

Amendment No. 126

Assembly Amendment to Assembly Bill No. 250	(BDR 57-142)
Proposed by: Assembly Committee on Commerce and Labor	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the unfunded mandate not requested by the affected local government to A.B. 250 (§ 3).

ASSEMBLY ACTION		Initial and Date		SENATE ACTION		Initial and Date			
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SRF/EWR



Date: 4/11/2021

A.B. No. 250—Revises provisions relating to insurance which provides for the payment of expenses not covered by Medicare. (BDR 57-142)



ASSEMBLY BILL NO. 250 ~~[ASSEMBLYWOMAN]~~ ASSEMBLYWOMEN JAUREGUI ;
HARDY

MARCH 12, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to insurance ~~[which provides for the payment of expenses not covered by]~~ to supplement Medicare. (BDR 57-142)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§ 3)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 insurance; requiring the establishment of an open enrollment period for a ~~[policy of insurance which provides for the payment of certain expenses which are not covered by]~~ Medicare ~~[+]~~ supplemental policy; prohibiting an insurer issuing such a policy from taking certain actions during the open enrollment period; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing federal law establishes the Medicare program, which is a public health insurance
2 program for persons 65 years of age and older and specified persons with disabilities who are
3 under 65 years of age. (42 U.S.C. §§ 1395 et seq.) Existing federal regulations define the
4 term “Medicare supplemental policy” to mean a policy offered by a private insurer that
5 is primarily designed to pay expenses not reimbursed under Medicare because of certain
6 limitations under Medicare. (42 C.F.R. § 403.205) Existing state law authorizes the
7 Commissioner of Insurance to adopt regulations relating to the form, content and sale of
8 policies of insurance which provide for the payment of expenses which are not covered by
9 Medicare ~~[+]~~ , including Medicare supplemental policies. (NRS 687B.430) **Sections 1, 3**
10 **and 4** of this bill require an insurer offering a ~~[policy of insurance which provides for the~~
11 ~~payment of expenses which are not covered by]~~ Medicare ~~[, including]~~ supplemental policy
12 or the Public Employees’ Benefits Program ~~[and]~~ or any local government that provides
13 ~~[such]~~ a similar policy for ~~[its]~~ public employees ~~[+]~~ to offer an open enrollment period for
14 persons covered by such policies, during which the insurer or governmental entity is
15 prohibited from placing certain restrictions on the issuance of such a policy. **Section 2** of this
16 bill makes a conforming change to apply the provisions of **section 1** to nonprofit hospital and
17 medical or dental service corporations that issue such policies.

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

1 **Section 1.** Chapter 687B of NRS is hereby amended by adding thereto a new
2 section to read as follows:

3 1. ~~An insurer that issues a policy of insurance which provides for the~~
4 ~~payment of expenses which are not covered by~~ Medicare supplemental policy
5 shall offer to a person currently insured under any such policy an annual open
6 enrollment period commencing with the first day of the birthday month of the
7 person and remaining open for at least 60 days thereafter, during which the
8 person may ~~enroll in any policy of insurance which provides for the payment of~~
9 ~~expenses which are not covered by~~ purchase any Medicare supplemental policy
10 made available by the insurer in this State that includes the same or lesser
11 benefits, including, without limitation, innovative benefits, as described in 42
12 U.S.C. § 1395ss(p)(4)(B), as the policy under which the person is currently
13 insured.

14 2. ~~During the open enrollment period offered pursuant to subsection 1, an~~
15 ~~insurer shall not deny or condition the issuance or effectiveness, or discriminate~~
16 ~~in the price of coverage, of a policy of insurance which provides for the payment~~
17 ~~of expenses which are not covered by~~ Medicare supplemental policy based on the
18 health status, claims experience, receipt of health care or medical condition of a
19 person described in subsection 1.

20 3. ~~At least 30 days before the beginning of the open enrollment period~~
21 ~~offered pursuant to subsection 1 but not more than 60 days before the beginning~~
22 ~~of that period, an insurer that issues a policy of insurance which provides for the~~
23 ~~payment of expenses which are not covered by~~ Medicare supplemental policy
24 shall notify each person to whom the open enrollment period applies of:

25 (a) ~~The dates on which the open enrollment period begins and ends and the~~
26 ~~rights of the person established by the provisions of this section; and~~

27 (b) ~~Any modification to the benefits provided by the policy under which the~~
28 ~~person is currently insured or adjustment to the premiums charged for that~~
29 ~~policy.~~

30 4. ~~As used in this section, “Medicare” means the program of health~~
31 ~~insurance for aged persons and persons with disabilities established pursuant to~~
32 ~~Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395 et seq.] “Medicare~~
33 ~~supplemental policy” has the meaning ascribed to it in 42 C.F.R. § 403.205 and~~
34 ~~additionally includes policies offered by public entities that otherwise meet the~~
35 ~~requirements of that section.~~

36 **Sec. 2.** NRS 695B.320 is hereby amended to read as follows:

37 695B.320 1. Nonprofit hospital and medical or dental service corporations
38 are subject to the provisions of this chapter, and to the provisions of chapters 679A
39 and 679B of NRS, NRS 686A.010 to 686A.315, inclusive, 687B.010 to 687B.040,
40 inclusive, 687B.070 to 687B.140, inclusive, 687B.150, 687B.160, 687B.180,
41 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive,
42 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B, 692C, 693A and
43 696B of NRS, and section 1 of this act, to the extent applicable and not in conflict
44 with the express provisions of this chapter.

