

SENATE BILL NO. 544—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE LEGISLATIVE COMMISSION’S COMMITTEE  
TO STUDY THE PUBLIC EMPLOYEES’ BENEFITS PROGRAM)

MARCH 26, 2007

Referred to Committee on Finance

SUMMARY—Makes various changes relating to the Public Employees’ Benefits Program. (BDR 23-126)

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

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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 programs for public employees; revising provisions governing the eligibility of retired officers and employees of certain local governments to participate in the Public Employees’ Benefits Program; revising the composition of the Board of the Program; providing additional duties and reporting requirements for the Board; providing a procedure for the Board to collect certain debts; making other various changes relating to the Program; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

**Section 1** of this bill authorizes participants in the Public Employees’ Benefits Program to seek assistance from the Office for Consumer Health Assistance.

**Section 2** of this bill removes the option of retirees of local governments to join the Program upon retirement if the local government that employed the retiree did not participate in the Program at that time. **Section 2** also clarifies that the 5-year requirement of service by a local governmental retiree to qualify for a subsidy for coverage under the Program may be satisfied by service with one or more local governments. (NRS 287.023)

**Section 4** of this bill revises the membership of the Board of the Program.

(NRS 287.041) **Section 5** of this bill revises the method of appointing the Chairman of the Board and authorizes the Board to appoint advisory committees. (NRS 287.0415)

**Section 6** of this bill requires the Board to provide a program that offers flexibility in benefits for participants in the Program who also have coverage under



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Medicare and authorizes the provision of the Program to other participants. (NRS 287.043) **Section 6** also imposes certain requirements on local governments that enter into a contract for coverage with the Program. In addition to revising the contents of the annual report submitted by the Board to the Legislature, **section 6** requires the Board to report to the Commissioner of Insurance certain information concerning the premiums for participants who have Medicare coverage. Pursuant to **sections 6 and 13** of this bill, the Board is required to adjust the rates for those participants if the Commissioner determines that the amount of the premiums was unreasonable. **Section 7** of this bill requires the Board to comply with certain provisions with which insurers are required to comply if the Board provides health insurance through a plan of self-insurance. (NRS 287.04335)

**Sections 8 and 11** of this bill provide a procedure by which the Board may collect subsidy payments from local governments that are overdue. **Sections 8 and 9** of this bill provide that the assets of the Program may only be used for the benefit of the participants of the Program. (NRS 287.0434, 287.0435)

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

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

*A participant of the Program may seek assistance from the Office for Consumer Health Assistance regarding concerns and problems related to his coverage with the Program.*

**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 ~~for join~~, *including coverage under the Public Employees' Benefits Program pursuant to paragraph (b) of subsection 1 of NRS 287.025*, 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



1 extent and in the same manner as the retired person, to cancel or  
2 continue coverage in effect on the date the retired person dies. The  
3 dependent is not required to continue to receive retirement payments  
4 from the Public Employees' Retirement System to continue  
5 coverage.

6 3. Notice of the selection of the option must be given in writing  
7 to the last public employer of the officer or employee within 60 days  
8 after the date of retirement or death, as the case may be. If no notice  
9 is given by that date, the retired officer or employee and his  
10 dependents shall be deemed to have selected the option to cancel the  
11 coverage for the group insurance, plan of benefits or medical and  
12 hospital service established pursuant to NRS 287.010, 287.015,  
13 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025  
14 . ~~for not to join the Public Employees' Benefits Program, as the case~~  
15 ~~may be.~~

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

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

25 (b) Shall pay the ~~[same]~~ *following* portion of the cost of  
26 coverage under the Public Employees' Benefits Program for persons  
27 who ~~[join]~~ *continue coverage under* the Program upon retirement  
28 pursuant to subsection 1 ~~[as the State pays pursuant to subsection 2~~  
29 ~~of NRS 287.046 for persons retired from state service who have~~  
30 ~~continued to participate in the Program.]~~ *or subsequently reinstate*  
31 *coverage under the Program pursuant to NRS 287.0475:*

32 *(1) For a person who retires before January 1, 1994, 100*  
33 *percent of the base amount provided by law, for the purposes of*  
34 *subsection 2 of NRS 287.046, for the applicable fiscal year for the*  
35 *State's share of the cost of premiums or contributions for group*  
36 *insurance for persons who have retired with state service and who*  
37 *elect to participate in the Program.*

38 *(2) For a person who retires on or after January 1, 1994,*  
39 *and who has at least 5 years of service with one or more local*  
40 *governments, 25 percent plus an additional 7.5 percent for each*  
41 *year of service in excess of 5 years to the maximum amount of*  
42 *137.5 percent, excluding service purchased pursuant to NRS*  
43 *1A.310 or 286.300, of the base amount provided by law, for the*  
44 *purposes of subsection 2 of NRS 287.046, for the applicable fiscal*  
45 *year for the State's share of the cost of premiums or contributions*



*for group insurance for persons who have retired with state service and who elect 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.

