

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SCOTT J. KIPPER
Commissioner

**DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE**

**NOTICE OF INTENT TO ACT UPON REGULATIONS
LCB File Nos. R118-24 and R122-24
AND HEARING AGENDA**

The Nevada Division of Insurance (“Division”) is proposing the adoption of regulations pertaining to chapter(s) 687B of the Nevada Administrative Code (“NAC”). The hearing shall take place as follows:

Date: **November 26, 2024**
Time: **1:30 p.m. (PST)**
Location: **This hearing will be held virtually via Webex and in person. See options below.** (For help using Webex, visit <https://help.webex.com>.)

To join by Webex, click on the URL and enter the meeting number when prompted.
URL: <https://doinv.webex.com/doinv/j.php?MTID=mb97b1e1a786d1822ece8d23df70623c1>
Meeting Number: 2863 184 8883

To join by telephone, call the toll-free number and enter the access code when prompted.
Phone-in Access: 1-844-621-3956 United States Toll Free
Access Code: 2863 184 8883

To attend in person, the following physical locations are being made available:

Nevada Division of Insurance
1818 E. College Pkwy., Ste. 103
Carson City, NV 89706

Nevada Division of Insurance
3300 W. Sahara Ave.
Nevada Room, Suite 400, 4th Floor
Las Vegas, NV 89102

Live public comment and written public comment will be taken as designated in the Hearing Agenda.

The purpose of the hearing is to solicit comments from interested persons on the general topic(s) that may be addressed in the proposed regulations; and to assist in determining whether the proposed regulations are likely to impose a direct and significant burden upon a small business or directly restricts the formation, operation, or expansion of a small business.

HEARING AGENDA

1. Open Hearing: R118-24
2. Presentation of Proposed Regulation.

LCB FILE NO. R118-24 – NETWORK ADEQUACY PLAN YEAR 2025

A REGULATION relating to insurance; revising the requirements that a network plan made available for sale in this State must satisfy in order for the Commissioner of Insurance to determine that the network plan is adequate; and providing other matters properly relating thereto.

3. Public Comment.

The hearing officer will indicate when live public comment will be taken. Public comment may be limited to three minutes per speaker.

4. Close Hearing: R118-24
5. Open Hearing: R122-24.
6. Presentation of Proposed Regulation.

LCB FILE NO. R122-24 – CONTRACTS OF INSURANCE

A REGULATION relating to insurance; establishing the manner in which an insurer under a health benefit plan is required to respond to a request from a policyholder for certain information regarding claims paid on behalf of the policyholder; and providing other matters properly relating thereto.

7. Public Comment.

The hearing officer will indicate when live public comment will be taken. Public comment may be limited to three minutes per speaker.

8. Close Hearing: R122-24.

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and discussion relating to an item may be delayed or continued at any time. The hearing officer, within his/her discretion, may allow for public comment on individual agenda items.

A copy of all materials relating to the proposals may be obtained by visiting the Division's internet website at <https://doi.nv.gov/News-Notices/Regulations/> or by contacting the Division by email to regs@doi.nv.gov. Members of the public who would like additional information about a proposed regulation may contact the Division by email to regs@doi.nv.gov. Members of the public are encouraged to submit written comments for the record no later than **November 19, 2024**. Written comments may be emailed to regs@doi.nv.gov or mailed to 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation in writing no later than five (5) working days before the hearing via email to regs@doi.nv.gov.

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

The following information is provided pursuant to the requirements of Nevada Revised Statutes ("NRS") 233B.0603 **as to proposed regulation R118-24**:

(1) Why is the regulation necessary and what is its purpose?

The regulation is necessary to comply with the requirement that the Commissioner of Insurance ("Commissioner") issue network adequacy standards required of all network plans. See NRS 687B.490 and NAC 687B.750 to 687B.784. The purpose of the regulation is to establish adequacy standards for network plans for plan year 2025.

(2) What are the terms or substance of the proposed regulation? Provide a description of the subjects, issues, and problems involved.

The Adequacy of Network Plans section in chapter 687B of NAC includes provisions that establish a Network Adequacy Advisory Council ("Council") to provide annual recommendations regarding the standards used to measure network plan adequacy.

