

Amendment No. 459

Senate Amendment to Senate Bill No. 250 (BDR 57-687)
Proposed by: Senate Committee on Commerce, Labor and Energy
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the unfunded mandate not requested by the affected local government to S.B. 250 (§ 11).

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"/>	

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

RAE/JRS



Date: 4/14/2015

S.B. No. 250—Revises provisions relating to policies of health insurance.
 (BDR 57-687)



SENATE BILL NO. 250—SENATORS HARDY, SMITH, ROBERSON, BROWER, FARLEY;
FORD, GOICOECHEA, GUSTAVSON, HARRIS, KIECKHEFER AND LIPPARELLI

MARCH 11, 2015

JOINT SPONSORS: ASSEMBLYMEN OSCARSON AND TITUS

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to policies of health insurance.
(BDR 57-687)

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

CONTAINS UNFUNDED MANDATE (§ 11)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 insurance; requiring certain policies of health insurance and health care plans to ~~apply a prorated daily cost sharing rate~~ **provide coverage** for certain prescriptions dispensed for a supply of less than 30 days; prohibiting certain policies of health insurance and health care plans from ~~denying coverage for those prescriptions and from~~ prorating any pharmacy dispensing fees for those prescriptions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires certain public and private policies of insurance and health care
2 plans to provide coverage for certain procedures, including colorectal cancer screenings,
3 cytological screening tests and mammograms, in certain circumstances. (NRS 287.027,
4 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374, 695B.1907, 695B.1912,
5 695C.1731, 695C.1735, 695G.168) Existing law also requires employers to provide certain
6 benefits to employees, including coverage for the procedures required to be covered by
7 insurers, if the employer provides health benefits for its employees. (NRS 608.1555) **Sections**
8 **1, 3, 4, 6, 7, 10 and 11** of this bill require that certain public and private policies of insurance
9 and health care plans must authorize certain prescriptions to be divided into more than one
10 dispensing for the purpose of synchronizing a patient's multiple prescriptions. ~~It, without any~~
11 ~~increased out-of-pocket expense to the patient.~~ **Sections 1, 3, 4, 6, 7, 10 and 11** prohibit these
12 policies and plans from denying a claim for such a prescription that is otherwise covered.
13 Finally, **sections 1, 3, 4, 6, 7, 10 and 11** prohibit these policies and plans from prorating the
14 pharmacy dispensing fees for such prescriptions.

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

1 **Section 1.** Chapter 689A of NRS is hereby amended by adding thereto a new
2 section to read as follows:

3 1. *An insurer who offers or issues a policy of health insurance which*
4 *provides coverage for prescription drugs:*

5 (a) *Must authorize coverage for and may apply a prorated daily cost sharing*
6 *~~rate~~ copayment and deductible to a prescription that is dispensed by a pharmacy*
7 *for less than a 30-day supply if, for the purpose of synchronizing the insured's*
8 *chronic medications:*

9 (1) *The prescriber or pharmacist determines that filling or refilling the*
10 *prescription in that manner is in the best interest of the insured; ~~for~~ and*

11 (2) *The insured requests less than a 30-day supply.*

12 (b) *May not deny coverage for a prescription described in paragraph (a)*
13 *which is otherwise approved for coverage by the insurer.*

14 (c) *May not prorate any pharmacy dispensing fees for a prescription*
15 *described in paragraph (a).*

16 2. *A policy subject to the provisions of this chapter which provides coverage*
17 *for prescription drugs and that is delivered, issued for delivery or renewed on or*
18 *after January 1, ~~2016,~~ 2017, has the legal effect of providing that coverage*
19 *subject to the requirements of this section, and any provision of the policy or*
20 *renewal which is in conflict with this section is void.*

21 3. *The provisions of this section do not apply to unit-of-use packaging for*
22 *which synchronization is not practicable or to a controlled substance.*

23 4. *As used in this section:*

24 (a) *"Chronic medication" means any drug that is prescribed to treat any*
25 *disease or other condition which is determined to be permanent, persistent or*
26 *lasting indefinitely.*

