

CHAPTER 287

PROGRAMS FOR PUBLIC EMPLOYEES

GROUP INSURANCE

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GROUP INSURANCE

General Provisions

NAC 287.005 Definitions. (NRS 287.043) As used in NAC 287.005 to 287.690, inclusive, unless the context otherwise requires, the words and terms defined in NAC 287.0056 to 287.145, inclusive, have the meanings ascribed to them in those sections.

[Com. on Group Ins., Broker of Record Reg. § 2, eff. 2-5-82]—(NAC A 1-22-86; A by Com. to Admin. Pub. Employees' Deferred Comp. Prog., 9-13-91; A by Com. on Benefits, 5-4-92; 10-3-96; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R097-03, 9-24-2003; R154-03, 3-22-2004; R089-05, 6-28-2006; R126-07, 1-30-2008; R016-08, 8-26-2008, eff. 7-1-2009)

NAC 287.0056 “Biennial employee” defined. (NRS 287.043) “Biennial employee” means an employee whose position of employment is only authorized for 4 to 6 months every other year and who plans to return to the same or a similar position for the next period during which such a position is authorized.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.006 “Board” defined. (NRS 287.043) “Board” means the Board of the Public Employees' Benefits Program created by NRS 287.041.

(Added to NAC by Com. on Benefits, eff. 5-4-92)

NAC 287.011 “Certifying agency” defined. (NRS 287.043) “Certifying agency” means:

1. Except as otherwise provided in subsection 2, for officers and employees of the State and local governmental agencies, the Public Employees' Retirement System.

2. For members of the professional staff of the Nevada System of Higher Education, a retirement program for professional employees offered by or through the Nevada System of Higher Education.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R154-03, eff. 3-22-2004; A by R089-05, 6-28-2006)

NAC 287.015 “Chair” defined. (NRS 287.043) “Chair” means the Chair of the Board.

(Added to NAC by Com. on Benefits, eff. 5-4-92)—(Substituted in revision for NAC 287.0055)

NAC 287.021 “Continuous employment” defined. (NRS 287.043) “Continuous employment”:

1. Includes a break in employment of less than 1 year; and

2. Does not include a break in employment of 1 year or more.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R107-09, eff. 4-20-2010)

NAC 287.025 “Day” defined. (NRS 287.043) “Day” means a calendar day.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R154-03, eff. 3-22-2004)

NAC 287.035 “Dependent” defined. (NRS 122A.100, 287.043) “Dependent” includes, without limitation:

1. One spouse from a marriage pursuant to law or one domestic partner; and

2. Any child described in NAC 287.312,

→ who is determined to be eligible for coverage pursuant to NAC 287.313.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; A by R016-08, 8-26-2008, eff. 7-1-2009; R107-09, 4-20-2010; R107-09, 4-20-2010, eff. 7-1-2010)

NAC 287.038 “Domestic partner” defined. (NRS 122A.100, 287.043) “Domestic partner” means a person who is in a domestic partnership that is registered pursuant to the Nevada Domestic Partnership Act, which is chapter 122A of NRS, and that has not been terminated pursuant to the Act.

(Added to NAC by Bd. of Pub. Employees’ Benefits Prog. by R107-09, 4-20-2010, eff. 7-1-2010)

NAC 287.045 “Executive Officer” defined. (NRS 287.043) “Executive Officer” means the Executive Officer of the Program employed by the Board pursuant to NRS 287.0424.

(Added to NAC by Bd. of Pub. Employees’ Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001)

NAC 287.055 “Health insurance” defined. (NRS 287.043) “Health insurance” means insurance coverage for medical, dental, vision and the treatment of mental health or substance abuse.

(Added to NAC by Bd. of Pub. Employees’ Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001)

NAC 287.059 “Initial date of hire” defined. (NRS 287.043) “Initial date of hire” means the first date on which service credit is earned by a participant during the participant’s last period of continuous employment with a public employer, as determined by the appropriate certifying agency.

(Added to NAC by Bd. of Pub. Employees’ Benefits Prog. by R107-09, eff. 4-20-2010)

NAC 287.065 “Medicare” defined. (NRS 287.043) “Medicare” has the meaning ascribed to it in NRS 439B.130.

(Added to NAC by Com. on Benefits, eff. 5-4-92)—(Substituted in revision for NAC 287.0075)

NAC 287.085 “Open enrollment” defined. (NRS 287.043) “Open enrollment” means the event in which:

1. Participants in the Program may change elections offered by the Program concerning coverage and dependents or, if eligible, join an opt-out plan.

2. Participants in an opt-out plan may join the Program or another opt-out plan for which they are eligible.

(Added to NAC by Bd. of Pub. Employees’ Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; A by R097-03, 9-24-2003; R023-09, 11-25-2009)

NAC 287.090 “Opt-out plan” defined. (NRS 287.043) “Opt-out plan” means an alternative plan to provide life, accident or health insurance, or any combination thereof, for a group which is approved by the Board and is secured from:

1. An insurer that is authorized by the Commissioner of Insurance to provide such insurance; or

2. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), that has been approved by the Board.

(Added to NAC by Bd. of Pub. Employees’ Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.095 “Participant” defined. (NRS 287.043) “Participant” includes the following persons who are eligible to participate in the Program:

1. An officer or employee of a participating public agency;

2. A retired officer or employee;

3. A surviving dependent of a deceased officer or employee of a public employer if the deceased officer or employee had 10 years or more of service credit, as determined by the appropriate certifying agency, and is deemed to be retired pursuant to NRS 286.676;

4. A surviving dependent of a deceased retired officer or employee;
5. A surviving spouse of a police officer, firefighter or official member of a volunteer fire department who was killed in the line of duty;
6. A surviving child of a police officer, firefighter or official member of a volunteer fire department who was killed in the line of duty;
7. A biennial employee who plans to return to the same or a similar position in the next authorized biennial employment period if the biennial employee has timely enrolled, reenrolled, opted to continue coverage or insurance, or opted to join the Program pursuant to this chapter and chapter 287 of NRS in any applicable group coverage or insurance offered by, through or in cooperation with the Program;
8. A former member of the board of trustees of a school district pursuant to NRS 287.024; and
9. A Legislator whose term of office has not expired.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R089-05, 6-28-2006; R016-08, 8-26-2008, eff. 7-1-2009)

NAC 287.096 "Participating local governmental agency" defined. (NRS 287.043) "Participating local governmental agency" has the meaning ascribed to it in NRS 287.0405.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R154-03, eff. 3-22-2004)

NAC 287.097 "Participating public agency" defined. (NRS 287.043) "Participating public agency" has the meaning ascribed to it in NRS 287.04052.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; A by R154-03, 3-22-2004)—(Substituted in revision for NAC 287.125)

NAC 287.098 "Participating state agency" defined. (NRS 287.043) "Participating state agency" has the meaning ascribed to it in NRS 287.04054.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R154-03, eff. 3-22-2004)

NAC 287.100 "Plan year" defined. (NRS 287.043) "Plan year" means the period set forth by the Board in which Program benefits and rates are offered for enrollment.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; A by R067-03, 9-24-2003; R023-09, 11-25-2009)

NAC 287.105 "Program" defined. (NRS 287.043) "Program" means the Public Employees' Benefits Program established in accordance with NRS 287.0402 to 287.049, inclusive.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001)

NAC 287.126 "Public employer" defined. (NRS 287.043) "Public employer" means the State or a local governmental agency.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R154-03, eff. 3-22-2004)

NAC 287.135 "Retired officer or employee" defined. (NRS 287.043) "Retired officer or employee" means:

1. An officer or employee of a public employer who:
 - (a) Has met the requirements to receive, and is receiving any distribution of, benefits from:
 - (1) The Judges' Retirement System;
 - (2) The Public Employees' Retirement System (PERS);
 - (3) The Legislators' Retirement System; or
 - (4) A long-term disability plan of the public employer; and

(b) Has a total of at least 5 years of service credit from all his or her public employers, excluding any service credit purchased pursuant to NRS 1A.310, 218.23831 or 286.300.

