

BDR 40-570
AB 382

UNSOLICITED
EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 13, 2017

Agency Submitting: Business and Industry, Division of Insurance

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Personnel (Expense)		\$55,615	\$75,643	\$151,286
Operating (Expense)		\$3,989	\$4,973	\$9,946
Equipment (Expense)		\$1,129		
Information Services (Expense)		\$2,442	\$560	\$1,120
Total	0	\$63,175	\$81,176	\$162,352

Explanation

(Use Additional Sheets of Attachments, if required)

The agency has reviewed the bill and determined it will have a fiscal impact. Please see the attached Exhibit II - AB382 Fiscal Impact Statement.

Name Laurie Squartsoff

Title Deputy Commissioner

Section A1: Line Item Detail by GL

Budget Account: 3813 B&I - INSURANCE REGULATION

Item No	Description	Actual 2015-2016	Work Program 2016-2017	W50 Year 1 2017-2018	W50 Year 2 2018-2019
E225	EFFICIENT AND RESPONSIVE STATE GOVERNMENT				
	EXPENDITURE				
01	PERSONNEL SERVICES				
5100	SALARIES	0	0	40,125	55,235
5200	WORKERS COMPENSATION	0	0	951	876
5300	RETIREMENT	0	0	5,818	8,009
5400	PERSONNEL ASSESSMENT	0	0	251	260
5500	GROUP INSURANCE	0	0	6,687	8,891
5700	PAYROLL ASSESSMENT	0	0	85	83
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	1,067	1,408
5800	UNEMPLOYMENT COMPENSATION	0	0	49	80
5840	MEDICARE	0	0	582	801
	TOTAL FOR CATEGORY 01	0	0	55,615	75,643
04	OPERATING				
7020	OPERATING SUPPLIES	0	0	120	60
7050	EMPLOYEE BOND INSURANCE	0	0	2	2
7054	AG TORT CLAIM ASSESSMENT	0	0	99	97
705A	NON B&G - PROP. & CONT. INSURANCE	0	0	2	3
7110	NON-STATE OWNED OFFICE RENT	0	0	3,409	4,545
7255	B & G LEASE ASSESSMENT	0	0	39	62
7292	EITS 18-19 ELIM (OLD EITS VOICEMAIL)	0	0	43	43
7295	EITS 18-19 ELIM (OLD EITS STATE PHONE LINE)	0	0	161	161
7460	EQUIPMENT PURCHASES < \$1,000	0	0	90	0
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	24	0
	TOTAL FOR CATEGORY 04	0	0	3,989	4,973
05	EQUIPMENT				
8241	NEW FURNISHINGS <\$5,000 - A	0	0	1,129	0
	TOTAL FOR CATEGORY 05	0	0	1,129	0
26	INFORMATION SERVICES				
7533	EITS EMAIL SERVICE	0	0	175	175
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	196	212
7556	EITS SECURITY ASSESSMENT	0	0	94	129
7771	COMPUTER SOFTWARE <\$5,000 - A	0	0	527	44
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	1,450	0
	TOTAL FOR CATEGORY 26	0	0	2,442	560
	TOTAL EXPENDITURES FOR DECISION UNIT E225	0	0	63,175	81,176

State of Nevada - Budget Division
Line Item Detail & Summary
2017-2019 Biennium (FY18-19)

Item No	Description	Actual	Work Program	W50	W50
		2015-2016	2016-2017	Year 1 2017-2018	Year 2 2018-2019
	TOTAL REVENUES FOR BUDGET ACCOUNT 3813	0	0	0	0
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 3813	0	0	63,175	81,176

AB 382, as written, would have a fiscal impact on the Division, primarily within the area of network adequacy. This bill would require each health insurance carrier which chooses to limit payment to out-of-network health care providers for emergency services to submit quarterly reports to the Division of Insurance. These quarterly carrier reports would contain the following data and information:

- 1) The number and types of hospitals in-network including network providers available in those facilities;
- 2) Whether insureds have adequate access to in-network emergency providers without experiencing an unreasonable delay;
- 3) Whether there is a sufficient number and type of each physician on the medical staff for each in-network hospital for emergency medical care;
- 4) Data on the frequency with which insureds are treated by out-of-network physicians during an emergency; and
- 5) The educational efforts undertaken to inform members of the potential financial impact associated with obtaining care out-of-network.

This bill proposes to amend NRS 687B.490 to require the Division to consider data and information within these reports when determining the adequacy of each carrier network in the individual and small employer markets. Pursuant to NRS 687B.490, the Division must make these determinations annually. The current network adequacy determination process does not collect and analyze data related to utilization of services outside the provider network. AB 382 would require the Division to build and maintain a database for each carrier to capture data and information reported quarterly, and create new analytical algorithms to evaluate these data. New standards for out-of-network emergency room providers would have to be developed and maintained.

AB 382 also gives the Commissioner authority to adopt regulations to interpret the payment methodology requirements within this bill. These regulations would likely have to define how the “average amount negotiated” by a carrier with in-network hospitals and providers is determined. This may also commit the Division to an administrative and enforcement role jointly with GOVCHA in responding to complaints from out-of-network providers regarding the level of payment received from a carrier.

Based on the current requirements of AB 382, DOI has determined there is justification for a full-time Management Analyst II.