

## Amendment No. 772

Senate Amendment to Senate Bill No. 484 First Reprint

(BDR 23-1364)

**Proposed by:** Senator Amodei**Amendment Box:** Replaces Amendment No. 700. Conflicts with Amendment No. 655.**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 section 1, page 3, line 36, before “**Program**” by inserting:

“**Public Employees’ Benefits**”.

Amend section 1, page 4, between lines 2 and 3 by inserting:

***“7. 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 the average percentage***

EGO/BJE

Date: 5/17/2005

S.B. No. 484—Revises provisions governing Public Employees’ Benefits Program.



*of a claim that is paid by the governing body for persons for whom primary health insurance coverage is provided and the average percentage of a claim that is paid by the governing body for persons for whom secondary health insurance coverage is provided.”.*

Amend the bill as a whole by renumbering sections 2 and 3 as sections 4 and 5 and adding new sections designated sections 2 and 3, following section 1, to read as follows:

“**Sec. 2.** NRS 287.043 is hereby amended to read as follows:

287.043 1. The Board shall:

(a) Establish and carry out a program to be known as the Public Employees’ Benefits Program which:

(1) Must include a program relating to group life, accident or health insurance, or any combination of these; and

(2) May include a program to reduce taxable compensation or other forms of compensation other than deferred compensation,

↪ for the benefit of all state officers and employees and other persons who participate in the Program.

(b) Ensure that the Program is funded on an actuarially sound basis and operated in accordance with sound insurance and business practices.

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

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

(b) Except as otherwise provided in this paragraph, negotiate and contract pursuant to paragraph (a) of subsection 1 of NRS 287.025 with the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that wishes to obtain group insurance for its active and retired officers and employees and their dependents by participation in the Program. The Board shall establish separate rates and coverage for active and retired officers and employees of those local governmental agencies and their dependents based on actuarial reports that commingle the claims experience of such active and retired officers and employees and their dependents.

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

(d) If a proposed change is a change in the premium or contribution charged for, or coverage of, health insurance, provide written notice of the proposed change to all participants in the Program. The notice must be provided at least 30 days before the date on which a participant in the Program is required to select or change his policy of health insurance.

(e) Purchase policies of life, accident or health insurance, or any combination of these, or, if applicable, a program to reduce the amount of taxable compensation pursuant to 26 U.S.C. § 125, from any company qualified to do business in this State or provide similar coverage through a plan of self-insurance established pursuant to NRS 287.0433 for the benefit of all eligible participants in the Program.

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

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

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

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

(2) Conditions for entry and reentry into the Program by local governmental agencies that wish to enter or reenter the Program pursuant to paragraph (a) of subsection 1 of NRS 287.025;

(3) Procedures by which a group of participants in the Program may leave the Program pursuant to NRS 287.0479 and conditions and procedures for reentry into the Program by those participants; and

(4) Specific procedures for the determination of contested claims.

(i) Appoint an independent certified public accountant. The accountant shall:

(1) Provide an annual audit of the Program; and

(2) Report to the Board and the Interim Retirement and Benefits Committee of the Legislature created pursuant to NRS 218.5373.

(j) Appoint an attorney who specializes in employee benefits. The attorney shall:

(1) Perform a biennial review of the Program to determine whether the Program complies with federal and state laws relating to taxes and employee benefits; and

(2) Report to the Board and the Interim Retirement and Benefits Committee of the Legislature created pursuant to NRS 218.5373.

3. *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 rates for persons for whom primary health insurance coverage is provided under the Program by an amount which approximates the difference between the average percentage of a claim that is paid by the Program for persons for whom primary health insurance coverage is provided and the average percentage of a claim that is paid by the Program for persons for whom secondary health insurance coverage is provided.*

4. The Board shall submit an annual report regarding the administration and operation of the Program to the Director of the Legislative Counsel Bureau not more than 6 months before the Board establishes rates and coverage for participants for the following plan year. The report must include, without limitation:

(a) The amount paid by the Program in the preceding plan year for the claims of active and retired participants in the Program; and

(b) The amount paid by the Program in the preceding plan year for the claims of retired participants in the Program who were provided coverage for medical or hospital service, or both, by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq., or a plan that provides similar coverage.

~~{4.}~~ 5. The Board may use any services provided to state agencies and shall use the services of the Purchasing Division of the Department of Administration to establish and carry out the Program.

~~{5.}~~ 6. The Board may make recommendations to the Legislature concerning legislation that it deems necessary and appropriate regarding the Program.

~~{6.}~~ 7. A participating public agency is not liable for any obligation of the Program other than indemnification of the Board and its employees against liability relating to the administration of the Program, subject to the limitations specified in NRS 41.0349.

~~{7.}~~ 8. As used in this section, “employee benefits” includes any form of compensation provided to a public employee except federal benefits, wages earned, legal holidays, deferred compensation and benefits available pursuant to chapter 286 of NRS.

**Sec. 3.** 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 the title of the bill to read as follows:

“AN ACT relating to programs for public personnel; providing that any state or local governmental officers or employees who are hired after July 1, 2006, are not entitled to receive a subsidy for coverage under the Public Employees’ Benefits Program upon retirement; providing requirements concerning the rates of coverage for certain retirees under the Public Employees’ Benefits Program or under group insurance, a plan of benefits or medical or hospital coverage of a local government; requiring the Program to comply with certain provisions governing insurers if health insurance is provided through a plan of self-insurance; and providing other matters properly relating thereto.”.

Amend the summary of the bill to read as follows:

“SUMMARY—Revises provisions governing programs providing health insurance coverage to public personnel. (BDR 23-1364)”.