2. An officer or employee of a public employer who:

(a) Has met the requirements to receive, and is receiving any distribution of, benefits from a retirement program for professional employees offered by or through the Nevada System of Higher Education, including, without limitation, a retirement plan alternative provided pursuant to NRS 286.802, a tax sheltered annuity or a deferred compensation plan; and

(b) Has participated in the retirement program described in paragraph (a) for at least 5 years as a full-time employee or the equivalent of a full-time employee.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R062-03, 9-24-2003; R154-03, 3-22-2004; R089-05, 6-28-2006; R126-07, 1-30-2008)

NAC 287.141 "Subsidy" defined. (NRS 287.043) "Subsidy" means a portion of the cost of premiums or contributions for group insurance provided by the Program which is paid by:

1. The State pursuant to NRS 287.046; or

2. A local governmental agency pursuant to paragraph (b) of subsection 4 of NRS 287.023.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R154-03, eff. 3-22-2004; A by R126-07, 1-30-2008)

NAC 287.143 "Tier of coverage" defined. (NRS 287.043) "Tier of coverage" means the category of rates and premiums or contributions for coverage that correspond to:

1. An eligible participant only; or

2. An eligible participant and one or more eligible dependents.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.145 "Vendor" defined. (NRS 287.043) "Vendor" means an independent contractor pursuant to NRS 333.700 who provides products or services to the Program or its participants and dependents, including, but not limited to, an insurance broker, a consultant, a claims administrator, an insurer, a health maintenance organization, a physical or mental health care provider, a case management or utilization management company, a dental or vision care provider, a hospital, a medical facility, a certified public accountant, an actuary, a health educator, a pharmacy or pharmacy benefit manager, a preferred provider organization, a publisher and a court reporter. The term does not include an opt-out plan.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R097-03, 9-24-2003; R154-03, 3-22-2004; R016-08, 8-26-2008, eff. 7-1-2009)

NAC 287.150 "Full-time employment" interpreted; consideration of certain employees of Nevada System of Higher Education as state employee participants. (NRS 287.043, 287.045)

1. As used in NRS 287.045, the Board interprets "full-time employment" to mean the employment, election or appointment by a participating public agency of a person who:

(a) In any calendar month, works as a public employee or officer at least 80 hours. The Board will consider such full-time employment to commence at the beginning of the month in which the public employee or officer works 80 hours.

(b) Is elected or appointed as a public officer who receives any compensation regardless of the number of hours worked, or is a member of the board of trustees of a school district who is not an employee but receives any compensation for public service from a local governmental agency. The Board will consider such full-time employment to commence at the beginning of the month in which the person's term of service or term of office begins.

(c) Is a biennial employee pursuant to NAC 287.500. The Board will consider such full-time employment to commence at the beginning of the month immediately following the date of the person's employment, and at reemployment and reenrollment in the Program at each successive authorized biennial employment period.

2. Regardless of receipt of retirement distributions as set forth in NAC 287.530, the Board may consider any professional staff employed by the Nevada System of Higher Education to teach a course of study or training pursuant to chapter 261, Statutes of Nevada 1999, or any continuation by the Legislature of that teaching program beyond July 1, 2001, to whom the Nevada System of Higher Education will provide a subsidy, as a state employee participant rather than a retired officer or employee pursuant to NRS 287.023, until the voluntary or involuntary termination of the employee from the teaching program.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R089-05, 6-28-2006; R126-07, 1-30-2008)

NAC 287.155 Date of receipt of required notices. (NRS 287.043) A person shall be deemed to have received any notice required pursuant to this chapter or chapter 287 of NRS 5 days after the notice is mailed, by first-class mail, to that person's last known address, unless the Executive Officer or an authorized designee thereof waives this provision because of extenuating circumstances that are sufficient to justify the waiver.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.160 Determination of late submission of documents or information. (NRS 287.043) Any form, application, claim or other document or information that is required to be submitted to the Program, Executive Officer or Board on or before a specific date will be considered late if the form, application, claim or other document or information is not:

1. Received by the Program, Executive Director or Board, as applicable, before 5 p.m. on that date; or

2. Postmarked on or before that date.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.165 Notification of procedures and forms. (NRS 287.043) The Program shall notify:

1. Representatives of participating public agencies of the procedures and forms relating to participation in the Program through classes offered by the Program.

2. Participants of the procedures and forms relating to participation in the Program through the orientation program required pursuant to NAC 287.314, the written materials sent to the participants during the period of open enrollment and any orientation program offered to or written materials sent to retired officers or employees.

3. Employees of the Program of all procedures and forms relating to the internal management of the Program by posting such procedures and forms on the Intranet site of the Program. If any procedure or form relating to the internal management of the Program is amended, all employees of the Program will be notified of such amendment in writing or by electronic mail.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

Board of the Public Employees' Benefits Program

NAC 287.170 Chair: Duty; voting. (NRS 287.043)

1. The Chair shall preside over the meetings of the Board.

2. Unless the Chair is required to abstain from voting or is otherwise disqualified from participating in a matter before the Board:

(a) If the Chair does not vote on the matter, it will be presumed that the Chair voted with the prevailing majority of members of the Board who voted on the matter.

(b) The Chair shall vote in the case of a tie.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.172 Vice Chair: Election; duty. (NRS 287.043)

1. At the first meeting of each plan year, the Board will elect from its members a Vice Chair.

2. The Vice Chair shall serve as the Chair in the absence of the Chair.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.174 Meetings: Agenda. (NRS 287.043)

1. The Chair shall determine the agenda of a meeting of the Board.

2. Any member of the Board may submit to the Executive Officer, or in his or her absence, the Operations Officer of the Program appointed pursuant to NRS 287.0426, a request for a matter to be placed on the agenda of a meeting of the Board.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.176 Meetings: Approval of actions; motions; rules of conduct. (NRS 287.043)

1. All action by the Board must be approved by a majority of the members of the Board who are present at the meeting. A tie vote constitutes a rejection of the question or matter before the Board.

2. Any motion made by a member of the Board requires a second to the motion for consideration of the motion by the Board.

3. *Robert's Rules of Order* govern the general conduct of meetings of the Board.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.178 Meetings: Minutes; transcript. (NRS 287.0415, 287.043)

1. The minutes of each meeting of the Board must be distributed to each member of the Board.

2. If the Board causes a meeting to be transcribed by a court reporter who is certified pursuant to chapter 656 of NRS, the Board will, pursuant to NRS 287.0415, post a transcript of the meeting on its Internet website not later than 30 days after the meeting. The transcript will remain posted on the Internet website of the Board for at least 6 months after posting. During the period in which the transcript of the meeting is posted on the Internet website of the Board, a person may request a hard copy of the transcript. The Board may charge the person a fee for the transcript that does not exceed the actual cost of the Board to provide the copy of the transcript.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.190 Advisory opinions: Request; action by Executive Officer; appeal. (NRS 233B.120, 287.043)

1. Except as otherwise provided in subsection 3, a person may request that the Executive Officer issue an advisory opinion concerning the applicability of any provision of NRS 287.0402 to 287.049, inclusive, that pertains to the jurisdiction of the Board or any regulation adopted by the Board pursuant thereto. Any request for an advisory opinion concerning the applicability of any provision of NRS 287.0402 to 287.049, inclusive, that pertains to the jurisdiction of a public agency or public officer other than the Board or any regulation adopted by the public agency or public officer must be submitted to that public agency or public officer.

2. A request for an advisory opinion pursuant to subsection 1 must be in writing and set forth:

(a) The name and address of the person requesting the advisory opinion;

(b) A clear and concise statement of the specific question for which the advisory opinion is being sought; and

(c) A statement of the facts that support the advisory opinion being sought.

3. A person may not request an advisory opinion concerning a question or matter that is an issue in a review or an appeal of a claim or in a pending administrative, civil or criminal proceeding in which the person is a party or otherwise involved.

4. The Executive Officer shall review a request for an advisory opinion and issue a response within 30 days after receiving the request.

5. An advisory opinion issued by the Executive Officer must be limited to the facts and circumstances set forth in the request.

6. An advisory opinion issued by the Executive Officer is appealable to the Board in the same manner as any other appealable decision.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.192 Advisory opinions: Oral opinion prohibited; effect of response by electronic mail or oral response. (NRS 233B.120, 287.043) The Executive Officer shall not render an oral advisory opinion to a request for an advisory opinion. A response by electronic mail or an oral response, including, without limitation, a response given over the telephone, to a request for an advisory opinion that is given by the Executive Officer, a member of the Board or staff of the Board are not decisions or official advisory opinions pursuant to this section.