On March 16, 2023, the Council conducted its first meeting for plan year 2025. The nine-member Council held a total of four (4) public meetings during which they conducted discussions, reviewed data, and received public input related to network adequacy. Meeting recordings and supporting documents presented during the meetings are available on the Division of Insurance ("Division") website at doi.nv.gov. On September 14, 2023, a report including the Council's network adequacy

recommendations was submitted to the Commissioner. Based on the Commissioner’s review of the report, the Commissioner seeks to promulgate this regulation to enact network adequacy standards.

The proposed regulation incorporates network adequacy guidance related to network adequacy standards for a network plan, other than a stand-alone dental, as part of the essential health benefits required under 42 U.S.C. § 18022, subsection (b)(1)(J), which has been in place since 2016. This regulation is intended to help individuals who purchase a health benefit plan, other than a stand-alone dental plan, have access to providers when seeking care.

(3) What is the anticipated impact of the regulation on the problem(s)?

Once these additional network adequacy standards are implemented, policyholders should be able to more reasonably access appropriate in-network care. By providing a broader base of “in-network” healthcare providers and access thereto, policyholders should experience lower out-of-pocket costs.

(4) Do other regulations address the same problem(s)?

The Adequacy of Network Plans section under NAC 687B.750 to 687B.784 includes provisions related to network adequacy standards required for health network plans in the individual and small employer group market. The proposed regulation incorporates additional standards related to essential community providers and dental providers.

(5) Are alternate forms of regulation sufficient to address the problem(s)?

As noted, the network adequacy standards under NAC 687B.768 do not currently address the standards proposed under this regulation.

(6) What value does the regulation have to the public?

The regulation provides standards for measuring network plan adequacy to ensure health plan consumers can reasonably access certain providers.

(7) What is the anticipated economic benefit of the regulation? Provide a statement as to potential beneficial impact on the following:

a. Public

1. Immediate: Once these additional network adequacy standards are implemented, because of the revised standards, policyholders should be able to more reasonably access in-network versus out-of-network care. This should, in turn, help policyholders limit their need to access out-of-network providers, when such access can lead to higher costs.
2. Long Term: A broader base of “in-network” healthcare providers should help policyholders access in-network care, which reduces the policyholders’ out-of-pocket costs.

- b. Insurance Business
 - 1. Immediate: Carriers may be able to attract more consumers due to an expanded number of providers in their network.
 - 2. Long Term: Carriers will be able to better measure members' needs and use of particular providers to better plan, which should, because of estimated efficiency, positively impact insurers' financial outlook.
- c. Small Businesses
 - 1. Immediate: None.
 - 2. Long Term: Some providers that qualify as small businesses may have more opportunities, options, and/or negotiating power due to revised standards that may require a carrier to expand their network. This expansion could result in carriers contracting with providers with whom they did not previously contract.
- d. Small Communities
 - 1. Immediate: If consumers are better able to access services through their insurance, they may rely less on other health care options that are more expensive or that tie up small community resources.
 - 2. Long Term: Immediate benefits should continue into the long term.
- e. Government Entities
 - 1. Immediate: None.
 - 2. Long Term: None.

(8) What is the anticipated adverse impact, if any? Provide a statement as to any anticipated adverse impact, including adverse economic effects, on the following:

- a. Public
 - 1. Immediate: None.
 - 2. Long Term: None.
- b. Insurance Business
 - 1. Immediate: Health insurance carriers will be required to demonstrate network plan adequacy based on network adequacy standards in the regulation. Carriers likely will have to adjust network plans to meet member needs. Carriers might have to add additional healthcare providers to their current network plan designs.
 - 2. Long Term: None.
- c. Small Businesses
 - 1. Immediate: No adverse impact is anticipated by this regulation.
 - 2. Long Term: No adverse impact is anticipated by this regulation.
- d. Small Communities
 - 1. Immediate: No adverse impact is anticipated by this regulation.

2. Long Term: No adverse impact is anticipated by this regulation.
 - e. Government Entities
 1. Immediate: No adverse impact is anticipated by this regulation.
 2. Long Term: No adverse impact is anticipated by this regulation.
- (9) What is the anticipated cost of the regulation, both direct and indirect? Provide a statement as to the cost of:
- a. Enactment: The Division does not anticipate a direct or indirect cost to promulgate the regulation.
 - b. Enforcement: The Division anticipates no additional direct or indirect costs as enforcement occurs as part of the compliance process. Carrier plans subject to network adequacy standards are not permitted to be marketed prior to being authorized by the Division as part of compliance.
 - c. Compliance: The Division anticipates no additional direct or indirect costs. NRS 687B.490(6) requires that any expense borne by the Division in determining the adequacy of a network plan be assessed against the insurance carrier applying for the network plan approval.
- (10) Provide a statement indicating whether the regulation establishes a new fee or increases an existing fee.

