

Amendment No. 912

Assembly Amendment to Senate Bill No. 479

(BDR 23-609)

Proposed by: Committee on Government Affairs**Amendment Box:****Resolves Conflicts with:** N/A**Amends:** Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: No

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"/>	_____

Amend the bill as a whole by renumbering section 1 as sec. 4 and adding new sections designated sections 1 through 3, following the enacting clause, to read as follows:

“**Section 1.** Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Public Officers’ and Employees’ Benefits Account is hereby created as a special account in the Fund to Stabilize the Operation of the State Government. The Interim Finance Committee shall administer the Account.

2. Except money required to be returned to the Federal Government, any money in excess of the amount that the Program is required to retain as reserves must be deposited at least quarterly in the Account. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

EGO/BJE

Date: 5/26/2005

S.B. No. 479—Makes various changes to provisions governing Public Employees’ Benefits Program.



3. *The money in the Account:*

(a) *Does not revert to the State General Fund at the end of any fiscal year; and*

(b) *Must be carried forward to the next fiscal year.*

4. *Money in the Account must be used only for programs that provide benefits for active or retired public officers and employees, or both, other than the Public Employees' Retirement System.*

Sec. 2. NRS 287.023 is hereby amended to read as follows:

287.023 1. Whenever an officer or employee of the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada retires under the conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or 286.620 and, at the time of his retirement, was covered or had his dependents covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, the officer or employee has the option upon retirement to cancel or continue any such coverage or join the Public Employees' Benefits Program to the extent that such coverage is not provided to him or a dependent by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.

2. A retired person who joins the Public Employees' Benefits Program upon retirement pursuant to subsection 1 or continues coverage under the Public Employees' Benefits Program shall assume the portion of the premium or contribution costs for the coverage which the governing body or the State does not pay on behalf of retired officers or employees. A dependent of such a retired person has the option, which may be exercised to the same extent and in the same manner as the retired person, to cancel or continue coverage in effect on the date the retired person dies. The dependent is

not required to continue to receive retirement payments from the Public Employees' Retirement System to continue coverage.

3. Notice of the selection of the option must be given in writing to the last public employer of the officer or employee within 60 days after the date of retirement or death, as the case may be. If no notice is given by that date, the retired officer or employee and his dependents shall be deemed to have selected the option to cancel the coverage for the group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 or not to join the Public Employees' Benefits Program, as the case may be.

4. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State:

(a) May pay the cost, or any part of the cost, of coverage established pursuant to NRS 287.010, 287.015 or 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 for persons who continue that coverage pursuant to subsection 1, but it must not pay a greater portion than it does for its current officers and employees.

(b) Shall pay the same portion of the cost of coverage under the Public Employees' Benefits Program for persons who join the Program upon retirement pursuant to subsection 1 as the State pays pursuant to subsection 2 of NRS 287.046 for persons retired from state service who have continued to participate in the Program.

5. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State shall, for the purpose of establishing actuarial data to determine rates and coverage for persons who continue

coverage for group insurance, a plan of benefits or medical and hospital service with the governing body pursuant to subsection 1, commingle the claims experience of those persons with the claims experience of active officers and employees and their dependents who participate in the group insurance, a plan of benefits or medical and hospital service.

6. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State shall ensure that the rates for coverage established for persons who continue coverage for group insurance, a plan of benefits or medical and hospital service with the governing body pursuant to subsection 1 and for whom their primary health insurance coverage is provided by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., are less than the rates for persons for whom primary health insurance coverage is provided under the group insurance, plan of benefits or medical and hospital service by an amount which approximates the difference between:

(a) The average percentage of a claim that is paid by the governing body for persons for whom primary health insurance coverage is provided by the group insurance, plan of benefits or medical and hospital service of the governing body; and

(b) The average percentage of a claim that is paid by the governing body for persons for whom secondary health insurance coverage is provided by the group insurance, plan of benefits or medical and hospital service of the governing body.

Sec. 3. NRS 287.0402 is hereby amended to read as follows:

287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 287.0404 to 287.0406, inclusive, have the meanings ascribed to them in those sections.”.

Amend section 1, page 3, line 34, after “3.” by inserting:

“The Board shall ensure that the rates for coverage established for participants in the Program for whom their primary health insurance coverage is provided by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., are less than the rate for persons for whom primary health insurance coverage is provided under the Program by an amount which approximates the difference between:

(a) The average percentage of a claim that is paid by the Program for persons for whom primary health insurance coverage is provided by the Program; and

(b) The average percentage of a claim that is paid by the Program for persons for whom secondary health insurance coverage is provided by the Program.

4.”.

Amend section 1, page 4, line 1, by deleting “4.” and inserting “[~~4.~~ 5.”.

Amend section 1, page 4, line 5, by deleting “5.” and inserting “[~~5.~~ 6.”.

