of teeth and application of orthodontic devices and splints.
- Complication of pregnancy, which may not be excluded reduced, or otherwise limited, unless the provision applies generally to all benefits payable under the policy. If the pregnancy is not terminated, hospital confinement for medical treatment and caused by an injury or sickness not related to the pregnancy or by acute nephritis, nephrosis, or similar medically diagnosed conditions. If the pregnancy is terminated, it includes any condition which results in nonelective Caesarean section, ectopic pregnancy, or spontaneous abortion.
- An annual cytologic screening test for women 18 years of age or older, a baseline mammogram for women between ages of 35 and 40, and an annual mammogram for women 40 years of age or older. Such coverage is required for policies delivered, issued, or renewed on or after October 1, 1989. Any conflicting provision of policy or renewal is void.
- If the policy provides coverage for mastectomies, at least two prosthetic devices, and for reconstructive

surgery incident to the mastectomy. If the reconstructive surgery begins within three years after the mastectomy, the amount of benefits for the surgery must equal those amounts provided for in the policy at the time of the mastectomy. If the surgery is begun more than three years after the mastectomy, the benefits provided are subject to the terms, conditions, and exclusions contained in the policy at the time of the reconstructive surgery.

- Each group health insurance policy must include a procedure for binding arbitration to resolve disputes concerning independent medical evaluations according to the rules of the American Arbitration Association. An independent evaluation of the medical chiropractic care required by the insurer may be conducted only by a physician or chiropractor certified to practice in the same field of practice as the primary treating physician or chiropractor, or who is formally educated in that field.

MEWA Regulation

Nevada does not regulate MEWAs.

TPA Regulations

Nevada adopted an administrator law in 1985.¹ There are no criminal penalties attached to violations.

- Registration fee is \$78 for residents and \$143 for nonresidents and the license is good for three years.
- Records—nonclaimed five years; claim files indefinitely because of lifetime reopening rights.
- Surety bond requirement:

<u>Amount Received and Distributed</u>	<u>Total Amount of Surety Bond</u>
\$1 million or less	\$ 50,000
More than \$1 million, but less than \$2 million	\$100,000
\$2 million or more, but less than \$3 million	\$200,000
\$3 million or more, but less than \$4 million	\$300,000
\$4 million or more	\$400,000

If bond is unavailable, the division will accept proof of coverage over \$50,000 in the additional amounts specified under a fidelity policy and a policy which covers the errors and omissions of the administrator or his employees. These policies must be reviewed and approved by the division.

If an administrator is not authorized to issue a check or draft and only handles claims for the person employing him, such administrator is only required to maintain the bond for \$50,000.

The amount of money received and distributed by the administrator during an average month is the total amount of money received and distributed by him in the state during a fiscal year, divided by 12.

Within 90 days after the end of the fiscal year, each administrator shall report the total amount of money received and distributed during the preceding calendar year.

- Registration—initial application must attach the following:
 1. All corporate papers
 2. Resumes of officers
 3. Description of TPA's plan of operation
 4. Insurer/TPA agreements
 5. Copies of any trust agreements

6. Audited financials
7. Evidence of a fiduciary account in a Nevada bank or proof that all monies will be paid within 15 days to those due
8. Estimates of monies to be handled

The Insurance Commissioner may suspend or revoke a TPA's license for any of these reasons:

- Misrepresentation/concealment on applying for license
- Willful violation or noncompliance
- Misappropriation of funds
- Bad business practices—fraud, coercion, dishonest practices, incompetence, untrustworthiness, financial irresponsibility or being a source of injury or loss to the public
- Aiding or abetting another in a violation

Modest (\$35 to \$50) fines result from violations.

Stop-Loss Regulation

No regulations are reported.

Utilization Firm Regulations

Agency Responsible²
Requirements
Exemptions
Waivers

Dept. of Insurance
Registration-Certification
HMOs are free of registration, but must register
None

Miscellaneous

State Premium Taxes

All carriers are taxed at 3.5%.

Small Group Reform³

An insurer may offer a special preferred provider plan to any employer that has fewer than 25 employees and has been without health insurance for six months. The plan must meet basic coverage requirements, but is exempt from the state's ordinary mandated benefits rules. Nonetheless, the plan must offer all the mandated benefits not included in the basic requirements and must specify the increase in premium that would result from adding such benefits. An employer must specifically decline this optional coverage or it will be considered accepted.

If an employer chooses to offer such a plan to its employees, it must pay at least 50% of their premiums, not including any premium for coverage of the employee's dependents. The benefits included in such a plan may not exceed (1) \$50,000 per year per enrollee and (2) \$250,000 per lifetime per enrollee. Also, during the first six months of its application, the plan excluded preexisting conditions for which the employee received, or should have received, medical advice or treatment, unless the insurer waives the exclusion. Further, the plan must allow

for optional deductibles from \$200 to \$1,000 per person per year.

The plan must contain a provision that reduces the insurer's liability because of benefits under other group coverage and this provision may include subrogation if the state's Commission approves.

MSA Legislation

No action.

Attorney General Option

An attorney general opinion has confirmed that ERISA plans in Nevada are exempt from state-mandated benefits.⁴

Switching of Health Care Plans

The Insurance Commissioner is authorized to adopt regulations governing plans providing welfare benefits to employees of more than one employer. The regulations are to provide standards for reserves and contributions.⁵ If a self-funded employer replaces the self-funded plan with an insured plan, the employer must provide to the replacement insurer, upon request, a statement that indicates what benefits and exclusions were contained in the prior plan.⁶

Endnotes

¹ Nev. Rev. Stat. §§ 683A.025 to 683A.080.

² Nev. Rev. Stat. §§ 683A.375 *et. seq.*; Nev. Admin. Code §§ 683A.280. *et. seq.*

³ Nev. Rev. Stat. §§ 689C.010 to 689C.140.

⁴ Nev. Atty Genl Opn. No. 84.07 (1984).

⁵ Nev. Rev. Stat. § 68A.

⁶ Nev. Ins. Dept. Bull. SB No. 330.