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SENATE BILL NO. 5—COMMITTEE OF THE WHOLE

JUNE 7, 2005

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Declared an Emergency Measure

SUMMARY—Makes various changes concerning purchasing prescription drugs from Canadian pharmacies and regulation of certain pharmacies located outside Nevada. (BDR 54-11)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to health care; revising certain provisions concerning the distribution of prescription drugs to authorize certain Canadian pharmacies licensed in Nevada to provide prescription drugs through mail order service to residents of Nevada under certain circumstances; requiring the Director of the Office for Consumer Health Assistance to establish and maintain an Internet website to provide certain information to consumers concerning purchasing prescription drugs from certain Canadian pharmacies licensed in this State; and providing other matters properly relating thereto.

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

- 1     **Section 1.** NRS 639.230 is hereby amended to read as follows:  
2     639.230 1. A person operating a business in this State shall  
3 not use the letters “Rx” or “RX” or the word “drug” or “drugs,”  
4 “prescription” or “pharmacy,” or similar words or words of similar  
5 import, without first having secured a license from the Board.  
6     2. Each license must be issued to a specific person and for a  
7 specific location and is not transferable. The original license must be  
8 displayed on the licensed premises as provided in NRS 639.150.



1 The original license and the fee required for reissuance of a license  
2 must be submitted to the Board before the reissuance of the license.

3 3. If the owner of a pharmacy is a partnership or corporation,  
4 any change of partners or corporate officers must be reported to the  
5 Board at such a time as is required by a regulation of the Board.

6 4. ~~Has~~ *Except as otherwise provided in subsection 6, in*  
7 addition to the requirements for renewal set forth in NRS 639.180,  
8 every person holding a license to operate a pharmacy must satisfy  
9 the Board that the pharmacy is conducted according to law.

10 5. Any violation of any of the provisions of this chapter by a  
11 managing pharmacist or by personnel of the pharmacy under the  
12 supervision of the managing pharmacist is cause for the suspension  
13 or revocation of the license of the pharmacy by the Board.

14 6. *The provisions of this section do not prohibit a Canadian*  
15 *pharmacy which is licensed by the Board and which has been*  
16 *recommended by the Board pursuant to subsection 4 of NRS*  
17 *639.2328 for inclusion on the Internet website established and*  
18 *maintained pursuant to subsection 9 of NRS 223.560 from*  
19 *providing prescription drugs through mail order service to*  
20 *residents of Nevada in the manner set forth in NRS 639.2328 to*  
21 *639.23286, inclusive.*

22 **Sec. 2.** NRS 639.2328 is hereby amended to read as follows:

23 639.2328 1. Every pharmacy located outside Nevada that  
24 provides mail order service to or solicits or advertises for orders for  
25 drugs available with a prescription from a resident of Nevada must  
26 be licensed by the Board.

27 2. To be licensed or to renew a license, such a pharmacy must:

28 (a) Be licensed as a pharmacy, or the equivalent, by the state or  
29 country in which its dispensing facilities are located.

30 (b) Comply with all applicable federal laws, regulations and  
31 standards.

32 (c) Submit an application in the form furnished by the Board.

33 (d) Provide the following information to the Board:

34 (1) The name and address of the owner;

35 (2) The location of the pharmacy;

36 (3) The name of the pharmacist who is the managing  
37 pharmacist; and

38 (4) Any other information the Board deems necessary.

39 (e) Pay the fee required by regulation of the Board.

40 (f) Submit evidence satisfactory to the Board that the facility,  
41 records and operation of the pharmacy comply with the laws and  
42 regulations of the state or country in which the pharmacy is located.

43 (g) Submit certification satisfactory to the Board that the  
44 pharmacy complies with all lawful requests and directions from the  
45 regulatory board or licensing authority of the state or country in



1 which the pharmacy is located relating to the shipment, mailing or  
2 delivery of drugs.

3 (h) Be certified by the Board pursuant to NRS 639.23288 if the  
4 pharmacy operates an Internet pharmacy.

5 3. In addition to the requirements of subsection 2, the Board  
6 may require such a pharmacy to be inspected by the Board.

7 *4. The Board shall notify the Office for Consumer Health*  
8 *Assistance each time the Board licenses a Canadian pharmacy*  
9 *pursuant to this section and recommend that the Office for*  
10 *Consumer Health Assistance include each such pharmacy on the*  
11 *Internet website established and maintained pursuant to*  
12 *subsection 9 of NRS 223.560.*

13 **Sec. 3.** NRS 639.23284 is hereby amended to read as follows:

14 639.23284 **1.** Every pharmacy located outside Nevada that  
15 provides mail order service to a resident of Nevada:

16 ~~[(1)]~~ **(a)** Shall report to the Board any change of information that  
17 appears on its license and pay the fee required by regulation of the  
18 Board.

19 ~~[(2)]~~ **(b)** Shall make available for inspection all pertinent records,  
20 reports, documents or other material or information required by the  
21 Board.

22 ~~[(3)]~~ **(c)** As required by the Board, must be inspected by the  
23 Board or:

24 ~~[(a)]~~ **(1)** The regulatory board or licensing authority of the state  
25 or country in which the pharmacy is located; or

26 ~~[(b)]~~ **(2)** The Drug Enforcement Administration.

27 ~~[(4)]~~ **(d)** As required by the Board, shall provide the following  
28 information concerning each prescription for a drug that is shipped,  
29 mailed or delivered to a resident of Nevada:

30 ~~[(a)]~~ **(1)** The name of the patient;

31 ~~[(b)]~~ **(2)** The name of the prescriber;

32 ~~[(c)]~~ **(3)** The number of the prescription;

33 ~~[(d)]~~ **(4)** The date of the prescription;

34 ~~[(e)]~~ **(5)** The name of the drug; and

35 ~~[(f)]~~ **(6)** The strength and quantity of the dose.