27 (b) ~~*"Prorated daily cost sharing rate"*~~ *"Synchronization" means an*
28 *apportionment of the insured's out of pocket cost for medications, including,*
29 *without limitation, copayment, deductible or coinsurance, by which the insured's*
30 *out of pocket cost for a quantity of medication is the same regardless of the*
31 *number of fills and refills required to dispense that quantity* *the alignment of the*
32 *dispensing of multiple medications by a single contracted pharmacy for the*
33 *purpose of improving a patient's adherence to a prescribed course of medication.*

34 (c) *"Unit-of-use packaging" means medication that is prepackaged by the*
35 *manufacturer in blister packs, compliance packs, course-of-therapy packs or any*
36 *other packaging which is designed and intended to be dispensed directly to the*
37 *patient without modification by the dispensing pharmacy, except for the addition*
38 *of a prescription label.*

39 **Sec. 2.** NRS 689A.330 is hereby amended to read as follows:

40 689A.330 If any policy is issued by a domestic insurer for delivery to a
41 person residing in another state, and if the insurance commissioner or
42 corresponding public officer of that other state has informed the Commissioner that
43 the policy is not subject to approval or disapproval by that officer, the
44 Commissioner may by ruling require that the policy meet the standards set forth in
45 NRS 689A.030 to 689A.320, inclusive ~~H~~, and section 1 of this act.

46 **Sec. 3.** Chapter 689B of NRS is hereby amended by adding thereto a new
47 section to read as follows:

48 1. *An insurer who offers or issues a policy of group health insurance which*
49 *provides coverage for prescription drugs:*

1 (a) Must authorize coverage for and may apply a prorated daily cost sharing
2 ~~rate~~ copayment and deductible to a prescription that is dispensed by a pharmacy
3 for less than a 30-day supply if, for the purpose of synchronizing the insured's
4 chronic medications:

5 (1) The prescriber or pharmacist determines that filling or refilling the
6 prescription in that manner is in the best interest of the insured; ~~for~~ and

7 (2) The insured requests less than a 30-day supply.

8 (b) May not deny coverage for a prescription described in paragraph (a)
9 which is otherwise approved for coverage by the insurer.

10 (c) May not prorate any pharmacy dispensing fees for a prescription
11 described in paragraph (a).

12 2. A policy subject to the provisions of this chapter which provides coverage
13 for prescription drugs and that is delivered, issued for delivery or renewed on or
14 after January 1, ~~2016,~~ 2017, has the legal effect of providing that coverage
15 subject to the requirements of this section, and any provision of the policy or
16 renewal which is in conflict with this section is void.

17 3. The provisions of this section do not apply to unit-of-use packaging for
18 which synchronization is not practicable or to a controlled substance.

19 4. As used in this section:

20 (a) "Chronic medication" means any drug that is prescribed to treat any
21 disease or other condition which is determined to be permanent, persistent or
22 lasting indefinitely.

23 (b) ~~["Prorated daily cost sharing rate"]~~ "Synchronization" means an
24 ~~apportionment of the insured's out of pocket cost for medications, including,~~
25 ~~without limitation, copayment, deductible or coinsurance, by which the insured's~~
26 ~~out of pocket cost for a quantity of medication is the same regardless of the~~
27 ~~number of fills and refills required to dispense that quantity~~ the alignment of the
28 dispensing of multiple medications by a single contracted pharmacy for the
29 purpose of improving a patient's adherence to a prescribed course of medication.

30 (c) "Unit-of-use packaging" means medication that is prepackaged by the
31 manufacturer in blister packs, compliance packs, course-of-therapy packs or any
32 other packaging which is designed and intended to be dispensed directly to the
33 patient without modification by the dispensing pharmacy, except for the addition
34 of a prescription label.