The regulation does not establish a new fee or increase an existing fee.

- (11) Provide a statement identifying the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to NRS 233B.0608(3).

Based on past regulations related to network adequacy, public meetings, and discussions, Division personnel deemed subject matter experts considered whether the regulation will impact small businesses.

Since the implementation of the Affordable Care Act, the Division has issued guidance and promulgated regulations related to network adequacy. In doing so, to gather relevant information, the Division has held numerous public meetings. To date, the Division has received no comments suggesting that quantifying network adequacy standards in a regulation would negatively impact small businesses. Additionally, the Network Adequacy Advisory Council's meetings are public and include extensive discussion over network adequacy. At no time during the public meetings conducted for plan years 2018 through 2025 were any comments received that the proposed network adequacy standards would negatively impact small businesses. To determine the proposed regulation's reach, the Division has also extensively analyzed and conducted research on network adequacy standards.

- (12) Describe any other state or local governmental agency regulation that the proposed regulation overlaps or duplicates and, if there is overlap or duplication, provide a statement

explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, state the name of the regulating federal agency.

The Adequacy of Network Plans section under NAC 687B.750 to 687B.784 includes provisions related to network adequacy standards required for health network plans in the individual and small employer group market. The proposed regulation modifies NAC 687B.768 to expand the access to essential community providers and amends the grammar from time **or** distance standards to time **and** distance standards for network plans as part of the essential health benefits required under 42 U.S.C. § 18022, subsection (b)(1)(J). Regarding other state, local, or federal regulations, there is no overlap or duplication of existing regulations.

- (13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law.

The proposed regulation is not required pursuant to federal law.

- (14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions.

Not applicable because the proposed regulation is not required pursuant to federal law.

The following information is provided pursuant to the requirements of NRS 233B.0603 **as to proposed regulation R122-24**:

- (1) Why is the regulation necessary and what is its purpose?

The regulation is necessary to carry out the provisions of subsection 1 of NRS 687B.355 and provide additional clarification as to the type of information required to be provided to the policyholder upon request. This will ensure that the information provided is consistent between insurers.

- (2) What are the terms or substance of the proposed regulation? Provide a description of the subjects, issues and problems involved.

The regulation will require insurers to use Division-supplied templates which vary by the size of the group. The templates describe in detail what information is required to be provided by insurers to policyholders when requested pursuant to NRS 687B.355.

- (3) What is the anticipated impact of the regulation on the problem(s)?

The anticipated impact of the regulation is that policyholders will now receive consistent information from insurers when requested.

(4) Do other regulations address the same problem(s)?

There are no other regulations which address this problem.

(5) Are alternate forms of regulation sufficient to address the problem(s)?

There are no alternate forms of regulation sufficient to address the problem(s).

(6) What value does the regulation have to the public?

The regulation provides value to the public because policyholders will receive consistent information they need at the time of renewal in order to make a decision about their health coverage.

(7) What is the anticipated economic benefit of the regulation? Provide a statement as to potential beneficial impact on the following:

a. Public

1. Immediate: Policyholders may be able to save money through lower premiums if they have accurate information about paid claims.
2. Long Term: Policyholders may be able to save money through lower premiums if they have accurate information about paid claims.

b. Insurance Business

1. Immediate: Insurers will know exactly what information to provide, so this can potentially save them money.
2. Long Term: Insurers will know exactly what information to provide, so this can potentially save them money.

c. Small Businesses

1. Immediate: Small businesses will have better information about paid claims to make a more informed decision about their health insurance. This could potentially save them money.
2. Long Term: Small businesses will have better information about paid claims to make a more informed decision about their health insurance. This could potentially save them money.

d. Small Communities

1. Immediate: There is no economic benefit to small communities.
2. Long Term: There is no economic benefit to small communities.

e. Government Entities

1. Immediate: There is no economic benefit to government entities.
2. Long Term: There is no economic benefit to government entities.