**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.

**Sec. 4.** NRS 287.041 is hereby amended to read as follows:

287.041 1. There is hereby created the Board of the Public Employees' Benefits Program. The Board consists of nine members appointed as follows:

~~—(a) One member who is a professional employee of the Nevada System of Higher Education, appointed by the Governor upon consideration of any recommendations of organizations that represent employees of the Nevada System of Higher Education.~~

~~—(b) One member who is retired from public employment, appointed by the Governor upon consideration of any recommendations of organizations that represent retired public employees.~~

~~—(c) Two members who are employees of the State, appointed by the Governor upon consideration of any recommendations of organizations that represent state employees.~~

~~—(d) One member appointed by the Governor upon consideration of any recommendations of organizations that represent employees of local governments that participate in the program.~~

~~—(e) One member who is employed by this State in a managerial capacity and has substantial and demonstrated experience in risk management, portfolio investment strategies or employee benefits programs appointed by the Governor. The Governor may appoint the Executive Officer of the Public Employees' Retirement System to fill this position.~~

~~—(f) Two members who have substantial and demonstrated experience in risk management, portfolio investment strategies or employee benefits programs appointed by the Governor.~~



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~~—(g) The Director of the Department of Administration or his designee.~~

~~2. Of the six persons appointed to the Board pursuant to paragraphs (a) to (e), inclusive, of subsection 1, at least one member must have an advanced degree in business administration, economics, accounting, insurance, risk management or health care administration, and at least two members must have education or proven experience in the management of employees' benefits, insurance, risk management, health care administration or business administration.~~

~~3. Each person appointed as a member of the Board must:~~

~~—(a) Except for a member appointed pursuant to paragraph (f) of subsection 1, have been a participant in the Program for at least 1 year before his appointment;~~

~~—(b) Except for a member appointed pursuant to paragraph (f) of subsection 1, be a current employee of the State of Nevada or another public employer that participates in the Program or a retired public employee who is a participant in the Program; and~~

~~—(c) Not be an elected officer of the State of Nevada or any of its political subdivisions.}~~

*(a) Five members appointed by the Governor in accordance with subsection 2;*

*(b) One member appointed by the Majority Leader of the Senate in accordance with subsection 3;*

*(c) One member appointed by the Minority Leader of the Senate in accordance with subsection 3;*

*(d) One member appointed by the Speaker of the Assembly in accordance with subsection 3; and*

*(e) One member appointed by the Minority Leader of the Assembly in accordance with subsection 3.*

*2. In appointing members pursuant to paragraph (a) of subsection 1, the Governor shall ensure that:*

*(a) All the members whom he appoints have technical expertise in the insurance or actuarial field.*

*(b) One of the members whom he appoints is a representative of an organization that represents employees of local governments that participate in the Program.*

*3. The members appointed pursuant to paragraphs (b) to (e), inclusive, of subsection 1 must be representatives of organizations that represent state employees, retired public employees, employees of the Nevada System of Higher Education or employees of local governments that participate in the Program. No member appointed pursuant to this subsection may be a representative of the same organization.*



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4. Except as otherwise provided in this subsection, after the initial terms, the term of an appointed member of the Board is 4 years and until his successor is appointed and takes office unless the member no longer possesses the qualifications for appointment set forth in this section or is removed by the ~~{Governor.}~~ *appointing authority*. If a member loses the requisite qualifications within the last 12 months of his term, the member may serve the remainder of his term. Members are eligible for reappointment. A vacancy occurring in the membership of the Board must be filled in the same manner as the original appointment.

5. The ~~{appointed}~~ members of the Board serve at the pleasure of the ~~{Governor.}~~ *appointing authority*. If the ~~{Governor}~~ *appointing authority* wishes to remove a member from the Board for any reason other than malfeasance or misdemeanor, the ~~{Governor}~~ *appointing authority* shall provide the member with written notice which states the reason for and the effective date of the removal.