35 Sec. 4. Chapter 689C of NRS is hereby amended by adding thereto a new
36 section to read as follows:

37 1. A carrier who offers or issues a health benefit plan which provides
38 coverage for prescription drugs:

39 (a) Must authorize coverage for and may apply a prorated daily cost sharing
40 ~~rate~~ copayment and deductible to a prescription that is dispensed by a pharmacy
41 for less than a 30-day supply if, for the purpose of synchronizing the insured's
42 chronic medications:

43 (1) The prescriber or pharmacist determines that filling or refilling the
44 prescription in that manner is in the best interest of the insured; ~~for~~ and

45 (2) The insured requests less than a 30-day supply.

46 (b) May not deny coverage for a prescription described in paragraph (a)
47 which is otherwise approved for coverage by the carrier.

48 (c) May not prorate any pharmacy dispensing fees for a prescription
49 described in paragraph (a).

50 2. A health benefit plan subject to the provisions of this chapter which
51 provides coverage for prescription drugs and that is delivered, issued for delivery
52 or renewed on or after January 1, ~~2016,~~ 2017, has the legal effect of providing

1 that coverage subject to the requirements of this section, and any provision of the
2 health benefit plan or renewal which is in conflict with this section is void.

3 3. The provisions of this section do not apply to unit-of-use packaging for
4 which synchronization is not practicable or to a controlled substance.

5 4. As used in this section:

6 (a) "Chronic medication" means any drug that is prescribed to treat any
7 disease or other condition which is determined to be permanent, persistent or
8 lasting indefinitely.

9 (b) ~~["Prorated daily cost sharing rate"]~~ "Synchronization" means for
10 ~~apportionment of the insured's out of pocket cost for medications, including,~~
11 ~~without limitation, copayment, deductible or coinsurance, by which the insured's~~
12 ~~out of pocket cost for a quantity of medication is the same regardless of the~~
13 ~~number of fills and refills required to dispense that quantity)~~ the alignment of the
14 dispensing of multiple medications by a single contracted pharmacy for the
15 purpose of improving a patient's adherence to a prescribed course of medication.

16 (c) "Unit-of-use packaging" means medication that is prepackaged by the
17 manufacturer in blister packs, compliance packs, course-of-therapy packs or any
18 other packaging which is designed and intended to be dispensed directly to the
19 patient without modification by the dispensing pharmacy, except for the addition
20 of a prescription label.

21 Sec. 5. NRS 689C.425 is hereby amended to read as follows:

22 689C.425 A voluntary purchasing group and any contract issued to such a
23 group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the
24 provisions of NRS 689C.015 to 689C.355, inclusive, and section 4 of this act to the
25 extent applicable and not in conflict with the express provisions of NRS 687B.408
26 and 689C.360 to 689C.600, inclusive.

27 Sec. 6. Chapter 695B of NRS is hereby amended by adding thereto a new
28 section to read as follows:

29 1. A hospital or medical services corporation who offers or issues a policy
30 of health insurance which provides coverage for prescription drugs:

31 (a) Must authorize coverage for and may apply a ~~prorated daily cost sharing~~
32 ~~rate)~~ copayment and deductible to a prescription that is dispensed by a pharmacy
33 for less than a 30-day supply if, for the purpose of synchronizing the insured's
34 chronic medications:

35 (1) The prescriber or pharmacist determines that filling or refilling the
36 prescription in that manner is in the best interest of the insured; ~~for~~ and

37 (2) The insured requests less than a 30-day supply.

38 (b) May not deny coverage for a prescription described in paragraph (a)
39 which is otherwise approved for coverage by the hospital or medical services
40 corporation.

41 (c) May not prorate any pharmacy dispensing fees for a prescription
42 described in paragraph (a).

43 2. A policy of health insurance subject to the provisions of this chapter
44 which provides coverage for prescription drugs and that is delivered, issued for
45 delivery or renewed on or after January 1, ~~2016,~~ 2017, has the legal effect of
46 providing that coverage subject to the requirements of this section, and any
47 provision of the policy of health insurance or renewal which is in conflict with
48 this section is void.

49 3. The provisions of this section do not apply to unit-of-use packaging for
50 which synchronization is not practicable or to a controlled substance.