(8) What is the anticipated adverse impact, if any? Provide a statement as to any anticipated adverse impact, including adverse economic effects, on the following:

- a. Public
 - 1. Immediate: There is no adverse economic impact on the public.
 - 2. Long Term: There is no adverse economic impact on the public.
- b. Insurance Business
 - 1. Immediate: The adverse impact is that insurers will have to provide specifically defined information, which could end up being more information than what they provided before this regulation. If that is the case, the information could take more time to collect, and this could potentially cost more money to do so.
 - 2. Long Term: The adverse impact is that insurers will have to provide specifically defined information, which could end up being more information than what they provided before this regulation. If that is the case, the information could take more time to collect, and this could potentially cost more money to do so.
- c. Small Businesses
 - 1. Immediate: There is no adverse economic impact on small businesses.
 - 2. Long Term: There is no adverse economic impact on small businesses.
- d. Small Communities
 - 1. Immediate: There is no adverse economic impact to small communities.
 - 2. Long Term: There is no adverse economic impact to small communities.
- e. Government Entities
 - 1. Immediate: There is no adverse economic impact to government entities.
 - 2. Long Term: There is no adverse economic impact to government entities.

(9) What is the anticipated cost of the regulation, both direct and indirect? Provide a statement as to the cost of:

- a. Enactment: The Division does not anticipate a direct or indirect cost to promulgate the regulation.
- b. Enforcement: The Division anticipates no additional direct or indirect costs as enforcement occurs as part of the compliance process.
- c. Compliance: The Division anticipates no additional direct or indirect costs as this regulation clarifies existing statute.

(10) Provide a statement indicating whether the regulation establishes a new fee or increases an existing fee.

The regulation would not create a new fee or increase an existing fee.

- (11) Provide a statement which identifies the methods used by the agency in determining the impact of the proposed regulation on a small business, prepared pursuant to subsection 3 of NRS 233B.0608.

Since this regulation only clarifies the information in existing statute that must be provided by insurers to policyholders, there is no additional impact.

- (12) Provide a description of any regulations of other state or local governmental 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, state the name of the regulating federal agency.

There are no regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates.

- (13) If the regulation is required pursuant to federal law, provide a citation and description of the federal law.

The regulation is not required pursuant to federal law.

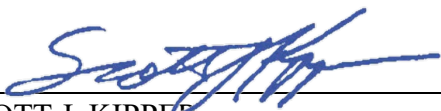
- (14) If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, provide a summary of such provisions.

Not applicable because the proposed regulation is not required pursuant to federal law.

Notice of the hearing has been provided as follows:

By email to all persons on the Division's email list for noticing of administrative regulations.
By email for posting by the Nevada State Library, Archives and Public Records Administrator.
By email for posting by the State of Nevada County Libraries.
By email for posting by the Nevada Legislature.
Published to the Nevada Legislature website: <https://leg.state.nv.us/>.
Published to the Division of Insurance website: <https://doi.nv.gov/>.
Published to the State of Nevada Public Notice website: <https://notice.nv.gov/>.

DATED this 23rd day of October 2024.



SCOTT J. KIPPER
Commissioner of Insurance

**STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE**

**Determination of Necessity of Small Business Impact Statement
NRS 233B.0608(1)**

NETWORK ADEQUACY STANDARDS PLAN YEAR 2025
PROPOSED REGULATION FILE NO. R118-24

EFFECTIVE DATE OF REGULATION:
January 1, 2025

1. **BACKGROUND:**

The regulation was proposed pursuant to Nevada Revised Statutes (“NRS”) 687B.490. The regulation amends chapter 687B of Nevada Administrative Code (“NAC”) by providing standards for measuring the adequacy of a network plan to ensure that health plan consumers can reasonably access certain providers.

The Adequacy of Network Plans section of chapter 687B of NAC establishes a Network Adequacy Advisory Council (“Council”) to provide annual recommendations regarding standards used to measure network plan adequacy.

On March 16, 2023, the Council conducted its first meeting for plan year 2025. The nine-member Council held a total of four (4) public meetings during which they conducted discussions, reviewed data, and received public input related to network adequacy. Meeting recordings and supporting documents presented during the meetings are available on the Nevada Division of Insurance (“Division”) website at doi.nv.gov. On September 14, 2023, a report including the Council’s network adequacy recommendations was submitted to the Commissioner. Based on the Commissioner’s review of the report, the Commissioner seeks to promulgate this regulation to enact network adequacy standards.