**Sec. 5.** NRS 287.0415 is hereby amended to read as follows:

287.0415 1. A majority of the members of the Board constitutes a quorum for the transaction of business.

2. The ~~{Governor shall designate one of the}~~ members of the Board ~~{to serve as the}~~ *shall elect a* Chairman ~~{.}~~ *from among their membership.*

3. The Board shall meet at least once every calendar quarter and at other times upon the call of the Chairman.

4. The Board may meet in closed session:

(a) To discuss matters relating to personnel;

(b) To prepare a request for a proposal or other solicitation for bids to be released by the Board for competitive bidding; or

(c) As otherwise provided pursuant to chapter 241 of NRS.

5. Except as otherwise provided in this subsection, if the Board causes a meeting to be transcribed by a court reporter who is certified pursuant to chapter 656 of NRS, the Board shall post a transcript of the meeting on its Internet website not later than 30 days after the meeting. The Board shall post a transcript of a closed session of the Board on its Internet website when the Board determines that the matters discussed no longer require confidentiality and, if applicable, the person whose character, conduct, competence or health was discussed in the closed session has consented to the posting.

6. *The Board may appoint such advisory committees as it deems necessary to assist the Board in carrying out its duties pursuant to NRS 287.0402 to 287.049, inclusive, and section 1 of this act.*



1       7. As used in this section, "request for a proposal" has the  
2 meaning ascribed to it in subsection 8 of NRS 333.020.

3       **Sec. 6.** NRS 287.043 is hereby amended to read as follows:

4       287.043 1. The Board shall:

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

7       (1) Must include a program relating to group life, accident or  
8 health insurance, or any combination of these ~~§~~ and *a program that*  
9 *offers flexibility in benefits for participants in the Program who*  
10 *are provided coverage by the Health Insurance for the Aged Act,*  
11 *42 U.S.C. §§ 1395 et seq.; and*

12       (2) May include a program *that offers flexibility in benefits*  
13 *or a program* to reduce taxable compensation or other forms of  
14 compensation other than deferred compensation,  
15 ➔ for the benefit of all state officers and employees and other  
16 persons who participate in the Program.

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

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

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

27       (b) Except as otherwise provided in this paragraph, negotiate  
28 and contract pursuant to paragraph (a) of subsection 1 of NRS  
29 287.025 with the governing body of any county, school district,  
30 municipal corporation, political subdivision, public corporation or  
31 other local governmental agency of the State of Nevada that wishes  
32 to obtain group insurance for its active and retired officers and  
33 employees and their dependents by participation in the Program.  
34 The Board shall establish separate rates and coverage for active and  
35 retired officers and employees of those local governmental agencies  
36 and their dependents based on actuarial reports that commingle the  
37 claims experience of such active and retired officers and employees  
38 and their dependents.

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

44       (d) If a proposed change is a change in the premium or  
45 contribution charged for, or coverage of, health insurance, provide



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1 written notice of the proposed change to all participants in the  
2 Program. The notice must be provided at least 30 days before the  
3 date on which a participant in the Program is required to select or  
4 change his policy of health insurance.

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

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

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

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

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

21 (2) Conditions for entry and reentry into *and exit from the*  
22 *Program by local governmental agencies ~~[that wish to enter or~~*  
23 *~~reenter the Program]~~ pursuant to paragraph (a) of subsection 1 of*  
24 *NRS 287.025 ~~[.]~~, which must include a minimum period of 4*  
25 *years of participation for entry into the Program and a*  
26 *requirement that participation of any retired officers and*  
27 *employees of the agency terminates upon termination of the*  
28 *agency's contract with the Program;*

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

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

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

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

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

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

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



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(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 submit an annual report regarding the administration and operation of the Program to the Director of the Legislative Counsel Bureau *for transmittal to the appropriate committees of the Legislature, or to the Legislative Commission when the Legislature is not in regular session, for acceptance or rejection* 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.

(c) *An assessment of actuarial accuracy and reserves.*

(d) *A description of any deductions required from participants, changes in benefits and premiums, changes in providers and communications with participants.*

(e) *A discussion of activities of the Board concerning purchasing coalitions.*

4. *The Board shall submit an annual report regarding the amount of the premiums or contributions for coverage under the Program for a plan year for participants of 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., to the Commissioner of Insurance not more than 6 months before the Board establishes rates and coverage for participants for the following plan year. The Board shall adjust the rates and coverage established for participants of 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., for the following plan year in accordance with the determination of the Commissioner transmitted pursuant to section 13 of this act.*

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. 7.** 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]~~ :

*1. 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, 695G.241 to 695G.310, inclusive, and 695G.405,]~~, 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.

