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SENATE CONCURRENT RESOLUTION No. 50—COMMITTEE ON LEGISLATIVE  
AFFAIRS AND OPERATIONS

MAY 28, 2001

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Referred to Committee on Legislative Affairs and Operations

SUMMARY—Directs Legislative Committee on Health Care to review health benefits  
provided by State of Nevada to its employees. (BDR R-1549)

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

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SENATE CONCURRENT RESOLUTION—Directing the Legislative Committee on Health  
Care to review the health benefits provided by the State of Nevada to its  
employees.

- 1 WHEREAS, In Nevada, insurance trusts are a part of the systems that  
2 offer health benefits provided by state and local governmental employers  
3 for the benefit of certain public employees; and  
4 WHEREAS, Insurance trusts are financed primarily through premiums  
5 that are subsidized in large part by the taxpayers of Nevada; and  
6 WHEREAS, Unlike private insurance companies that must comply with  
7 state laws, such as those which set time limits on the review and payment  
8 of medical claims, the insurance trusts that serve certain public employees  
9 are not subject to state or federal regulation; and  
10 WHEREAS, Recent reviews and comprehensive audits of certain  
11 insurance trusts have revealed serious problems in the management of  
12 these benefit programs; and  
13 WHEREAS, Some of the problems occurring in the fiscal  
14 mismanagement of insurance trusts include unpaid claims of medical  
15 providers that were eventually sent to collections, thus impairing the credit  
16 report of certain governmental employees who are individual trust  
17 members, and reports of trust members being dropped by their physicians  
18 or having the provision of services limited; and  
19 WHEREAS, The financial stability and actuarial soundness of the  
20 system pursuant to which the State of Nevada provides health benefits to  
21 its active and retired employees is of vital importance to those employees  
22 and the State of Nevada; now, therefore, be it  
23 RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY  
24 CONCURRING, That the Legislative Committee on Health Care shall  
25 review the health benefits provided by the State of Nevada to its active and  
26 retired employees; and be it further



1       RESOLVED, That the study must include, without limitation, an analysis  
2 of:  
3       1. The operational practices of the system by which the State of  
4 Nevada provides health benefits to its active and retired employees;  
5       2. The financial stability and actuarial soundness of that system and  
6 suggestions for protection of Nevada's taxpayers and the employees and  
7 retirees covered by the system in the event the system fails;  
8       3. The impact, if any, on the state budget and the health benefits plan  
9 offered to state employees in the event the system fails; and  
10      4. Disclosure of financial information and other pertinent plan  
11 information; and be it further  
12       RESOLVED, That the Legislative Committee on Health Care shall submit  
13 a report of its findings and any recommendations for legislation to the 72nd  
14 session of the Nevada Legislature.  
15      1. The operational practices of insurance trusts that have led to a huge  
16 backlog of medical claims and the nonpayment or delinquent payment of  
17 medical claims;  
18      2. Fiscal mismanagement by insurance trusts;  
19      3. Allegations of unnecessary inflation of overhead in some insurance  
20 trusts;  
21      4. The fiduciary obligations of the trustees;  
22      5. The financial soundness of insurance trusts that offer health benefits  
23 and suggestions for protection of Nevada's taxpayers and the employees  
24 and retirees covered by insurance trusts in the event such a system fails;  
25      6. The impact on the state budget and health benefits plan, if any, in  
26 the event an insurance trust fails; and  
27      7. Disclosure of financial information and other pertinent plan  
28 information; and be it further  
29       RESOLVED, That any recommended legislation proposed by the  
30 committee must be approved by a majority of the members of the Senate  
31 and a majority of the members of the Assembly appointed to the  
32 committee; and be it further  
33       RESOLVED, That the Legislative Commission shall submit a report of  
34 the results of the study and any recommended legislation to the 72nd  
35 session of the Nevada Legislature.