51 4. As used in this section:

1 (a) "Chronic medication" means any drug that is prescribed to treat any
 2 disease or other condition which is determined to be permanent, persistent or
 3 lasting indefinitely.

4 (b) ~~["Prorated daily cost sharing rate"]~~ "Synchronization" means ~~an~~
 5 ~~apportionment of the insured's out of pocket cost for medications, including,~~
 6 ~~without limitation, copayment, deductible or coinsurance, by which the insured's~~
 7 ~~out of pocket cost for a quantity of medication is the same regardless of the~~
 8 ~~number of fills and refills required to dispense that quantity]~~ the alignment of the
 9 dispensing of multiple medications by a single contracted pharmacy for the
 10 purpose of improving a patient's adherence to a prescribed course of medication.

11 (c) "Unit-of-use packaging" means medication that is prepackaged by the
 12 manufacturer in blister packs, compliance packs, course-of-therapy packs or any
 13 other packaging which is designed and intended to be dispensed directly to the
 14 patient without modification by the dispensing pharmacy, except for the addition
 15 of a prescription label.

16 Sec. 7. Chapter 695C of NRS is hereby amended by adding thereto a new
 17 section to read as follows:

18 1. A health maintenance organization that offers or issues a health care
 19 plan which provides coverage for prescription drugs:

20 (a) Must authorize coverage for and may apply a ~~prorated daily cost sharing~~
 21 ~~rate]~~ copayment and deductible to a prescription that is dispensed by a pharmacy
 22 for less than a 30-day supply if, for the purpose of synchronizing the enrollee's
 23 chronic medications:

24 (1) The prescriber or pharmacist determines that filling or refilling the
 25 prescription in that manner is in the best interest of the enrollee; ~~for~~ and

26 (2) The enrollee requests less than a 30-day supply.

27 (b) May not deny coverage for a prescription described in paragraph (a)
 28 which is otherwise approved for coverage by the health maintenance
 29 organization.

30 (c) May not prorate any pharmacy dispensing fees for a prescription
 31 described in paragraph (a).

32 2. An evidence of coverage subject to the provisions of this chapter which
 33 provides coverage for prescription drugs and that is delivered, issued for delivery
 34 or renewed on or after January 1, ~~2016,~~ 2017, has the legal effect of providing
 35 that coverage subject to the requirements of this section, and any provision of the
 36 evidence of coverage or renewal which is in conflict with this section is void.

37 3. The provisions of this section do not apply to unit-of-use packaging for
 38 which synchronization is not practicable or to a controlled substance.

39 4. As used in this section:

40 (a) "Chronic medication" means any drug that is prescribed to treat any
 41 disease or other condition which is determined to be permanent, persistent or
 42 lasting indefinitely.

43 (b) ~~["Prorated daily cost sharing rate"]~~ "Synchronization" means ~~an~~
 44 ~~apportionment of the enrollee's out of pocket cost for medications, including,~~
 45 ~~without limitation, copayment, deductible or coinsurance, by which the enrollee's~~
 46 ~~out of pocket cost for a quantity of medication is the same regardless of the~~
 47 ~~number of fills and refills required to dispense that quantity]~~ the alignment of the
 48 dispensing of multiple medications by a single contracted pharmacy for the
 49 purpose of improving a patient's adherence to a prescribed course of medication.

50 (c) "Unit-of-use packaging" means medication that is prepackaged by the
 51 manufacturer in blister packs, compliance packs, course-of-therapy packs or any
 52 other packaging which is designed and intended to be dispensed directly to the

1 *patient without modification by the dispensing pharmacy, except for the addition*
2 *of a prescription label.*

3 **Sec. 8.** NRS 695C.050 is hereby amended to read as follows:

4 695C.050 1. Except as otherwise provided in this chapter or in specific
5 provisions of this title, the provisions of this title are not applicable to any health
6 maintenance organization granted a certificate of authority under this chapter. This
7 provision does not apply to an insurer licensed and regulated pursuant to this title
8 except with respect to its activities as a health maintenance organization authorized
9 and regulated pursuant to this chapter.