(Added to NAC by Bd. of Pub. Employee's Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.194 Petitions for declaratory orders. (NRS 233B.120, 287.043)

1. Except as otherwise provided in subsection 3, a person may file a petition with the Executive Officer requesting that the Board issue a declaratory order concerning the applicability of any provision of NRS 287.0402 to 287.049, inclusive, that pertains to the jurisdiction of the Board or any regulation adopted by the Board pursuant thereto. Any petition for a declaratory order concerning the jurisdiction of a public agency or public officer other than the Board or any regulation adopted by the public agency or public officer must be submitted to that public agency or public officer.

2. A petition for a declaratory order filed pursuant to subsection 1 must include, without limitation:

- (a) The name and address of the petitioner;
- (b) The reason for requesting the declaratory order;
- (c) A statement of the facts that support the petition for a declaratory order; and
- (d) A clear and concise statement of the question or matter to be decided by the Board.

3. A person may not file a petition for a declaratory order concerning a question or matter that is an issue in a review or an appeal of a claim or in a pending administrative, civil or criminal proceeding in which the person is a party or otherwise involved.

4. The Executive Officer shall notify the Chair of the petition for a declaratory order not later than 10 days after the petition is received by the Executive Officer.

5. The Board may:

(a) Conduct a hearing to determine issues of fact or to hear arguments relating to a petition for a declaratory order and may enter reasonable orders that govern the conduct of the hearing.

(b) Request that the petitioner provide additional information or arguments relating to the petition.

(c) Issue a declaratory order based on the contents of the petition and any material submitted with the petition.

(d) Consider relevant actions that have been issued by the Board or any other entity which apply or interpret the statute or regulation in question.

(e) Consider any other information that the Board determines is relevant to the question or matter to be decided by the Board.

6. The Board will notify the petitioner in writing within 10 days after any action taken by the Board concerning the petition.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.196 Petitions for adoption, filing, amendment or repeal of regulations. (NRS 233B.100, 287.043)

1. Any person who wishes to petition for the adoption, filing, amendment or repeal of a regulation that the Board is authorized to adopt, file, amend or repeal must file a petition with the Executive Officer.

2. A petition for the adoption, filing, amendment or repeal of a regulation must include, without limitation:

(a) The name and address of the petitioner;

(b) A clear and concise statement, including, if applicable, the proposed language, of the regulation to be adopted, filed, amended or repealed;

(c) The reason for petitioning for the adoption, filing, amendment or repeal of the regulation; and

(d) The statutory authority for the adoption, filing, amendment or repeal of the regulation.

3. The Executive Officer may refuse to act upon a petition for the adoption, filing, amendment or repeal of a regulation if the petition does not contain the information required by subsection 2.

4. The Executive Officer shall notify the petitioner in writing of his or her decision with regard to the petition within 30 days after the petition is filed.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

Participation in Public Employees' Benefits Program

NAC 287.310 Prerequisites to participation; fees; establishment of rates; provision to agency of report on history of claims. (NRS 287.043)

1. To participate in group coverage or insurance provided by the Program, a local governmental agency, through its governing body, must provide to the Program:

(a) A nonrefundable application fee of \$250, plus \$2.25 per participant for any application involving 100 or more participants.

(b) A nonrefundable fee to be deposited in the Fund for the Public Employees' Benefits Program created pursuant to NRS 287.0435 for the purpose of funding the reserve maintained by the Program to stabilize rates. The Executive Officer or a designee thereof shall calculate the amount of the nonrefundable fee by:

(1) Dividing the funded reserve maintained by the Program to stabilize rates on the date on which the local governmental agency submitted its application to participate in the Program by the total number of participants in the Program on that date; and

(2) Multiplying the number determined pursuant to subparagraph (1) by the total number of officers and employees of the local governmental agency who enroll in the Program on the effective date of participation by the local governmental agency in the Program.

➤ The fee, or if installment payments are authorized by the Program, the first installment payment of the fee, must be paid by the effective date of participation by the local governmental agency in the Program.

(c) If the local governmental agency has 100 or more participants, information, as determined by the actuary of the Program, sufficient to make an actuarial determination as to the appropriate rates for the local governmental agency, including, without limitation, the 3 most recent years of claims history data of the local governmental agency, if any exists, in an electronic format that is compatible with the actuarial services of the Program.

(d) The residential zip code, gender, age and current selection for coverage of:

(1) The eligible members, regardless of current enrollment, of the local governmental agency; and

(2) Those members that are currently enrolled in the group plan of the local governmental agency and their respective number of enrolled dependents.

(e) An interlocal contract executed pursuant to NRS 287.043, on a form provided by the Program. Effective November 30, 2008, such an interlocal contract must include a provision that

requires the local governmental agency to participate in the Program for at least 4 years before the local governmental agency may withdraw from the Program in accordance with NAC 287.320.

(f) A statement that all terminal fees and costs associated with the previous health plan will be paid by that local governmental agency group.

2. The actuary for, and the members of the staff of, the Board shall review the request and establish the initial rates for the requesting local governmental agency as follows:

(a) For a local governmental agency with less than 100 participants, the requesting local governmental agency will not be rated separately from those same or similar participating local governmental agencies.

(b) For a local governmental agency with 100 or more participants:

(1) If, upon review of the claims experience of participating local governmental agency groups or the past claims history of the requesting local governmental agency, the actuary for the Board determines the experience for the requesting local governmental agency does not exceed 105 percent of the appropriate rate for the same or similar participating local governmental agency groups, the requesting local governmental agency will not be rated separately from those same or similar participating local governmental agency groups.

(2) If the claims experience for the requesting local governmental agency exceeds 105 percent of the appropriate rate for the same or similar participating local governmental agency groups, the actuary for the Program and a member of the staff will submit a written report, with recommended rates, to the Board. The recommended rates must equal the difference of the premium or contribution for participating local governmental agency groups and the cost of the experience of the requesting local governmental agency.

(3) If the requesting local governmental agency has no claims experience, the rates will be equal to 105 percent of the standard rate for a participating local governmental agency that has no separate rating applied.

➤ Rates established pursuant to subparagraphs (2) and (3) apply until the end of the plan year immediately following the year in which the rates were established, at which time the actuary for, and the members of the staff of, the Board shall review the claims experience of the requesting local governmental group to determine an appropriate rate or whether the standard rate should be applied.

3. For a participating local governmental agency, the Executive Officer or the designee shall provide, upon written request from the participating local governmental agency, the history of claims for that participating local governmental agency. The Executive Officer or the designee shall charge for each report the actual cost of providing the report. The report must include:

(a) A summary of the medical, prescription and dental claims paid by the self-funded plan for each month covered by the report; and

(b) A summary of the monthly premiums or contributions paid during the period covered by the report.

➤ The Executive Officer or the designee shall provide the report within 90 days after receipt of the request.

(Added to NAC by Com. on Group Ins., eff. 5-27-86; A by Com. on Benefits, 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R126-07, 1-30-2008; R017-08, 6-17-2008)

NAC 287.311 Dependents: Declaration of enrollment. (NRS 122A.100, 287.043)
Except as otherwise provided in NAC 287.3116 and 287.312, a participant who desires to enroll a person in the Program as a dependent must execute a declaration of enrollment on a form prescribed by the Program, under penalty of perjury and subject to the provisions of NRS 686A.290 and 686A.291.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R016-08, 8-26-2008, eff. 7-1-2009; A by R107-09, 4-20-2010, eff. 7-1-2010)

NAC 287.3116 Dependents: Establishment of eligibility of domestic partner of participant. (NRS 122A.100, 287.043) To establish the eligibility of a domestic partner for coverage as a dependent, a participant must submit to the Program:

1. A copy of the Certificate of Registered Domestic Partnership issued to the participant and his or her domestic partner pursuant to the Nevada Domestic Partnership Act, which is chapter 122A of NRS; and

2. A statement to be acknowledged by the participant that the participant is responsible for any federal income tax consequences resulting from the enrollment of the domestic partner in the Program.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R107-09, 4-20-2010, eff. 7-1-2010)

NAC 287.312 Dependents: Eligibility of unmarried child of participant, spouse or domestic partner. (NRS 122A.100, 287.043)

1. Except as otherwise provided in subsection 4, the following children of a participant or his or her spouse or domestic partner are eligible for coverage as a dependent if approved pursuant to NAC 287.313:

(a) Any child who is under the age of 19 years.