Amend section 1, page 4, line 8, by deleting “6.” and inserting “[~~6.~~ 7.”.

Amend section 1, page 4, line 12, by deleting “7.” and inserting “[~~7.~~ 8.”.

Amend the bill as a whole by renumbering sections 2 through 4 as sections 6 through 8 and adding a new section designated sec. 5, following section 1, to read as follows:

“Sec. 5. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the Board provides health insurance through a plan of self-insurance, it shall comply with the provisions of *title 57 of NRS* [~~689B.255, 695G.150, 695G.160, 695G.164, 695G.170, 695G.173, 695G.200 to 695G.230, inclusive, and 695G.241 to 695G.310, inclusive,~~],

except the provisions of chapter 680B of NRS, in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.”.

Amend sec. 3, page 5, by deleting lines 14 and 15 and inserting:

“287.0475 1. A public officer or employee who has retired pursuant to”.

Amend sec. 4, page 6, by deleting lines 14 and 15 and inserting:

“employees ~~for~~ *and all* retired state officers and employees ~~[, or any combination thereof,]~~ *who served in the same positions as the active state officers and employees who are members of the group* that participate in the Program may leave the Program and”.

Amend sec. 4, page 6, lines 21 and 28, by deleting “may” and inserting “~~[may]~~ *shall*”.

Amend sec. 4, page 6, by deleting lines 36 and 37 and inserting:

“Program. ~~[Except as otherwise provided in this section, the Board has discretion in determining whether to approve a contract.]~~ If the”.

Amend sec. 4, page 7, by deleting lines 5 through 7 and inserting:

“4. *If a group leaves the Program pursuant to this section:*

(a) *The group is eligible to reinstate coverage with the Program if the insurer or employee benefit plan with which the group contracted becomes insolvent or can no longer provide coverage based on other unforeseen circumstances.*

(b) *A member of the group is eligible to reinstate coverage with the Program if, as a result of a change in employment, the member is no longer eligible to participate in the insurance provided by the insurer or employee benefit plan with which the group contracted.*

5. *A decision by the Board on the approval or disapproval of a proposed contract pursuant to this section is a final decision for the purpose of judicial review.”.*

Amend sec. 4, page 7, line 8, by deleting “5.” and inserting “6.”.

Amend the bill as a whole by renumbering sec. 5 as sec. 11 and adding new sections designated sections 9 and 10, following sec. 4, to read as follows:

“**Sec. 9.** NRS 679A.100 is hereby amended to read as follows:

679A.100 “Insurer” includes ~~every~~ :

1. Every person engaged as principal and as indemnitor, surety or contractor in the business of entering into contracts of insurance.

2. Except as otherwise provided in NRS 287.04335, the Board of the Public Employees’ Benefits Program if the Board provides health insurance through a plan of self-insurance.

Sec. 10. NRS 679B.130 is hereby amended to read as follows:

679B.130 1. The Commissioner may adopt reasonable regulations:

(a) For the administration of any provision of this Code ~~[, NRS 287.04335]~~ or chapters 616A to 617, inclusive, of NRS; or

(b) As required to ensure compliance by the Commissioner with any federal law or regulation relating to insurance.

2. A person who willfully violates any regulation of the Commissioner is subject to such suspension or revocation of a certificate of authority or license, or administrative fine in lieu of such suspension or revocation, as may be applicable under this Code or chapter 616A, 616B, 616C, 616D or 617 of NRS for violation of the provision to which the regulation relates. No penalty applies to any act done or omitted in good faith in conformity with any such regulation, notwithstanding that the regulation may, after the act or omission, be amended, rescinded or determined by a judicial or other authority to be invalid for any reason.”.

Amend sec. 5, page 7, line 15, by deleting “2” and inserting “6”.

Amend sec. 5, page 7, line 17, by deleting:

“1, 3 and 4” and inserting:

“1 to 5, inclusive, and 7 to 10, inclusive,”.

Amend the title of the bill to read as follows:

“AN ACT relating to public personnel; creating a special account in the Fund to Stabilize the

Operation of the State Government for certain excess money of the Public Employees’ Benefits Program; providing requirements concerning the rates of coverage for certain retired public officers and employees under the Public Employees’ Benefits Program or under the group insurance, a plan of benefits or medical and hospital service of a local government; requiring the Public Employees’ Benefits Program to comply with certain provisions governing insurers if health insurance is provided through a plan of self-insurance; revising the date after employment or taking office on which the eligibility of certain state officers and employees to participate in the Public Employees’ Benefits Program commences; revising the provisions governing the reinstatement of insurance by a retired public officer or employee or his spouse; revising provisions governing groups that leave the Program; and providing other matters properly relating thereto.”.

Amend the summary of the bill to read as follows:

“SUMMARY—Makes various changes to provisions governing health insurance coverage for public personnel. (BDR 23-609)”.