10 2. Solicitation of enrollees by a health maintenance organization granted a
11 certificate of authority, or its representatives, must not be construed to violate any
12 provision of law relating to solicitation or advertising by practitioners of a healing
13 art.

14 3. Any health maintenance organization authorized under this chapter shall
15 not be deemed to be practicing medicine and is exempt from the provisions of
16 chapter 630 of NRS.

17 4. The provisions of NRS 695C.110, 695C.125, 695C.1691, 695C.1693,
18 695C.170 to 695C.173, inclusive, 695C.1733 to 695C.200, inclusive, and 695C.265
19 do not apply to a health maintenance organization that provides health care services
20 through managed care to recipients of Medicaid under the State Plan for Medicaid
21 or insurance pursuant to the Children's Health Insurance Program pursuant to a
22 contract with the Division of Health Care Financing and Policy of the Department
23 of Health and Human Services. This subsection does not exempt a health
24 maintenance organization from any provision of this chapter for services provided
25 pursuant to any other contract.

26 5. The provisions of NRS 695C.1694, 695C.1695 and 695C.1731 *and section*
27 *7 of this act* apply to a health maintenance organization that provides health care
28 services through managed care to recipients of Medicaid under the State Plan for
29 Medicaid.

30 **Sec. 9.** NRS 695C.330 is hereby amended to read as follows:

31 695C.330 1. The Commissioner may suspend or revoke any certificate of
32 authority issued to a health maintenance organization pursuant to the provisions of
33 this chapter if the Commissioner finds that any of the following conditions exist:

34 (a) The health maintenance organization is operating significantly in
35 contravention of its basic organizational document, its health care plan or in a
36 manner contrary to that described in and reasonably inferred from any other
37 information submitted pursuant to NRS 695C.060, 695C.070 and 695C.140, unless
38 any amendments to those submissions have been filed with and approved by the
39 Commissioner;

40 (b) The health maintenance organization issues evidence of coverage or uses a
41 schedule of charges for health care services which do not comply with the
42 requirements of NRS 695C.1691 to 695C.200, inclusive, *and section 7 of this act*
43 *or 695C.207*;

44 (c) The health care plan does not furnish comprehensive health care services as
45 provided for in NRS 695C.060;

46 (d) The Commissioner certifies that the health maintenance organization:

47 (1) Does not meet the requirements of subsection 1 of NRS 695C.080; or

48 (2) Is unable to fulfill its obligations to furnish health care services as
49 required under its health care plan;

50 (e) The health maintenance organization is no longer financially responsible
51 and may reasonably be expected to be unable to meet its obligations to enrollees or
52 prospective enrollees;

1 (f) The health maintenance organization has failed to put into effect a
 2 mechanism affording the enrollees an opportunity to participate in matters relating
 3 to the content of programs pursuant to NRS 695C.110;

4 (g) The health maintenance organization has failed to put into effect the system
 5 required by NRS 695C.260 for:

6 (1) Resolving complaints in a manner reasonably to dispose of valid
 7 complaints; and

8 (2) Conducting external reviews of adverse determinations that comply
 9 with the provisions of NRS 695G.241 to 695G.310, inclusive;

10 (h) The health maintenance organization or any person on its behalf has
 11 advertised or merchandised its services in an untrue, misrepresentative, misleading,
 12 deceptive or unfair manner;

13 (i) The continued operation of the health maintenance organization would be
 14 hazardous to its enrollees;

15 (j) The health maintenance organization fails to provide the coverage required
 16 by NRS 695C.1691; or

17 (k) The health maintenance organization has otherwise failed to comply
 18 substantially with the provisions of this chapter.

19 2. A certificate of authority must be suspended or revoked only after
 20 compliance with the requirements of NRS 695C.340.

21 3. If the certificate of authority of a health maintenance organization is
 22 suspended, the health maintenance organization shall not, during the period of that
 23 suspension, enroll any additional groups or new individual contracts, unless those
 24 groups or persons were contracted for before the date of suspension.

