
ASSEMBLY BILL NO. 263—COMMITTEE ON WAYS AND MEANS

MARCH 7, 2003

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing notice requirements for change in health insurance program for public employees. (BDR 23-1313)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to public employees' benefits; reducing the number of days of notice that participants in the Public Employees' Benefits Program must be given before being required to select or change a policy of health insurance that will result in a change in premiums or coverage; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 287.043 is hereby amended to read as follows:
2 287.043 1. The Board shall:
3 (a) Establish and carry out a program to be known as the Public
4 Employees' Benefits Program which:
5 (1) Must include a program relating to group life, accident or
6 health insurance, or any combination of these; and
7 (2) May include a program to reduce taxable compensation
8 or other forms of compensation other than deferred
9 compensation,
10 for the benefit of all state officers and employees and other persons
11 who participate in the Program.
12 (b) Ensure that the Program is funded on an actuarially sound
13 basis and operated in accordance with sound insurance and business
14 practices.



1 2. In establishing and carrying out the Program, the Board
2 shall:

3 (a) For the purpose of establishing actuarial data to determine
4 rates and coverage for active and retired state officers and
5 employees and their dependents, commingle the claims experience
6 of such active and retired officers and employees and their
7 dependents.

8 (b) Except as otherwise provided in this paragraph, negotiate
9 and contract with the governing body of any public agency
10 enumerated in NRS 287.010 that wishes to obtain group insurance
11 for its officers, employees and retired employees by participation in
12 the Program. The Board shall establish separate rates and coverage
13 for those officers, employees and retired employees based on
14 actuarial reports.

15 (c) Except as otherwise provided in paragraph (d), provide
16 public notice in writing of any proposed changes in rates or
17 coverage to each participating public employer who may be affected
18 by the changes. Notice must be provided at least 30 days before the
19 effective date of the changes.

20 (d) If a proposed change is a change in the premium charged for
21 or coverage of health insurance, provide written notice of the
22 proposed change to all state officers, employees, retired employees
23 and other persons who participate in the Program who may be
24 affected by the proposed change. The notice must be provided at
25 least ~~60~~ 30 days before the date a state officer, employee, retired
26 employee or other person is required to select or change his policy
27 of health insurance.

28 (e) Purchase policies of life, accident or health insurance, or any
29 combination of these, or, if applicable, a program to reduce the
30 amount of taxable compensation pursuant to 26 U.S.C. § 125, from
31 any company qualified to do business in this state or provide similar
32 coverage through a plan of self-insurance established pursuant to
33 NRS 287.0433 for the benefit of all eligible public officers,
34 employees and retired employees who participate in the Program.

35 (f) Except as otherwise provided in this title, develop and
36 establish other employee benefits as necessary.

37 (g) Investigate and approve or disapprove any contract proposed
38 pursuant to NRS 287.0479.

39 (h) Adopt such regulations and perform such other duties as are
40 necessary to carry out the provisions of NRS 287.0402 to 287.049,
41 inclusive, including, without limitation, the establishment of:

42 (1) Fees for applications for participation in the Program and
43 for the late payment of premiums or contributions;

44 (2) Conditions for entry and reentry into the Program by
45 public agencies enumerated in NRS 287.010;



- 1 (3) The levels of participation in the Program required for
- 2 employees of participating public agencies;
- 3 (4) Procedures by which a group of participants in the
- 4 Program may leave the Program pursuant to NRS 287.0479 and
- 5 conditions and procedures for reentry into the Program by those
- 6 participants; and
- 7 (5) Specific procedures for the determination of contested
- 8 claims.
- 9 (i) Appoint an independent certified public accountant. The
- 10 accountant shall:
 - 11 (1) Provide an annual audit of the Program; and
 - 12 (2) Report to the Board and the Interim Retirement and
 - 13 Benefits Committee of the Legislature created pursuant to
 - 14 NRS 218.5373.
- 15 (j) Appoint an attorney who specializes in employee benefits.
- 16 The attorney shall:
 - 17 (1) Perform a biennial review of the Program to determine
 - 18 whether the Program complies with federal and state laws relating to
 - 19 taxes and employee benefits; and
 - 20 (2) Report to the Board and the Interim Retirement and
 - 21 Benefits Committee of the Legislature created pursuant to
 - 22 NRS 218.5373.
- 23 3. The Board shall submit an annual report regarding the
- 24 administration and operation of the Program to the Director of
- 25 the Legislative Counsel Bureau not more than 6 months before the
- 26 Board establishes rates and coverage for members for the following
- 27 calendar year. The report must include, without limitation:
 - 28 (a) The amount paid by the Program in the preceding calendar
 - 29 year for the claims of active and retired state officers and
 - 30 employees; and
 - 31 (b) The amount paid by the Program in the preceding calendar
 - 32 year for the claims of retired members of the Program who were
 - 33 provided coverage for medical or hospital service, or both, by the
 - 34 Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., or a
 - 35 plan that provides similar coverage.
- 36 4. The Board may use any services provided to state agencies
- 37 and shall use the services of the Purchasing Division of the
- 38 Department of Administration to establish and carry out the
- 39 Program.
- 40 5. The Board may make recommendations to the Legislature
- 41 concerning legislation that it deems necessary and appropriate
- 42 regarding the Program.
- 43 6. The State and any other public employers that participate in
- 44 the Program are not liable for any obligation of the Program other
- 45 than indemnification of the Board and its employees against liability



1 relating to the administration of the Program, subject to the
2 limitations specified in NRS 41.0349.

3 7. As used in this section, "employee benefits" includes any
4 form of compensation provided to a public employee except federal
5 benefits, wages earned, legal holidays, deferred compensation and
6 benefits available pursuant to chapter 286 of NRS.

7 **Sec. 2.** This act becomes effective upon passage and approval.

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