(b) Any child who is 19 years of age or older if:

(1) At the age of 19 years, the child is incapable of self-support because of a physical or mental disability;

(2) On the 19th birthday of the child, the child is covered by the Program or has received continuous coverage since the child was 18 years of age as a dependent under another group health plan or credible coverage; and

(3) Within 30 days after the 19th birthday of the child, if the child is covered by the Program on the 19th birthday of the child or, if the child is initially enrolled in the Program on his or her 19th birthday, within 30 days after the effective date of the child's coverage under the Program, the participant or his or her spouse or domestic partner provides to the Program:

(I) A written statement by a physician who provides care to the child that is prepared within 90 days before provision of the statement to the Program indicating that the child has a mental or physical impairment which causes the child to be incapable of self-sustaining employment and to depend on the participant or his or her spouse or domestic partner primarily for support; and

(II) Any other documentation required by the Program that demonstrates financial support of the child by the participant or his or her spouse or domestic partner.

(c) Any child who is 19 years of age or older but less than 24 years of age, if the child is enrolled in a program of secondary education or an independently accredited program of postsecondary education, including, without limitation, a college, university, community or junior college, graduate school and accredited trade or business school, on a full-time basis.

(d) Any child who is 24 years of age or older, if:

(1) The child was enrolled in a program of secondary education or an independently accredited program of postsecondary education, including, without limitation, a college, university, community or junior college, graduate school and accredited trade or business school, on a full-time basis between the child's 19th birthday and his or her 24th birthday;

(2) At the age of 24 years, the child is incapable of self-support because of a physical or mental disability if the disability occurred while the child was a full-time student; and

(3) The participant or his or her spouse or domestic partner provides supporting evidence to the Program within 30 days after the 24th birthday of the child which demonstrates that the child qualifies for coverage and insurance pursuant to this paragraph.

2. To determine whether the child of a participant or his or her spouse or domestic partner continues to be eligible for coverage pursuant to paragraph (b) of subsection 1, the Executive Officer or his or her designee may require:

(a) Submission of periodic updates to the documentation provided by the participant or his or her spouse or domestic partner pursuant to subparagraph (3) of paragraph (b) of subsection 1; and

(b) Submission of the child to a mental or physical examination conducted by a physician selected by and at the expense of the Program.

3. Children eligible for coverage as a dependent pursuant to this section may include biological children, adopted children, children placed in the residence of the participant for adoption, stepchildren and any other child who is related to the participant or his or her spouse or domestic partner if the participant or his or her spouse or domestic partner is legally responsible for the child and the child is financially dependent on the participant or his or her spouse or domestic partner for care and support.

4. The following children of a participant or his or her spouse or domestic partner are not eligible for coverage as a dependent:

(a) A foster child.

(b) A child who is married.

(c) A child who is in a domestic partnership.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; A by R154-03, 3-22-2004; R089-05, 6-28-2006; R126-07, 1-30-2008; R016-08, 8-26-2008, eff. 7-1-2009; R107-09, 4-20-2010; R107-09, 4-20-2010, eff. 7-1-2010)

NAC 287.3125 Dependents: Terms and conditions of certain changes. (NRS 287.043)

Except during a period of open enrollment, the right to change coverage or insurance for a dependent or to add or change dependents is governed by the terms and conditions of any applicable plan, insurance policy or law.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R016-08, 8-26-2008, eff. 7-1-2009)

NAC 287.313 Responsibility for final determinations concerning eligibility. (NRS 287.043) The Executive Officer or a designee thereof shall make all final determinations concerning eligibility:

1. To become a participant in the Program pursuant to NRS 287.045.

2. As a dependent.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006; A by R016-08, 8-26-2008, eff. 7-1-2009)

NAC 287.314 Provision of information about Program to eligible persons. (NRS 287.043)

1. Except as otherwise provided in subsection 4, the Executive Officer or a designee of the Executive Officer shall provide to each person eligible to participate in the Program pursuant to NRS 287.045 information about the Program.

2. The information required to be provided pursuant to subsection 1:

(a) Must be sent to the person electronically or by first-class mail within 30 days after the appointment of the person to a participating public agency; and

(b) Must include, without limitation:

(1) Enrollment forms; and

(2) A summary of the benefits available through the Program.

3. The Executive Officer or a designee of the Executive Officer shall make the information about the Program described in paragraph (b) of subsection 2 available on an Internet website established and maintained by the Program.

4. The provisions of this section do not apply to any person who is employed by the Nevada System of Higher Education.

(Added to NAC by Com. on Benefits, eff. 10-3-96; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R089-05, 6-28-2006; R107-09, 4-20-2010)

NAC 287.317 Registration of employees for receipt of information about Program; submission of enrollment forms. (NRS 287.043)

1. A participating public agency shall, upon appointing to the participating public agency a person who will be eligible to participate in the Program pursuant to NRS 287.045, register the employee for receipt of the information about the Program that is required to be provided to the employee pursuant to NAC 287.314. The registration must be provided in a format prescribed by the Program and submitted to the Program not later than 7 days after the employee's first day of employment with the participating public agency.

2. Except as otherwise provided in subsection 3, the employee shall return to the participating public agency or the Program the completed enrollment forms and any supporting documents within 7 days after receiving the information pursuant to NAC 287.314. If the employee fails to submit the enrollment forms and any supporting documents within 7 days after receiving the information, the employee only will be enrolled in the base plan.

3. If an employee of the professional staff of the Nevada System of Higher Education fails to submit an enrollment form within 30 days after his or her date of hire, as set forth in his or her contract, the employee only will be enrolled in the base plan.

4. As used in this section, "base plan" means the plan designated by the Board as the default plan for the plan year, as described in the plan documents.

(Added to NAC by Com. on Benefits, eff. 10-3-96; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R089-05, 6-28-2006; R126-07, 1-30-2008; R107-09, 4-20-2010)

NAC 287.318 Enrollment forms: Required information. (NRS 287.043) Enrollment forms that are submitted to the Program must include, without limitation:

1. The name, address and social security number, if any, of the person who is enrolling in the Program; and

2. The name, address and social security number, if any, of any dependent that the person chooses to cover under the Program.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.319 Notification of change of address by participant to Program. (NRS 287.043) A participant shall notify the Program within 30 days after a change of address of the participant.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006; A by R107-09, 4-20-2010)

NAC 287.3195 Notification of divorce or termination of domestic partnership by participant to Program. (NRS 122A.100, 287.043)

1. If a participant and his or her spouse are granted a divorce, the participant shall, within 60 days after the date on which the decree of divorce is signed, notify the Program of the divorce and submit to the Program a copy of the decree of divorce.

2. If a participant's domestic partnership has been terminated pursuant to the Nevada Domestic Partnership Act, which is chapter 122A of NRS, the participant shall, within 60 days after the termination of the domestic partnership, notify the Program of the termination and submit to the Program such documentation of the termination as is required pursuant to the Nevada Domestic Partnership Act.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R107-09, eff. 4-20-2010; A by R107-09, 4-20-2010, eff. 7-1-2010)

NAC 287.320 Withdrawal from Program: Procedure; termination of coverage; limitation on reentry; eligibility of certain officers and employees after exclusion of group; liability of Program. (NRS 287.043)

1. A participating local governmental agency which intends to terminate its interlocal contract and withdraw from the Program must give a written notice to the Executive Officer of

the Program at least 60 days before the date on which it intends to withdraw. The effective date of withdrawal is the first day of the month following the month in which the 60-day period expires.

2. Effective November 30, 2008, if a participating local governmental agency withdraws from the Program:

(a) Coverage provided for all active officers and employees of the local governmental agency terminates on the date on which the local governmental agency withdraws from the Program.