25 4. If the certificate of authority of a health maintenance organization is
 26 revoked, the organization shall proceed, immediately following the effective date of
 27 the order of revocation, to wind up its affairs and shall conduct no further business
 28 except as may be essential to the orderly conclusion of the affairs of the
 29 organization. It shall engage in no further advertising or solicitation of any kind.
 30 The Commissioner may, by written order, permit such further operation of the
 31 organization as the Commissioner may find to be in the best interest of enrollees to
 32 the end that enrollees are afforded the greatest practical opportunity to obtain
 33 continuing coverage for health care.

34 **Sec. 10.** Chapter 695G of NRS is hereby amended by adding thereto a new
 35 section to read as follows:

36 *1. A managed care organization that offers or issues a health care plan
 37 which provides coverage for prescription drugs:*

38 *(a) Must authorize coverage for and may apply a prorated daily cost sharing
 39 rate copayment and deductible to a prescription that is dispensed by a pharmacy
 40 for less than a 30-day supply if, for the purpose of synchronizing the insured's
 41 chronic medications:*

42 *(1) The prescriber or pharmacist determines that filling or refilling the
 43 prescription in that manner is in the best interest of the insured; ~~for~~ and*

44 *(2) The insured requests less than a 30-day supply.*

45 *(b) May not deny coverage for a prescription described in paragraph (a)
 46 which is otherwise approved for coverage by the managed care organization.*

47 *(c) May not prorate any pharmacy dispensing fees for a prescription
 48 described in paragraph (a).*

49 *2. An evidence of coverage subject to the provisions of this chapter which
 50 provides coverage for prescription drugs and that is delivered, issued for delivery
 51 or renewed on or after January 1, ~~2016~~ 2017, has the legal effect of providing
 52 that coverage subject to the requirements of this section, and any provision of the
 53 evidence of coverage or renewal which is in conflict with this section is void.*

1 3. *The provisions of this section do not apply to unit-of-use packaging for*
2 *which synchronization is not practicable or to a controlled substance.*

3 4. *As used in this section:*

4 (a) *“Chronic medication” means any drug that is prescribed to treat any*
5 *disease or other condition which is determined to be permanent, persistent or*
6 *lasting indefinitely.*

7 (b) ~~*“Prorated daily cost sharing rate”*~~ *“Synchronization” means for*
8 ~~*apportionment of the insured’s out of pocket cost for medications, including,*~~
9 ~~*without limitation, copayment, deductible or coinsurance, by which the insured’s*~~
10 ~~*out of pocket cost for a quantity of medication is the same regardless of the*~~
11 ~~*number of fills and refills required to dispense that quantity*~~ *the alignment of the*
12 *dispensing of multiple medications by a single contracted pharmacy for the*
13 *purpose of improving a patient’s adherence to a prescribed course of medication.*

14 (c) *“Unit-of-use packaging” means medication that is prepackaged by the*
15 *manufacturer in blister packs, compliance packs, course-of-therapy packs or any*
16 *other packaging which is designed and intended to be dispensed directly to the*
17 *patient without modification by the dispensing pharmacy, except for the addition*
18 *of a prescription label.*

19 **Sec. 11.** NRS 287.010 is hereby amended to read as follows:

20 287.010 1. The governing body of any county, school district, municipal
21 corporation, political subdivision, public corporation or other local governmental
22 agency of the State of Nevada may:

23 (a) Adopt and carry into effect a system of group life, accident or health
24 insurance, or any combination thereof, for the benefit of its officers and employees,
25 and the dependents of officers and employees who elect to accept the insurance and
26 who, where necessary, have authorized the governing body to make deductions
27 from their compensation for the payment of premiums on the insurance.

28 (b) Purchase group policies of life, accident or health insurance, or any
29 combination thereof, for the benefit of such officers and employees, and the
30 dependents of such officers and employees, as have authorized the purchase, from
31 insurance companies authorized to transact the business of such insurance in the
32 State of Nevada, and, where necessary, deduct from the compensation of officers
33 and employees the premiums upon insurance and pay the deductions upon the
34 premiums.

