

SENATE BILL NO. 87—COMMITTEE ON LEGISLATIVE
OPERATIONS AND ELECTIONS

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED DECEMBER 15, 2008

Referred to Committee on Legislative Operations and Elections

SUMMARY—Revises provisions relating to health benefits
provided by a local government. (BDR 23-484)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 personnel; revising the
manner in which the rates and coverage of retired officers
and employees who continue, upon retirement, or
reinstate coverage under certain health plans of their local
governmental employer are required to be determined;
and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, if an officer or employee of a local government, at the time
2 of his retirement, had coverage for himself or his dependents under a health
3 insurance plan provided by or on behalf of his local governmental employer, the
4 officer or employee has the option to continue such coverage under the plan to the
5 extent that coverage is not provided to him or his dependents by Medicare. (NRS
6 287.023) A retired officer or employee of a local government is also authorized to
7 reinstate insurance that is provided, at the time of reinstatement, by his local
8 governmental employer to its active members. (NRS 287.0475) Unless the local
9 government provides coverage to its active and retired officers and employees
10 under a contract with the Public Employees' Benefits Program, the local
11 government is required to commingle the claims experience of its active and retired
12 members to determine the rates and coverage for the retired members who continue
13 coverage upon retirement or who subsequently reinstate coverage. (NRS 287.023,
14 287.0475)

15 This bill removes those commingling requirements for local governments and
16 therefore provides the local governments with the discretion whether to do such
17 commingling unless the local government provides coverage to its active and
18 retired officers and employees under a contract with the Public Employees'



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19 Benefits Program. In that case, the Program is required to commingle the claims
20 experience of the active and retired officers and employees of the local government
21 and their dependents to determine rates and coverage. (NRS 287.043, 287.0434)

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

1 **Section 1.** NRS 287.023 is hereby amended to read as follows:
2 287.023 1. Whenever an officer or employee of the
3 governing body of any county, school district, municipal
4 corporation, political subdivision, public corporation or other local
5 governmental agency of the State of Nevada retires under the
6 conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or
7 286.620 and, at the time of his retirement, was covered or had his
8 dependents covered by any group insurance, plan of benefits or
9 medical and hospital service established pursuant to NRS 287.010,
10 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS
11 287.025 or under the Public Employees' Benefits Program pursuant
12 to paragraph (a) of subsection 1 of NRS 287.025, the officer or
13 employee has the option upon retirement to cancel or continue any
14 such coverage to the extent that such coverage is not provided to
15 him or a dependent by the Health Insurance for the Aged Act, 42
16 U.S.C. §§ 1395 et seq.

17 2. A retired person who continues coverage under the Public
18 Employees' Benefits Program shall assume the portion of the
19 premium or contribution costs for the coverage which the governing
20 body or the State does not pay on behalf of retired officers or
21 employees. A dependent of such a retired person has the option,
22 which may be exercised to the same extent and in the same manner
23 as the retired person, to cancel or continue coverage in effect on the
24 date the retired person dies. The dependent is not required to
25 continue to receive retirement payments from the Public
26 Employees' Retirement System to continue coverage.

27 3. Notice of the selection of the option must be given in writing
28 to the last public employer of the officer or employee within 60 days
29 after the date of retirement or death, as the case may be. If no notice
30 is given by that date, the retired officer or employee and his
31 dependents shall be deemed to have selected the option to cancel the
32 coverage for the group insurance, plan of benefits or medical and
33 hospital service established pursuant to NRS 287.010, 287.015,
34 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025
35 or coverage under the Public Employees' Benefits Program pursuant
36 to paragraph (a) of subsection 1 of NRS 287.025.



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

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

10 (b) Shall pay the same portion of the cost of coverage under the
11 Public Employees' Benefits Program for retired persons who
12 continue coverage under the Public Employees' Benefits Program
13 pursuant to subsection 1 or who subsequently reinstate coverage
14 under the Public Employees' Benefits Program pursuant to NRS
15 287.0475, as the State pays pursuant to subsection 2 of NRS
16 287.046 for persons retired from state service who have continued to
17 participate in the Public Employees' Benefits Program.

18 5. The governing body of any county, school district,
19 municipal corporation, political subdivision, public corporation or
20 other local governmental agency of this State ~~(shall,)~~ **may**, for the
21 purpose of establishing actuarial data to determine rates and
22 coverage for persons who continue coverage for group insurance, a
23 plan of benefits or medical and hospital service **established**
24 **pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c)**
25 **or (d) of subsection 1 of NRS 287.025** with the governing body
26 pursuant to subsection 1, commingle the claims experience of those
27 persons with the claims experience of active officers and employees
28 and their dependents who participate in the group insurance, a plan
29 of benefits or medical and hospital service.

30 **Sec. 2.** NRS 287.0475 is hereby amended to read as follows:

31 287.0475 1. A public officer or employee who has retired
32 pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, or a
33 retirement program provided pursuant to NRS 286.802, or the
34 surviving spouse of such a retired public officer or employee who is
35 deceased may, in any even-numbered year, reinstate any insurance,
36 except life insurance, that, at the time of reinstatement, is provided
37 by the last public employer of the retired public officer or employee
38 to the active officers and employees and their dependents of that
39 public employer:

40 (a) Pursuant to NRS 287.010, 287.015, 287.020 or paragraph
41 (b), (c) or (d) of subsection 1 of NRS 287.025; or

42 (b) Under the Program, if the last public employer of the retired
43 officer or employee was the State of Nevada or if the last public
44 employer of the retired officer or employee participates in the
45 Program pursuant to paragraph (a) of subsection 1 of NRS 287.025.



2. Reinstatement pursuant to subsection 1 must be requested by:

(a) Giving written notice of his intent to reinstate the insurance to the last public employer of the public officer or employee not later than January 31 of an even-numbered year;

(b) Accepting the public employer's current program or plan of insurance and any subsequent changes thereto; and

(c) Paying any portion of the premiums or contributions of the public employer's program or plan of insurance, in the manner set forth in NRS 1A.470 or 286.615, which are due from the date of reinstatement and not paid by the public employer.

➤ The last public employer shall give the insurer notice of the reinstatement no later than March 31 of the year in which the public officer or employee or surviving spouse gives notice of his intent to reinstate the insurance.

3. Reinstatement of insurance excludes claims for expenses for any condition for which medical advice, treatment or consultation was rendered within 12 months before reinstatement unless the reinstated insurance has been in effect more than 12 consecutive months.

4. The last public employer of a retired officer or employee who reinstates insurance, except life insurance, which was provided to him and his dependents at the time of his retirement pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, ~~shall,~~ *may*, for the purpose of establishing actuarial data to determine rates and coverage for such persons, commingle the claims experience of such persons with the claims experience of active and retired officers and employees and their dependents who participate in that group insurance, plan of benefits or medical and hospital service.

Sec. 3. This act becomes effective upon passage and approval.

