

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066

LCB FILE NO. R024-23

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter(s) 687B.

1. A clear and concise explanation of the need for the adopted regulation.

The regulation is necessary to comply with the requirement that the Commissioner issue the network adequacy standards required of all network plans. See Nevada Revised Statutes (“NRS”) 687B.490 and Nevada Administrative Code (“NAC”) 687B.750 to 687B.784. The purpose of the regulation is to establish adequacy standards for network plans for plan year 2024.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how public comment was solicited:

Public comment was solicited by emailing the proposed regulation, notice of intent to act upon the regulation and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, the website of the Nevada Legislature, <http://www.leg.state.nv.us>, and the Nevada Public Notice website, <http://www.notices.nv.gov>. The documents were also emailed, or mailed where no email address was available, to the main library for each county in Nevada.

Public comment was also solicited at the hearing held on November 20, 2023. The public hearing took place virtually via Webex and in person at the Division’s offices located at 1818 E. College Pkwy, Carson City, Nevada, and 3300 W. Sahara Ave., Las Vegas, NV 89102.

- (b) A summary of the public response:

Susan Fisher, from McDonald Carano, a Government Affairs & Advocacy Group, provided comment, by e-mail on November 8, 2023, regarding the lack of anesthesiology services in the Plan Year 2024 standards.

The Division also received comment from James Mullen, Managing Executive of Government Affairs at Delta Dental of CA, NY, PA & Affiliates, on November 8, 2023, regarding previous time/distance standards of 100/120 changing to 120/100.

- (c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 2(b) above reflects the public comments and testimony that transpired

with regard to regulation R024-23. A copy of said summary may be obtained by contacting regs@doi.nv.gov.

3. The number of persons who:

- (a) Attended the hearing: 30
- (b) Testified at the hearing: 1
- (c) Submitted to the agency written statements: 2

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3 (b) and (c), as provided to the agency:

Testified at the hearing:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
Jack Childress	NV Division of Insurance	1818 E. College Pkwy., Ste. 103, Carson City, NV 89706	775-687-0731	jchildress@doi.nv.gov

Submitted to the agency written statements:

Name	Entity/Organization Represented	Business Address	Telephone No./ Business Telephone No.	E-Mail Address
James Mullen	Delta Dental of CA, NY, Pa & Affiliates	11155 International D41, Rancho Cordova, CA 95670	916-861-1668	jmullen@delta.org
Susan Fisher	McDonald Carano	100 W. Liberty St., Tenth Fl., reno, NV 89501	775-326-4385	sfisher@mcdonaldcarano.com

5. A description of how comments were solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how comments were solicited from affected businesses:

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description provided above in response to #2(a).

- (b) A summary of the responses from affected businesses:

The Division received comment from James Mullen, Managing Executive of Government Affairs at Delta Dental of CA, NY, PA & Affiliates, on November 8, 2023, regarding previous time-distance standards of 100/120 changing to 120/100.

- (c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 5(b) above reflects the public comments and testimony that transpired with regard to regulation R024-23. A copy of said summary may be obtained by email request to regs@doi.nv.gov.

6. If after consideration of public comments, the regulation was adopted without changing any part of the proposed regulation, provide a summary of the reasons for adopting the regulation without change.

The Division considered each of the arguments provided by industry representatives who questioned various aspects of the proposed regulation. Ultimately, the Division chose to adopt the proposed regulation without any changes, for the reasons explained below.

(a) Response to concerns regarding the lack of anesthesiology services in the Plan Year 2024 standards: Anesthesiology standards were never discussed in the network adequacy meetings to determine and vote on the Plan Year 2024 standards. The Division's standards also come from the Centers for Medicare and Medicaid Services ("CMS") several years ago and CMS does not have standards for anesthesiology either.

(b) Response to concerns regarding the time/distance standards for dental changing from 100/120 to 120/100: The Division wanted to make sure the standards made logical sense and it would be very difficult to travel 120 miles in 100 minutes, so the decision was made to change the standard to driving 100 miles in 120 minutes instead.

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

- (1) Both adverse and beneficial effects:

- i. Beneficial: The revised standard of 120/100 will be easier to meet.
- ii. Adverse: No adverse impact is anticipated by this regulation.

- (2) Both immediate and long-term effects:

i. Immediate: The health insurance carriers will be required to demonstrate the adequacy of their network plans based on the network adequacy standards in the regulation. Carriers will likely have to adjust their network plans to meet member needs. Carriers may have to add additional healthcare providers to their current network plan designs.

ii. Long-Term: Once carriers establish the relevant number and types of healthcare providers necessary to meet the additional network adequacy requirements, the impact on carriers will be better known. Data will be gathered by the Division through its annual review of performance of a carrier's network plan. This data can then be studied to better predict long-term effects of certain network adequacy requirements.

- (b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects:
i. Beneficial: Requiring higher standards and making sure standards make sense will help the public.

ii. Adverse: Although network adequacy requirements will be issued each year, this does not guarantee that every healthcare provider sought by a policyholder will always be an “in-network” provider. As a result, the policyholder may still be responsible for paying some additional amounts out-of-pocket for an “out-of-network” provider.

(2) Both immediate and long-term effects:
i. Immediate: Although network adequacy requirements will be issued each year, this does not guarantee that every healthcare provider sought by a policyholder will always be an “in-network” provider. As a result, the policyholder may still be responsible for paying some additional amounts out-of-pocket for an “out-of-network” provider.

ii. Long-Term: Although network adequacy requirements will be issued each year, this does not guarantee that every healthcare provider sought by a policyholder will always be an “in-network” provider. As a result, the policyholder may still be responsible for paying some additional amounts out-of-pocket for an “out-of-network” provider.

8. The estimated cost to the agency for enforcement of the adopted regulation.

None

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

This regulation does not duplicate or overlap any other state or federal regulation.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

This regulation mirrors CMS network adequacy standards except for where the standard was changed from 100/120 to 120/100 to make more logical sense.

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

No new fee is established, and no existing fee is increased.