45 2. For the purposes of this section and the provisions set forth in subsection 1,
46 a nonprofit hospital and medical or dental service corporation is included in the
47 meaning of the term “insurer.”

1 **Sec. 3.** NRS 287.010 is hereby amended to read as follows:

2 287.010 1. The governing body of any county, school district, municipal
3 corporation, political subdivision, public corporation or other local governmental
4 agency of the State of Nevada may:

5 (a) Adopt and carry into effect a system of group life, accident or health
6 insurance, or any combination thereof, for the benefit of its officers and employees,
7 and the dependents of officers and employees who elect to accept the insurance and
8 who, where necessary, have authorized the governing body to make deductions
9 from their compensation for the payment of premiums on the insurance.

10 (b) Purchase group policies of life, accident or health insurance, or any
11 combination thereof, for the benefit of such officers and employees, and the
12 dependents of such officers and employees, as have authorized the purchase, from
13 insurance companies authorized to transact the business of such insurance in the
14 State of Nevada, and, where necessary, deduct from the compensation of officers
15 and employees the premiums upon insurance and pay the deductions upon the
16 premiums.

17 (c) Provide group life, accident or health coverage through a self-insurance
18 reserve fund and, where necessary, deduct contributions to the maintenance of the
19 fund from the compensation of officers and employees and pay the deductions into
20 the fund. The money accumulated for this purpose through deductions from the
21 compensation of officers and employees and contributions of the governing body
22 must be maintained as an internal service fund as defined by NRS 354.543. The
23 money must be deposited in a state or national bank or credit union authorized to
24 transact business in the State of Nevada. Any independent administrator of a fund
25 created under this section is subject to the licensing requirements of chapter 683A
26 of NRS, and must be a resident of this State. Any contract with an independent
27 administrator must be approved by the Commissioner of Insurance as to the
28 reasonableness of administrative charges in relation to contributions collected and
29 benefits provided. The provisions of NRS 687B.408, *section 1 of this act*,
30 689B.030 to 689B.050, inclusive, 689B.287 and 689B.500 apply to coverage
31 provided pursuant to this paragraph, except that the provisions of NRS 689B.0378,
32 689B.03785 and 689B.500 only apply to coverage for active officers and
33 employees of the governing body, or the dependents of such officers and
34 employees.

35 (d) Defray part or all of the cost of maintenance of a self-insurance fund or of
36 the premiums upon insurance. The money for contributions must be budgeted for in
37 accordance with the laws governing the county, school district, municipal
38 corporation, political subdivision, public corporation or other local governmental
39 agency of the State of Nevada.

40 2. If a school district offers group insurance to its officers and employees
41 pursuant to this section, members of the board of trustees of the school district must
42 not be excluded from participating in the group insurance. If the amount of the
43 deductions from compensation required to pay for the group insurance exceeds the
44 compensation to which a trustee is entitled, the difference must be paid by the
45 trustee.

46 3. In any county in which a legal services organization exists, the governing
47 body of the county, or of any school district, municipal corporation, political
48 subdivision, public corporation or other local governmental agency of the State of
49 Nevada in the county, may enter into a contract with the legal services organization
50 pursuant to which the officers and employees of the legal services organization, and
51 the dependents of those officers and employees, are eligible for any life, accident or
52 health insurance provided pursuant to this section to the officers and employees,
53 and the dependents of the officers and employees, of the county, school district,

1 municipal corporation, political subdivision, public corporation or other local
2 governmental agency.

3 4. If a contract is entered into pursuant to subsection 3, the officers and
4 employees of the legal services organization:

5 (a) Shall be deemed, solely for the purposes of this section, to be officers and
6 employees of the county, school district, municipal corporation, political
7 subdivision, public corporation or other local governmental agency with which the
8 legal services organization has contracted; and

9 (b) Must be required by the contract to pay the premiums or contributions for
10 all insurance which they elect to accept or of which they authorize the purchase.

11 5. A contract that is entered into pursuant to subsection 3:

12 (a) Must be submitted to the Commissioner of Insurance for approval not less
13 than 30 days before the date on which the contract is to become effective.

14 (b) Does not become effective unless approved by the Commissioner.

15 (c) Shall be deemed to be approved if not disapproved by the Commissioner
16 within 30 days after its submission.

17 6. As used in this section, "legal services organization" means an organization
18 that operates a program for legal aid and receives money pursuant to NRS 19.031.

19 **Sec. 4.** NRS 287.04335 is hereby amended to read as follows:

20 287.04335 If the Board provides health insurance through a plan of self-
21 insurance, it shall comply with the provisions of NRS 687B.409, *section 1 of this*
22 *act*, 689B.255, 695G.150, 695G.155, 695G.160, 695G.162, 695G.164, 695G.1645,
23 695G.1665, 695G.167, 695G.170 to 695G.174, inclusive, 695G.177, 695G.200 to
24 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, in the same
25 manner as an insurer that is licensed pursuant to title 57 of NRS is required to
26 comply with those provisions.

27 **Sec. 5.** The provisions of NRS 354.599 do not apply to any additional
28 expenses of a local government that are related to the provisions of this act.

29 **Sec. 6.** This act becomes effective on ~~July~~ January 1, 2021 ~~2021~~ 2022.