*2. Impose an annual assessment on participating public agencies in an amount sufficient to pay the costs of the Commissioner of Insurance in carrying out the duties of the Commissioner relating to this section.*

**Sec. 8.** NRS 287.0434 is hereby amended to read as follows:  
287.0434 The Board may:

1. Use its assets *only* to pay the expenses of health care for its members and covered dependents, to pay its employees' salaries and to pay administrative and other expenses.

2. Enter into contracts relating to the administration of the Program, including, without limitation, contracts with licensed administrators and qualified actuaries. Each such contract with a licensed administrator:

(a) Must be submitted to the Commissioner of Insurance not less than 30 days before the date on which the contract is to become effective for approval as to the reasonableness of administrative charges in relation to contributions collected and benefits provided.

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

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

3. Enter into contracts with physicians, surgeons, hospitals, health maintenance organizations and rehabilitative facilities for medical, surgical and rehabilitative care and the evaluation, treatment and nursing care of members and covered dependents. The Board shall not enter into a contract pursuant to this subsection unless:



(a) Provision is made by the Board to offer all the services specified in the request for proposals, either by a health maintenance organization or through separate action of the Board.

(b) The rates set forth in the contract are based on:

(1) For active and retired state officers and employees and their dependents, the commingled claims experience of such active and retired officers and employees and their dependents; and

(2) For active and retired officers and employees of public agencies enumerated in NRS 287.010 that contract with the Program to obtain group insurance by participation in the Program and their dependents, the commingled claims experience of such active and retired officers and employees and their dependents.

4. Enter into contracts for the services of other experts and specialists as required by the Program.

5. Charge and collect from an insurer, health maintenance organization, organization for dental care or nonprofit medical service corporation, a fee for the actual expenses incurred by the Board or a participating public agency in administering a plan of insurance offered by that insurer, organization or corporation.

*6. Charge and collect the amount due from local governments pursuant to paragraph (b) of subsection 4 of NRS 287.023. If the payment of a local government pursuant to that provision is delinquent by more than 90 days, the Board shall notify the Executive Director of the Department of Taxation pursuant to section 11 of this act.*

**Sec. 9.** NRS 287.0435 is hereby amended to read as follows:

287.0435 1. All money received for the Program, including, without limitation, premiums and contributions, must be deposited in the State Treasury for credit to the Fund for the Public Employees' Benefits Program which is hereby created as a trust fund. The Fund must be accounted for as an internal service fund. Payments into and disbursements from the Fund must be so arranged as to keep the Fund solvent at all times.

2. The money in the Fund must be invested as other money of the State is invested and any income from investments paid into the Fund for the benefit of the Fund.

3. Disbursements from the Fund must be made as any other claims against the State are paid *and may only be made for the benefit of the participants in the Program.*

4. The State Treasurer may charge a reasonable fee for his services in administering the Fund, but the State, the State General Fund and the State Treasurer are not liable to the Fund for any loss sustained by the Fund as a result of any investment made on behalf of the Fund or any loss sustained in the operation of the Program.



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5. The Board shall deposit any disbursement received from the Fund into an interest-bearing checking account in a bank or credit union qualified to receive deposits of public money. Claims that have been submitted to the Program and approved must be paid from the account, and any refund of such a claim must be deposited into the account.

**Sec. 10.** NRS 223.560 is hereby amended to read as follows:

223.560 The Director shall:

1. Respond to written and telephonic inquiries received from consumers and injured employees regarding concerns and problems related to health care and workers' compensation;

2. Assist consumers and injured employees in understanding their rights and responsibilities under health care plans , *including, without limitation, the Public Employees' Benefits Program*, and policies of industrial insurance;

3. Identify and investigate complaints of consumers and injured employees regarding their health care plans , *including, without limitation, the Public Employees' Benefits Program*, and policies of industrial insurance and assist those consumers and injured employees to resolve their complaints, including, without limitation:

(a) Referring consumers and injured employees to the appropriate agency, department or other entity that is responsible for addressing the specific complaint of the consumer or injured employee; and

(b) Providing counseling and assistance to consumers and injured employees concerning health care plans , *including, without limitation, the Public Employees' Benefits Program*, and policies of industrial insurance;

4. Provide information to consumers and injured employees concerning health care plans , *including, without limitation, the Public Employees' Benefits Program*, and policies of industrial insurance in this State;