(b) Except for retired officers and employees who were enrolled in the Program on November 30, 2008, and continue their participation in the Program, coverage provided for all retired officers and employees of the local governmental agency terminates on the date on which the local governmental agency withdraws from the Program. If a retired officer or employee whose coverage by the Program terminates pursuant to this paragraph qualifies as a dependent of a participant, the termination of coverage pursuant to this paragraph is a qualifying status change for the retired officer or employee.

3. Unless waived by the Board, a participating local governmental agency that withdraws from the Program may not reenter the Program for 3 years after the date on which it withdraws.

4. If a group of officers and employees of a participating local governmental agency who are eligible for health coverage from a health and welfare plan or trust that arose out of collective bargaining under chapter 288 of NRS or a trust established pursuant to 29 U.S.C. § 186 is excluded from participation in the Program on or after November 30, 2008:

(a) Except for retired officers and employees who were enrolled in the Program on November 30, 2008, and continue their participation in the Program, all retired officers and employees who were members of the group will be excluded from participation in the Program;

(b) Active officers and employees in the group are not eligible to participate in the Program after retirement; and

(c) All active and retired officers and employees of the local governmental agency that are not members of the group are eligible to continue their participation in the Program until the date on which the participating local governmental agency terminates its participation in the Program. If the participating local governmental agency subsequently reestablishes its participation in the Program pursuant to NAC 287.310, such a retired officer or employee may subsequently reinstate in the Program pursuant to NRS 287.023 and 287.0475.

5. Except for retired officers and employees who were enrolled in the Program on November 30, 2008, and continue their participation in the Program, the Program is not liable for any expenses or claims of an officer or employee or retired officer or employee, or any dependents thereof, of the withdrawing local governmental agency or excluded group incurred after the effective date of the withdrawal of the local governmental agency or exclusion of the group from the Program.

(Added to NAC by Com. on Group Ins., eff. 5-27-86; A by Com. on Benefits, 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R126-07, 1-30-2008)

NAC 287.325 Appointment and certification training of person responsible for preparing and submitting forms to Program. (NRS 287.043)

1. An appointing authority of a participating public agency may appoint an employee of the participating public agency to be responsible for preparing and submitting forms to the Program on behalf of the employees of the participating public agency.

2. The appointing authority or supervisor of an employee appointed pursuant to subsection 1 shall notify the Program, on a form prescribed by the Program, within 15 days after the initial appointment of the employee and the termination of the appointment.

3. An employee who is appointed pursuant to subsection 1 must successfully complete certification training provided by the Program:

(a) Within 60 days after appointment, unless the Executive Officer grants an extension for good cause shown; and

(b) At least once every 12 months thereafter for the duration of the appointment.

4. The appointing authority or supervisor of an employee who is appointed pursuant to subsection 1 shall ensure that the employee complies with the requirements of subsection 2.

5. As used in this section, "appointing authority" means an official, board or commission having the legal authority to make appointments to positions within the participating public agency, or a person to whom the authority has been delegated by the official, board or commission.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R126-07, eff. 1-30-2008)

Option of Group to Leave Public Employees' Benefits Program

NAC 287.350 "Group" defined. (NRS 287.043, 287.0479) As used in NAC 287.350 to 287.389, inclusive, unless the context otherwise requires, "group" means a group of not less than 300 active state officers or employees or retired state officers or employees, or any combination thereof, who participate in the Program and who apply to leave the Program pursuant to NRS 287.0479.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.355 Procedure for applying to leave Program. (NRS 287.043, 287.0479) A group may apply to leave the Program in accordance with NRS 287.0479 by:

1. Providing to the Executive Officer a letter of intent, which states the desire of the group to leave the Program entirely and forego all benefits of the Program; and
2. Submitting to the Board a completed application and 15 copies thereof.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.357 Application to leave Program: Contents. (NRS 287.043, 287.0479) An application to leave the Program must include, without limitation:

1. A copy of the plan of benefits to be offered under the proposed opt-out plan, including, without limitation, a description of:

- (a) The benefits to be provided under the proposed opt-out plan;
- (b) The manner for determining eligibility for benefits under the proposed opt-out plan; and
- (c) The circumstances under which any participant in the proposed opt-out plan, including, without limitation, active and retired officers and employees, may lose coverage under the proposed opt-out plan.

2. A description of the manner in which initial eligibility for benefits under the proposed opt-out plan will be determined, including, without limitation, whether members of the group will experience any gap in coverage during the period between when the group leaves the Program and coverage is available for the group under the proposed opt-out plan.

3. A list of the proposed participants in the proposed opt-out plan, including, without limitation, the name, social security number and date of birth of each proposed participant.

4. The federal tax identification number of the proposed opt-out plan.

5. Audited financial statements of the proposed opt-out plan, if any, for the 2 years immediately preceding the date of application, which must reflect unqualified opinions by the persons who performed the audit of the financial statements concerning the financial soundness of the proposed opt-out plan.

6. A copy of the contract pursuant to which the members of the group will receive coverage from the proposed opt-out plan. The contract must include, without limitation, the amount of premiums or contributions that will be required to maintain coverage for the members of the group under the proposed opt-out plan.

7. Evidence establishing that the proposed opt-out plan is or will be operated pursuant to such sound accounting and financial management practices as to ensure that the group will continue to receive adequate benefits. Such evidence may include financial statements, annual audits and any other information requested by the Board or determined by the group to be relevant to the financial management practices of the proposed opt-out plan.

8. A completed Business Associate Agreement that is consistent with the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and is in a form acceptable to the Board, or a certification that the opt-out plan is a covered entity under and complies with the privacy regulations of that federal Act.

9. If the proposed opt-out plan is secured from an insurer, a copy of the current certificate of authority issued by the Commissioner of Insurance to the insurer which indicates that the insurer is authorized to provide the coverage proposed to be offered under the proposed opt-out plan in this State.

10. The name and contact information of a representative of the group who will be available to answer questions from the Board concerning the application.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003; A by R089-05, 6-28-2006)

NAC 287.359 Application to leave Program: Dates for submission; duties of Board. (NRS 287.043, 287.0479)

1. To apply to leave the Program in the next plan year, a group must submit an application to the Board on or after the first day of the first month of the current plan year but before:

(a) The first day of the fourth month of the current plan year; or

(b) If the current plan year is less than a calendar year, the date set forth by the Board as the last day to submit an application to leave the Program in the next plan year.

➔ If an application is received at any other time during the current plan year, the Board will return the application to the applicant.

2. If additional information is required to process any application, the Board will notify the representative of the group who is designated pursuant to NAC 287.357.

3. The Board will provide an opportunity for:

(a) A representative of the Program to present arguments for or against the approval of an application.

(b) The representative of the group who is designated pursuant to NAC 287.357 to present arguments that support the approval of an application.

4. The Board will grant or deny each application received pursuant to subsection 1 not later than:

(a) The 15th day of the sixth month of the current plan year; or

(b) If the current plan year is less than a calendar year, 75 days after the date set forth by the Board as the last day to submit an application to leave the Program in the next plan year.

5. The Board will notify each applicant of the date and time of the meeting during which the Board will render a decision on the application of the applicant.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003; A by R089-05, 6-28-2006; R023-09, 11-25-2009)

NAC 287.361 Application to leave Program: Considerations for grant or denial; basis for findings by Board. (NRS 287.043, 287.0479)

1. In determining whether to grant or deny an application to leave the Program, the Board:

(a) Shall consider whether:

(1) The departure of the group from the Program would cause an increase of more than 5 percent in the costs of premiums or contributions for the remaining participants in the Program;

(2) The proposed opt-out plan is financially sound and operated pursuant to sound accounting and financial management practices; and

(3) The proposed opt-out plan provides adequate benefits at the time of application that includes offering the same coverage to active officers and employees and retired officers and employees using rates based on the commingled experience of all active and retired participants.

(b) May consider:

(1) Whether the cumulative impact of a group leaving the Program on the costs of premiums or contributions for the remaining participants in the Program is so detrimental as to cause a significant negative impact on the Program;

(2) Whether the composition of the group indicates adverse selection that would constitute a significant negative impact on the Program;

(3) Whether the current financial condition of the Program is such that the departure of the group would constitute a significant negative impact on the Program;

(4) Whether the departure of the group is administratively feasible;

(5) Whether independent, actuarial or other reviews obtained by the Board indicate that the departure of the group will cause a significant negative impact on the Program; and

(6) Any other information that the Board deems relevant.