The proposed regulation incorporates network adequacy guidance related to network adequacy standards for a network plan, other than a stand-alone dental plan or a network plan offering oral pediatric services, as part of the essential health benefits required under 42 U.S.C. § 18022, subsection (b)(1)(J), which has been in place since 2016. This regulation is intended to help individuals who purchase a health benefit plan, other than a stand-alone dental plan or a health benefit plan with oral pediatric services, have access to providers when seeking care.

2. **DESCRIPTION OF SOLICITATION SHOWING A CONCERTED EFFORT. NRS 233B.0608(1).**

Since the implementation of the Affordable Care Act, the Division has issued guidance and promulgated regulations related to network adequacy. In doing so, to gather relevant information, the Division has held numerous public meetings. To date, the Division has received no comments

suggesting that quantifying network adequacy standards in a regulation would negatively impact small businesses. Additionally, the Council's meetings are public and include extensive discussion over network adequacy. At no time during the public meetings conducted for plan years 2018 through 2025 were any comments received that the proposed network adequacy standards would negatively impact small businesses. To determine the proposed regulation's reach, the Division has also extensively analyzed and conducted research on network adequacy standards.

3. DOES THE PROPOSED REGULATION IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN UPON A SMALL BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A SMALL BUSINESS? NRS 233B.0608(1).

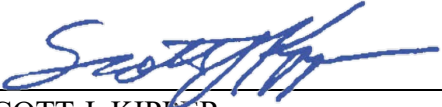
NO YES

4. HOW WAS THAT CONCLUSION REACHED? NRS 233B.0608(3).

Based on analysis conducted by Division subject matter expert staff, because many network plans already meet the proposed standards, the Division opines that the proposed regulation's impact on small business will be minimal to none. Further, the Division has held numerous public meetings regarding this matter. To date, the Division has received no comments suggesting that quantifying network adequacy standards in a regulation would negatively impact small businesses. Additionally, the Council's meetings are public and include extensive discussion over network adequacy. At no time during the public meetings conducted for plan years 2018 through 2025 were any comments received that the proposed network adequacy standards would negatively impact small businesses.

I, SCOTT J. KIPPER, Commissioner of Insurance for the State of Nevada, hereby certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement is accurate. NRS 233B.0608(3).

October 23, 2024
(DATE)



SCOTT J. KIPPER
Commissioner of Insurance

**STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE**

**Determination of Necessity of Small Business Impact Statement
NRS 233B.0608(1)**

CONTRACTS OF INSURANCE
PROPOSED REGULATION FILE NO. R122-24

EFFECTIVE DATE OF REGULATION:
Upon filing with the Nevada Secretary of State

1. BACKGROUND.

Nevada Revised Statutes (“NRS”) NRS 687B.355 requires insurers to release claims data to insureds upon request. It is the Division’s experience that the claims data given by insurers to insureds under this statute is not in a consistent format or with consistent contents from insurer to insurer. This reduces the utility of the information. The proposed regulation would standardize the format and contents of the reports required by the statute to ensure that useful information is presented in a usable format every time a request is made.

2. DETERMINATION AS TO SMALL BUSINESS IMPACT.

A. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business?

NO YES, see the Small Business Impact Statement.

B. Does the proposed regulation directly restrict the formation, operation, or expansion of a small business?

NO YES, see the Small Business Impact Statement.

C. What methods did the agency use to determine the impact of the proposed regulation on a small business?

A subcommittee was formed from the Commissioner’s Agent Advisory Council to research this issue and create a detailed experience report whereby all carriers can provide sufficiently detailed experience data, which will aid policyholders in making informed decisions regarding policy renewal. The subcommittee consisted of Division staff and brokers who regularly request this type of information for the renewal of a health insurance policy.

D. What are the reasons for the agency’s conclusions?

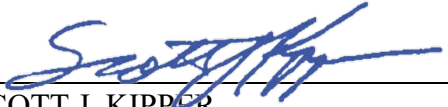
The proposed regulation only applies a compliance burden to insurers. By definition (NRS 233B.0382), very few insurers qualify as small businesses. For those that do, it is anticipated that

compliance with this regulation will impose no new burden as the actual burden falls under the enabling statute and not a regulation that only prescribes a format for the reporting.

I, SCOTT J. KIPPER, Commissioner of Insurance for the State of Nevada, hereby certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement is accurate. NRS 233B.0608(3).

October 23, 2024

(DATE)



SCOTT J. KIPPER
Commissioner of Insurance