5. Establish and maintain a system to collect and maintain information pertaining to the written and telephonic inquiries received by the Office for Consumer Health Assistance;

6. Take such actions as are necessary to ensure public awareness of the existence and purpose of the services provided by the Director pursuant to this section;

7. In appropriate cases and pursuant to the direction of the Governor, refer a complaint or the results of an investigation to the Attorney General for further action;

8. Provide information to and applications for prescription drug programs for consumers without insurance coverage for prescription drugs or pharmaceutical services; and



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9. Establish and maintain an Internet website which includes:

(a) Information concerning purchasing prescription drugs from Canadian pharmacies that have been recommended by the State Board of Pharmacy for inclusion on the Internet website pursuant to subsection 4 of NRS 639.2328; and

(b) Links to websites of Canadian pharmacies which have been recommended by the State Board of Pharmacy for inclusion on the Internet website pursuant to subsection 4 of NRS 639.2328.

**Sec. 11.** Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Upon receipt of notification by the Board of the Public Employees' Benefits Program pursuant to NRS 287.0434 that a local government is delinquent by more than 90 days on an amount due to the Public Employees' Benefits Program pursuant to paragraph (b) of subsection 4 of NRS 287.023, the Executive Director shall notify the governing body that the presence of a representative of the governing body is required at the next practicable scheduled meeting of the Committee to explain the reason that the payment has not been made. The notice must be transmitted to the governing body at least 5 days before the date on which the meeting will be held.*

*2. If an explanation satisfactory to the Committee is not provided at the meeting as requested in the notice and an arrangement is not made for the submission of the payment, the Committee may instruct the Executive Director to request that the State Treasurer withhold from the local government an amount equal to the amount of the delinquent payment from the next distribution from the Local Government Tax Distribution Account if the local government is otherwise entitled to receive such a distribution or of the local school support tax if the local government is a school district. Upon receipt of such a request, the State Treasurer shall withhold that amount from the payment or any future payment as necessary until he is notified by the Executive Director that the delinquent payment has been received by the Department. The Department shall transmit the delinquent payment to the Public Employees' Benefits Program upon receipt.*

**Sec. 12.** NRS 354.657 is hereby amended to read as follows:

354.657 1. The purpose of NRS 354.655 to 354.725, inclusive, *and section 11 of this act*, is to provide specific methods for the treatment of delinquent documents, *payments*, technical financial assistance and severe financial emergency.

2. To accomplish the purpose set forth in subsection 1, the provisions of NRS 354.655 to 354.725, inclusive, must be broadly and liberally construed.



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1     **Sec. 13.** Chapter 679B of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3     *Upon receipt of an annual report from the Board of the Public*  
4 *Employees' Benefits Program pursuant to subsection 4 of NRS*  
5 *287.043, the Commissioner shall determine whether the premiums*  
6 *or contributions charged to participants of the Program for whom*  
7 *their primary health insurance coverage is provided by the Health*  
8 *Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq. for the plan*  
9 *year were reasonable. The Commissioner shall transmit the*  
10 *determination to the Board of the Public Employees' Benefits*  
11 *Program, including, without limitation, any adjustment in the*  
12 *rates required for the following plan year if the previous rates*  
13 *were determined to be unreasonable.*

14     **Sec. 14.** 1. The terms of the persons who are members of the  
15 Board of the Public Employees' Benefits Program on July 1, 2007,  
16 expire on that date.

17     2. As soon as practicable on or before July 1, 2007, the  
18 appointing authorities set forth in subsection 1 of NRS 287.041, as  
19 amended by section 4 of this act, shall appoint members of the  
20 Board. The initial appointed members of the Board shall, at the first  
21 meeting of the Board after their appointment, draw lots to determine  
22 which:

23     (a) Two members will serve an initial term that begins on July 1,  
24 2007, and expires on July 1, 2008;

25     (b) Two members will serve an initial term that begins on  
26 July 1, 2007, and expires on July 1, 2009;

27     (c) Two members will serve an initial term that begins on July 1,  
28 2007, and expires on July 1, 2010; and

29     (d) Three members will serve an initial term that begins on  
30 July 1, 2007, and expires on July 1, 2011.

31     **Sec. 15.** The provisions of NRS 287.023, as amended by  
32 section 2 of this act, do not apply to retired officers and employees  
33 of local governments who joined the Public Employees' Benefits  
34 Program upon retirement before July 1, 2007.

35     **Sec. 16.** This act becomes effective on July 1, 2007.