2. Findings by the Board concerning the considerations described in subsection 1 must be based exclusively on substantial evidence.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003; A by R089-05, 6-28-2006)

NAC 287.363 Approval of application by Board: Format and contents of decision; responsibilities of and noncompliance by group. (NRS 287.043, 287.0479)

1. A decision of the Board to grant an application to leave the Program will be in writing and will include, without limitation, the effective date of departure of the group from the Program and the dates for completion of any administrative tasks necessary to effect the departure of the group.

2. If the Board grants the application of a group to leave the Program:

(a) The group must submit to the Board a completed release and waiver of rights agreement, in a form acceptable to the Board, obtained from and signed by each member of the group. Such an agreement must include, without limitation, a description of the circumstances, if any, under which a member of the group, including, without limitation, active and retired members, may return to the Program.

(b) A contract, in a form acceptable to the Board, must be executed between the Program and the proposed opt-out plan of the group. The contract must:

(1) Set forth the terms of coverage for the group, provisions for the payment of premiums or contributions of participants to the opt-out plan and such other details necessary to effect departure of the group from the Program.

(2) Include, without limitation, provisions regarding the return to the Program of individual members of the group.

3. The completed release and waiver of rights agreement must be submitted to the Board, and the contract between the Program and the proposed opt-out plan of the group that are required pursuant to subsection 2 must be executed between the Program and the proposed opt-out plan of the group, on or before:

(a) The 25th day of the eighth month of the plan year in which the application is approved; or

(b) If the current plan year is less than a calendar year, the date set forth by the Board.

4. If a group whose application to leave the Program has been approved by the Board fails to comply with the requirements of this section or any provision of the decision of the Board to grant the application of the group, the Board may declare the contract between the Program and the opt-out plan of the group void.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003; A by R023-09, 11-25-2009)

NAC 287.365 Denial of application by Board: Format and contents of decision. (NRS 287.043, 287.0479) A decision of the Board to deny an application of a group to leave the Program will be in writing and will include, without limitation:

1. The reasons of the Board for denying the application.

2. The findings of the Board on the mandatory criteria for review set forth in paragraph (a) of subsection 1 of NAC 287.361.

3. The findings of the Board on any of the optional criteria for review set forth in paragraph (b) of subsection 1 of NAC 287.361 that the Board considered in reaching its decision.

4. A statement that any data, information or report on which the Board relied to make its decision to deny the application is available to the group upon request.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003; A by R089-05, 6-28-2006)

NAC 287.367 Denial of application by Board: Procedure for reconsideration. (NRS 287.043, 287.0479) A group whose application to leave the Program has been denied by the Board may file a request for reconsideration with the Board not later than 40 days after the denial. The request may include any additional information that the group determines is relevant to reconsideration. The Board will hold a reconsideration hearing and render its decision within 30 days after receiving the request.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.368 Denial of request for reconsideration: Appeal. (NRS 287.043, 287.0479)

1. A group whose request for reconsideration with the Board has been denied pursuant to NAC 287.367 may file an appeal with the Hearings Division of the Department of Administration.

2. On the same date on which a group files an appeal with the Hearings Division pursuant to subsection 1, the group must provide a copy of the appeal to the Executive Officer. Within 30 days after the Executive Officer receives a copy of the appeal, the Executive Officer shall transmit to the Hearings Division a copy of:

(a) The decision of the Board to deny the application of a group to leave the Program that was prepared pursuant to NAC 287.365; and

(b) The record from the hearing conducted pursuant to NAC 287.367.

3. A hearing officer of the Hearings Division shall review the decision of the Board. Review of the decision of the Board is confined to the information provided to the Hearings Division pursuant to subsection 2, except that in cases concerning alleged irregularities in procedure before the Board that are not shown in the decision or the record, the hearing officer may receive evidence concerning the irregularities.

4. The burden of proof is on the group to show that the decision of the Board to deny the application of the group is invalid pursuant to subsection 6.

5. The hearing officer shall not substitute his or her judgment for that of the Board as to any criteria, data, information or report on which the Board relied to make its decision to:

(a) Deny the application of the group to leave the Program; or

(b) Deny the request for reconsideration of the application of the group to leave the Program.

6. The hearing officer may remand or affirm the decision of the Board to deny the application of the group to leave the Program or set it aside in whole or in part if the decision of the Board is:

(a) In violation of constitutional or statutory provisions;

(b) In excess of the statutory authority of the Board;

(c) Made upon unlawful procedure;

(d) Affected by other error of law;

(e) Clearly erroneous in view of the reliable, probative and substantial evidence in the information provided to the Hearings Division pursuant to subsection 2; or

(f) Arbitrary or capricious or characterized by abuse of discretion.

7. The decision of the hearing officer made pursuant to subsection 6 is final and not subject to judicial review.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R089-05, eff. 6-28-2006)

NAC 287.369 Effective date of departure from Program; coverage by Program until departure; request to rescind approval of Board. (NRS 287.043, 287.0479)

1. The effective date of departure from the Program of a group whose application has been approved by the Board is the first day of the plan year that is at least 120 days after the date on which the Board approves the application.

2. The Program shall provide coverage to participants in a group that has been approved by the Board to leave the Program until the effective date of departure of the group from the Program set forth in the decision of the Board granting the application of the group to leave the Program.

3. At any time before the effective date of departure of a group from the Program, the group may request the Board to rescind its decision to grant the application of the group.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.371 Eligibility of officer or employee to join opt-out plan. (NRS 287.043, 287.0479)

1. If an officer or employee is eligible to join an opt-out plan at the time of his or her employment, the officer or employee may elect to join the opt-out plan or the Program upon commencing employment.

2. If an officer or employee:

(a) Was eligible to join an opt-out plan at the commencement of his or her employment but joined the Program; or

(b) Becomes eligible to join an opt-out plan after the commencement of his or her employment,

→ the officer or employee may join the opt-out plan in lieu of the Program at an open enrollment.

3. It is the responsibility of an officer or employee that is eligible to join an opt-out plan or the administrator of the opt-out plan to notify the Program of the eligibility of the officer or employee to join the opt-out plan. Failure to provide such notification to the Program may result in the ineligibility of the employee to select the opt-out plan upon commencement of his or her employment or at open enrollment.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.373 Notification of Program regarding certain changes in status and court orders. (NRS 287.043, 287.0479)

1. Within 15 calendar days after a change in the status of a participant in an opt-out plan that affects the rate of his or her premium or contribution, the opt-out plan shall notify the Program of that change in an electronic format acceptable to the Program.

2. If an officer or employee has declined participation in the Program and any opt-out plan, the officer or employee shall notify the Program within 31 days after the officer or employee has:

(a) Been ordered to obtain health insurance for his or her child pursuant to NRS 31A.350; or

(b) A change in life status or the addition of a dependent that initiates eligibility for both the declined employee and any affected dependent.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.375 Eligibility for coverage under opt-out plan: Administration of requirements by Program; compliance with determinations of Program. (NRS 287.043, 287.0479)

1. The Program shall administer the requirements for eligibility for coverage set forth in this chapter and chapter 287 of NRS for participants in opt-out plans, including, without limitation:

(a) Processing notice of termination, workers' compensation leave, military leave, family and medical leave and leave without pay and any related changes that affect coverage.

(b) Processing an order for an officer or employee to obtain health insurance for his or her child pursuant to NRS 31A.350.

2. An opt-out plan shall comply with determinations of eligibility made by the Program regarding participants in the opt-out plan.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.377 Requirements for change in coverage. (NRS 287.043, 287.0479)

1. A participant in an opt-out plan may only join a different opt-out plan or the Program during open enrollment. No lapse in coverage may occur to a participant when he or she changes coverage pursuant to this subsection.

2. When a participant in an opt-out plan retires or becomes a survivor of a deceased officer or employee, the participant may not select another opt-out plan for which he or she is eligible or the Program until the next open enrollment.

3. When an officer or employee joins an opt-out plan, the Program shall not consider that decision to be a declination of coverage.