35 (c) Provide group life, accident or health coverage through a self-insurance
36 reserve fund and, where necessary, deduct contributions to the maintenance of the
37 fund from the compensation of officers and employees and pay the deductions into
38 the fund. The money accumulated for this purpose through deductions from the
39 compensation of officers and employees and contributions of the governing body
40 must be maintained as an internal service fund as defined by NRS 354.543. The
41 money must be deposited in a state or national bank or credit union authorized to
42 transact business in the State of Nevada. Any independent administrator of a fund
43 created under this section is subject to the licensing requirements of chapter 683A
44 of NRS, and must be a resident of this State. Any contract with an independent
45 administrator must be approved by the Commissioner of Insurance as to the
46 reasonableness of administrative charges in relation to contributions collected and
47 benefits provided. The provisions of NRS 687B.408, 689B.030 to 689B.050,
48 inclusive, *and section 3 of this act* and 689B.287 apply to coverage provided
49 pursuant to this paragraph.

50 (d) Defray part or all of the cost of maintenance of a self-insurance fund or of
51 the premiums upon insurance. The money for contributions must be budgeted for in
52 accordance with the laws governing the county, school district, municipal

1 corporation, political subdivision, public corporation or other local governmental
2 agency of the State of Nevada.

3 2. If a school district offers group insurance to its officers and employees
4 pursuant to this section, members of the board of trustees of the school district must
5 not be excluded from participating in the group insurance. If the amount of the
6 deductions from compensation required to pay for the group insurance exceeds the
7 compensation to which a trustee is entitled, the difference must be paid by the
8 trustee.

9 3. In any county in which a legal services organization exists, the governing
10 body of the county, or of any school district, municipal corporation, political
11 subdivision, public corporation or other local governmental agency of the State of
12 Nevada in the county, may enter into a contract with the legal services organization
13 pursuant to which the officers and employees of the legal services organization, and
14 the dependents of those officers and employees, are eligible for any life, accident or
15 health insurance provided pursuant to this section to the officers and employees,
16 and the dependents of the officers and employees, of the county, school district,
17 municipal corporation, political subdivision, public corporation or other local
18 governmental agency.

19 4. If a contract is entered into pursuant to subsection 3, the officers and
20 employees of the legal services organization:

21 (a) Shall be deemed, solely for the purposes of this section, to be officers and
22 employees of the county, school district, municipal corporation, political
23 subdivision, public corporation or other local governmental agency with which the
24 legal services organization has contracted; and

25 (b) Must be required by the contract to pay the premiums or contributions for
26 all insurance which they elect to accept or of which they authorize the purchase.

27 5. A contract that is entered into pursuant to subsection 3:

28 (a) Must be submitted to the Commissioner of Insurance for approval not less
29 than 30 days before the date on which the contract is to become effective.

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

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

33 6. As used in this section, "legal services organization" means an organization
34 that operates a program for legal aid and receives money pursuant to NRS 19.031.

35 **Sec. 12.** NRS 287.04335 is hereby amended to read as follows:

36 287.04335 If the Board provides health insurance through a plan of self-
37 insurance, it shall comply with the provisions of NRS 689B.255, 695G.150,
38 695G.160, 695G.164, 695G.1645, 695G.167, 695G.170, 695G.171, 695G.173,
39 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and
40 695G.405, *and section 10 of this act* in the same manner as an insurer that is
41 licensed pursuant to title 57 of NRS is required to comply with those provisions.

42 **Sec. 13.** The provisions of NRS 354.599 do not apply to any additional
43 expenses of a local government that are related to the provisions of this act.

44 **Sec. 14.** This act becomes effective:

45 1. Upon passage and approval for the purposes of adopting any regulations
46 and performing any preparatory administrative tasks necessary to carry out the
47 provisions of this act; and

48 2. On January 1, ~~2016~~ 2017, for all other purposes.