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**Nevada State Education Association  
Proposed Amendments to A.B. 388**

**Section 2**

**Proposed Amendment**

Delete "employee organization" from lines 35-36 on page 2 and substitute "entity."

**Explanation**

The bill draft request used the term "organization" here in reference to a voluntary employees' beneficiary association, and the bill drafter must have concluded that this was a reference to an *employee* organization. But the two entities are different. Using the term "entity" should avoid any confusion in interpreting this language once it is enacted.

**Section 9**

**Proposed Amendment**

Delete section 9 of the bill.

**Explanation**

This section would extend the reinstatement provisions of NRS 287.0475 to the proposed trust. Essentially, pursuant to that statute, an employee who opted out of the trust could reinstate coverage under the trust at a later date. Reinstatement typically involves an employee who is relatively healthy, who leaves one insurance plan in search of a cheaper plan with fewer benefits, and then seeks to come back to the initial plan after a health problem arises, in order to have his claim paid. Although the statute contains a preexisting condition limitation, we have been advised that the limitation may be unenforceable under the Health Insurance Portability and Accountability Act of 1996 [HIPAA]. Be that as it may, the overall effect of allowing reinstatement is to increase the trust's costs of coverage, at the expense of those employees who have remained in the trust all along and helped support it. In a sense, reinstatement is like being allowed to buy fire insurance after the fire has already started.

The decision to allow reinstatement or not, and under what conditions, should be left to the trustees and not mandated by statute. Section 9 should be deleted.

**Section 10**

**Proposed Amendment**

Delete section 10 of the bill.

**Explanation**

Section 10 amends NRS 1A.470, a statute dealing with insurance coverage for Supreme Court justices and district court judges. But the justices and judges are employees of the *State*, while the trust is intended to provide coverage only to employees of local governments. Section 10 should also be deleted.