4. If a participant in the Program elects to join an opt-out plan, the participant shall submit to the Program a signed release and waiver of rights agreement, which is in a form acceptable to the Board.

5. If a participant in an opt-out plan becomes ineligible for participation in the opt-out plan, he or she may elect to continue coverage under the opt-out plan pursuant to the Consolidated Omnibus Budget Reconciliation Act, Public Law 99-272, until the next period of open enrollment.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.379 Options for coverage under opt-out plan: Annual notification of Program; effective period. (NRS 287.043, 287.0479) At least 90 days before the commencement of a new plan year of an opt-out plan, the opt-out plan shall notify the Program of the options for coverage that will be offered to participants in the opt-out plan during that plan year, including, without limitation, the schedules of the rates for premiums or contributions in accordance with the tiers of coverage established by the Program. Such options for coverage and schedules of rates must remain in effect throughout the entire new plan year.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.381 Premiums or contributions for participants in opt-out plans: General administrative duties of Program. (NRS 287.043, 287.0479)

1. The Program shall maintain the rates for premiums or contributions for participants in each opt-out plan separately in its information system.

2. The Program shall calculate the State's share of the costs of premiums or contributions for participants in an opt-out plan pursuant to NRS 287.046 in the same manner as for participants in the Program.

3. The difference between the amount of the premium or contribution of a participant in an opt-out plan and the amount paid by the State toward the premium or contribution of the participant pursuant to NRS 287.046 must be assessed to the participant.

4. If the amount paid by the State toward the premium or contribution of a participant in an opt-out plan pursuant to NRS 287.046 exceeds the amount of the premium or contribution for that participant, the Program shall retain the balance.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.383 Premiums or contributions for participants in opt-out plans: Requirements for billing. (NRS 287.043, 287.0479) The Program shall bill on a monthly basis:

1. Each payroll center that deducts and pays the premium or contribution for a participant in an opt-out plan from the salary or monthly retirement allowance, as applicable, of the participant for the amount of the premiums or contributions for such participants based on the schedule of rates for premiums or contributions for that opt-out plan. A payroll center shall maintain the schedule of rates for each opt-out plan in which persons for whom the payroll center deducts and pays such premiums or contributions participate.

2. Each participant in an opt-out plan that is responsible for the paying of his or her premium or contribution directly.

3. The Retired Employees' Group Insurance Budget Account for the portion of the amount of the premiums or contributions for participants in an opt-out plan who retired from the service of the State that is paid by the State pursuant to subsection 2 of NRS 287.046. The Program shall identify separately the portion of the amount billed to the State pursuant to this subsection that is attributable to participants in each opt-out plan.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.385 Premiums or contributions for participants in opt-out plans: Remittance of payments; nonpayment by participant. (NRS 287.043, 287.0479)

1. A payroll center shall remit by the 25th of each month to the Program the amount of the premiums or contributions for participants in opt-out plans that is billed to the payroll center for that month by the Program pursuant to subsection 1 of NAC 287.383. The payroll center shall identify separately the portion of each such payment to the Program that is attributable to participants in each opt-out plan.

2. A participant of an opt-out plan that is billed directly by the Program pursuant to subsection 2 of NAC 287.383 for his or her premiums or contributions shall remit the amount of the premium or contribution within 30 days after he or she was billed.

3. The amount of the premiums or contributions for participants in an opt-out plan for which the Retired Employees' Group Insurance Budget Account is billed each month pursuant to subsection 3 of NAC 287.383 must be transferred to the Program by the 25th day of each month, subject to adequate funding in that Account.

4. The Program shall notify an opt-out plan of the nonpayment of a premium or contribution by a participant in the opt-out plan who is billed by the Program for his or her premiums or contributions directly or through a payroll center. The Program shall not initiate termination of coverage of such a participant.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.387 Administrative fee: Establishment by Program; calculation; notice. (NRS 287.043, 287.0479)

1. To recoup the administrative costs incurred by the Program related to opt-out plans, the Program shall, for each fiscal year, establish a monthly per capita administrative fee to be charged to each opt-out plan for each participant in the opt-out plan.

2. The administrative fee charged to each opt-out plan each month pursuant to subsection 1 must be based on the number of participants in the opt-out plan during that month.

3. The per capita administrative fee must be calculated by:

(a) Subtracting from the amount of the annual budget of the Program:

(1) Consulting fees incurred by the Program for health benefits for participants in the Program;

(2) Fully insured costs of the Program;

(3) Administrative costs for the plan of self-insurance of the Program;

(4) Expenses for claims made by participants in the plan of self-insurance of the Program;

(5) Reserve expenses for the plan of self-insurance of the Program; and

(6) Any other costs incurred by the Program that the Program deems to be unrelated to participants in opt-out plans.

(b) Dividing the number determined pursuant to paragraph (a) by the total number of persons who are participating in the Program or in an opt-out plan during the 10th month of the fiscal year immediately preceding the fiscal year for which the fee is being established.

(c) Dividing the number determined pursuant to paragraph (b) by 12.

4. The administrative fee must be calculated and provided in writing to each opt-out plan not later than 60 days before the beginning of each fiscal year.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

NAC 287.389 Duties of Program: Accounting for and remittance of payments; monthly reports. (NRS 287.043, 287.0479)

1. The Program shall:

(a) Account for all payments for premiums or contributions for participants in opt-out plans that are actually received each month by the Program pursuant to NAC 287.385; and

(b) Remit all such payments monthly to the applicable opt-out plan less the amount of the monthly administrative fee charged to the opt-out plan by the Program pursuant to NAC 287.387.

2. The Program shall provide a monthly report to each opt-out plan, which includes, without limitation, for that month:

(a) The details of the payments for premiums or contributions for participants in the opt-out plan; and

(b) The calculation of the administrative fee.

(Added to NAC by Bd. of Pub. Employees' Benefits Prog. by R097-03, eff. 9-24-2003)

Payment of Premiums and Contributions; Coverage

NAC 287.420 Payment of premiums or contributions by public employer: Date due; penalty. (NRS 287.043, 287.046)

1. The total of the premiums or contributions which is billed by the Program and is owed by a public employer which:

(a) Employs an officer or employee;

(b) Is legally responsible for the surviving spouse or child of a police officer, firefighter or volunteer firefighter killed in the line of duty; or

(c) Pays a subsidy for any of its retired officers or employees,

→ for the officer, employee, surviving spouse or child, or retired officer or employee who elects to participate in the Program and the respective premium or contribution, if any, which is deducted from his or her compensation must be received by the Program by the 25th of each month.

2. If a public employer does not pay the amount billed by the Program, the Program shall determine if a penalty that is based on the amount actually paid should be assessed. If the total payments made by the public employer were less than the amount billed to the public employer, the Program may, for good cause shown, assess a monthly compounded penalty of 1.5 percent of the unpaid balance, which will include, without limitation, any unpaid subsidies, penalties or adjustments.

3. For the purposes of this section, if the 25th day of the month is a Saturday, Sunday or legal holiday, the payment of a premium or contribution is timely if it is received on the next day which is not a Saturday, Sunday or legal holiday.

(Added to NAC by Com. on Group Ins., eff. 5-27-86; A 12-17-87; A by Com. on Benefits, 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R107-09, 4-20-2010)

NAC 287.430 Direct payment of premiums or contributions: Date due; cancellation of coverage. (NRS 287.043, 287.046) A person, other than a person who elects to continue coverage pursuant to the Public Health Service Act, 42 U.S.C. § 300bb-1(a), who:

1. Enrolls, reenrolls, joins or is continuing coverage in the Program; and

2. Is responsible for the payment of the premium or contribution for group insurance directly to the Program or an insurer,

→ shall pay the premium or contribution to the Program or insurer, as appropriate, no later than the date which is 30 days after the due date of the payment, as determined by the Program. If the total amount of the premium or contribution is not received by that date, the coverage will be

cancelled effective on the last day of the month that the coverage was fully paid unless the particular contract of coverage or insurance for which payment is being made otherwise provides.

(Added to NAC by Com. on Group Ins., eff. 5-27-86; A 12-17-87; A by Com. on Benefits, 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R089-05, 6-28-2006; R107-09, 4-20-2010)

NAC 287.440 Payment of premiums or contributions by retired officers and employees. (NRS 287.043, 287.046)

1. Except as otherwise provided in subsection 2, retired officers and employees shall pay their premiums or contributions directly to the Program.

2. Retired officers and employees who receive a retirement benefit from the Public Employees' Retirement System shall pay their premiums or contributions to the Program through an automatic deduction from that benefit unless the retirement benefit is less than the premium or contribution.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R089-05, 6-28-2006; R107-09, 4-20-2010)

NAC 287.450 Employees on leave without pay: Payment of premiums or contributions; eligibility for coverage as dependent of participant; coverage upon return to work. (NRS 287.043, 287.046)

1. A participating public agency that employs an employee who is on leave without pay shall not pay any amount of the cost of premiums or contributions that is due the Program for group insurance for that employee unless the employee is compensated for a combination of work actually performed and accrued annual leave or sick leave, if the total is at least 80 hours per month for each month that coverage or insurance is provided.

2. An employee who is on approved leave without pay:

(a) May continue coverage or insurance for himself or herself and any of his or her eligible dependents:

(1) If the amount of the paycheck of the employee is more than the cost of the premium or contribution, by having the cost of the premium or contribution deducted from his or her paycheck; or

(2) If the amount of the paycheck of the employee is less than the cost of the premium or contribution, by paying the cost of the premium or contribution directly to the Program.

(b) Is not eligible for coverage or insurance as a dependent of a participant.

(c) Is not eligible for coverage or insurance if the employee elects not to pay the premium or contribution for coverage or insurance.

3. If an employee who is on approved leave without pay elects not to pay the premium or contribution for coverage and insurance from the Program and returns to work:

(a) Within 1 year after the last day of his or her coverage from the Program, the employee is not required to complete 90 days of full-time employment before being eligible to participate in the Program.

(b) One year or more after taking leave without pay, the employee is eligible to participate in the Program on the first day of the month following 90 days of full-time employment.

4. An employee who is on approved leave without pay may, at the time he or she returns to work, obtain coverage and insurance for any dependent who was previously covered.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R126-07, 1-30-2008; R016-08, 8-26-2008, eff. 7-1-2009; R107-09, 4-20-2010)

NAC 287.460 Officers and employees on leave because of injuries in course of employment: Payment of premiums or contributions; reports of change in status; coverage of dependents upon return to work. (NRS 287.043, 287.0439, 287.0445)

1. An officer or employee of a participating public agency who:

- (a) Is on leave because he or she was injured in the course of employment;
- (b) Receives compensation for a temporary total disability pursuant to NRS 616C.475; and
- (c) Was a participant in the Program at the time of the injury,

→ may continue coverage or insurance for himself or herself and any of his or her eligible dependents by having the cost of the premium or contribution deducted from his or her paycheck if the amount of the paycheck is more than the cost of the premium or contribution or, if the amount of the paycheck is less than the cost of the premium or contribution, by paying the cost of the premium or contribution directly to the Program. The officer or employee shall report the change of status to the participating public agency that employs him or her when he or she takes leave and when he or she returns to work. Within 15 days after notification of such a change of status by the officer or employee, the participating public agency shall report to the Program, on a form prescribed by the Program, the change of status of the officer or employee.

2. If the officer or employee does not pay for coverage or insurance for his or her dependent while on leave and returns to work within 1 year after the last day of his or her coverage from the Program, the dependent may be covered.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R089-05, 6-28-2006; R126-07, 1-30-2008)

NAC 287.470 Overpayment or underpayment of premiums or contributions. (NRS 287.043, 287.046)

1. The provisions of this section apply if an overpayment or underpayment of a premium or contribution occurs because of:

- (a) A clerical error by the Program or a participating public agency;
- (b) A change of coverage or a change in the working status of a participating officer or employee; or
- (c) The failure of a participant to give timely notice that a dependent is ineligible for coverage.

2. If a participating public agency makes an overpayment of premiums or contributions, it may deduct the amount of the overpayment from the payment of premiums or contributions otherwise due for the following month. Any such deduction for a period greater than 1 month must:

- (a) Be approved in advance by the Program; and
- (b) Equal the amount of the overpayment without provision for interest.

3. The participating public agency shall pay any money due a participant because of an overpayment of premiums or contributions.

4. If a participating public agency makes an underpayment of premiums or contributions, it must add the amount of the underpayment to the payment of premiums or contributions otherwise due for the following month. Any such additions for a period greater than 1 month must:

- (a) Be approved in advance by the Program; and
- (b) Equal the amount of the underpayment without provision for interest.

5. Any money owed by a participant because of an underpayment of premiums or contributions must be collected from the participant and paid by the participating public agency.

6. As used in this section, "overpayment of premiums or contributions" does not include the payment of premiums or contributions for the month in which the employment of a participant terminated, regardless of the date on which the termination occurs.

(Added to NAC by Com. on Benefits, eff. 5-4-92; A by Bd. of Pub. Employees' Benefits Prog. by R126-00, 12-22-2000, eff. 1-1-2001; R154-03, 3-22-2004; R016-08, 8-26-2008, eff. 7-1-2009)

NAC 287.485 Subsidy for retired officer or employee: Report required to obtain subsidy; audit of service credit required; billing; commencement of payment; adjustment of amount of subsidy; assumption of liability for service credit earned. (NRS 287.043, 287.046)

1. To obtain a subsidy, a retired officer or employee who participates in the Program must report to the Program, on a form prescribed by the Program, each public employer with which he or she earned service credit and the period of service with each such public employer.

2. The Executive Officer or a designee of the Executive Officer shall request an audit from the appropriate certifying agency to determine the initial date of hire of a retired officer or employee and the years and months of service credit earned by the retired officer or employee with each public employer of the retired officer or employee during the period of that employment. Such a request must be made within 14 days after the later of:

- (a) The receipt of the report made to the Program pursuant to subsection 1; or
- (b) The date of the retirement of the retired officer or employee.

3. For the purposes of subsections 1 and 2, service credit:

- (a) Must be computed in the manner set forth in NRS 286.495 or 286.501, as applicable;
- (b) Must include any service credit that has been restored by the repayment of contributions that the retired officer or employee had withdrawn from the Public Employees' Retirement System pursuant to NRS 286.430; and

- (c) Must not include any service credit that was purchased pursuant to NRS 1A.310 or 286.300.

4. Except as otherwise provided in subsection 5, the Executive Officer or a designee of the Executive Officer shall not submit a bill to a public employer for a subsidy for a retired officer or employee until an audit requested pursuant to subsection 2 for the retired officer or employee is received by the Program.

5. If an audit requested pursuant to subsection 2 is received after the date on which coverage of the retired officer or employee becomes effective, the Executive Officer or a designee of the Executive Officer shall submit to the previous public employer of the retired officer or employee a bill for the subsidy incurred between the date on which coverage of the retired officer or employee became effective and the date on which the audit was received.

6. A public employer shall commence payment of its subsidy for a retired officer or employee upon receipt of the bill for the subsidy.

7. If, after receiving an audit requested pursuant to subsection 2, the Program receives any additional audit for the retired officer or employee for whom the original audit was conducted:

- (a) The Program shall adjust the amount to be billed to the retired officer or employee and to the previous public employer of the retired officer or employee according to the years and months of service credit reported in the most recent audit; and

- (b) Any such adjustment will be effective on the first day of the month after the receipt by the Program of the most recent audit.

8. A public employer or other entity may assume from a public employer the liability for the years and months of service credit earned by a retired officer or employee if the public employer assuming the liability submits a written certification to the Program containing:

- (a) The name and social security number of the retired officer or employee;
- (b) The dates during which the service credit for which the public employer or other entity is assuming liability was earned by the retired officer or employee;

- (c) A statement acknowledging that the public employer or other entity is assuming the liability associated with the dates listed pursuant to paragraph (b);

- (d) A signature of the director or chief executive officer of the public employer or other entity assuming liability, or a designee of the director or chief executive officer of the public employer or other entity assuming liability; and

- (e) The name, title and contact information of the person who signed the certification.

9. If a public employer with which a retired officer or employee earned service credit ceases to exist as a public employer, the public employer that has the most direct jurisdictional association with the public employer that ceases to exist, as determined by the Executive Officer,