36 *2. In addition to complying with the requirements of*  
37 *subsection 1, every Canadian pharmacy which is licensed by the*  
38 *Board and which has been recommended by the Board pursuant*  
39 *to subsection 4 of NRS 639.2328 for inclusion on the Internet*  
40 *website established and maintained pursuant to subsection 9 of*  
41 *NRS 223.560 that provides mail order service to a resident of*  
42 *Nevada shall not sell, distribute or furnish to a resident of this*  
43 *State:*

44 *(a) A controlled substance;*



1 *(b) A prescription drug that has not been approved by the*  
2 *Federal Food and Drug Administration;*

3 *(c) A generic prescription drug that has not been approved by*  
4 *the Federal Food and Drug Administration;*

5 *(d) A prescription drug for which the Federal Food and Drug*  
6 *Administration has withdrawn or suspended its approval; or*

7 *(e) A quantity of prescription drugs at one time that includes*  
8 *more drugs than are prescribed to the patient as a 3-month supply*  
9 *of the drugs.*

10 **Sec. 4.** NRS 223.510 is hereby amended to read as follows:

11 223.510 "Consumer" means a natural person who ~~has~~:

12 1. *Has* or is in need of coverage under a health care plan ~~for~~  
13 ~~who is~~;

14 2. *Is* in need of information or other assistance regarding a  
15 prescription drug program ~~or~~; *or*

16 3. *May need information concerning purchasing prescription*  
17 *drugs from Canadian pharmacies.*

18 **Sec. 5.** NRS 223.550 is hereby amended to read as follows:

19 223.550 1. The Office for Consumer Health Assistance is  
20 hereby established in the Office of the Governor. The Governor  
21 shall appoint the Director. The Director must:

22 (a) Be:

23 (1) A physician, as that term is defined in NRS 0.040;

24 (2) A registered nurse, as that term is defined in  
25 NRS 632.019;

26 (3) An advanced practitioner of nursing, as that term is  
27 defined in NRS 453.023; or

28 (4) A physician assistant, as that term is defined in NRS  
29 630.015; and

30 (b) Have expertise and experience in the field of advocacy.

31 2. The cost of carrying out the provisions of NRS 223.500 to  
32 223.580, inclusive, must be paid as follows:

33 (a) That portion of the cost related to providing assistance to  
34 consumers and injured employees concerning workers'  
35 compensation must be paid from the assessments levied pursuant to  
36 NRS 232.680.

37 (b) That portion of the cost related to the operation of the  
38 Bureau for Hospital Patients created pursuant to NRS 223.575 must  
39 be paid from the assessments levied pursuant to that section.

40 (c) That portion of the cost related to providing assistance to  
41 consumers in need of information or other facilitation regarding a  
42 prescription drug program may, to the extent money is available  
43 from this source, be paid from the proceeds of any gifts, grants or  
44 donations that are received by the Director for this purpose.



(d) *That portion of the cost related to providing assistance to consumers in need of information concerning purchasing prescription drugs from Canadian pharmacies may, to the extent money is available from this source, be paid from the proceeds of any gifts, grants or donations that are received by the Director for this purpose.*

(e) The remaining cost must be provided by direct legislative appropriation from the State General Fund and be paid out on claims as other claims against the State are paid.

**Sec. 6.** NRS 223.560 is hereby amended to read as follows:  
223.560 The Director shall:

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

2. Assist consumers and injured employees in understanding their rights and responsibilities under health care plans and policies of industrial insurance;

3. Identify and investigate complaints of consumers and injured employees regarding their health care plans and policies of industrial insurance and assist those consumers and injured employees to resolve their complaints, including, without limitation:

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

(b) Providing counseling and assistance to consumers and injured employees concerning health care plans and policies of industrial insurance;

4. Provide information to consumers and injured employees concerning health care plans and policies of industrial insurance in this State;

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

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

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

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

*9. Establish and maintain an Internet website which includes:*



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

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

8     **Sec. 7.** NRS 223.570 is hereby amended to read as follows:

9     223.570 1. The Director may:

10     (a) Within the limits of available money, employ:

11         (1) Such persons in the unclassified service of the State as he  
12 determines to be necessary to carry out the provisions of this section  
13 and NRS 223.560 and 223.580, including, without limitation, a  
14 provider of health care, as that term is defined in NRS 449.581.

15         (2) Such additional personnel as may be required to carry out  
16 the provisions of this section and NRS 223.560 and 223.580, who  
17 must be in the classified service of the State.

18     ➤ A person employed pursuant to the authority set forth in this  
19 subsection must be qualified by training and experience to perform  
20 the duties for which the Director employs him.

21     (b) To the extent not otherwise prohibited by law, obtain such  
22 information from consumers, injured employees, health care plans,  
23 prescription drug programs and policies of industrial insurance as he  
24 determines to be necessary to carry out the provisions of this section  
25 and NRS 223.560 and 223.580.

26     (c) Adopt such regulations as he determines to be necessary to  
27 carry out the provisions of this section and NRS 223.560 and  
28 223.580.

29     (d) Apply for any available grants, accept any gifts, grants or  
30 donations and use any such gifts, grants or donations to aid the  
31 Office *for Consumer Health Assistance* in carrying out its duties  
32 pursuant to ~~subsection~~ *subsections 8 and 9* of NRS 223.560.

33     2. The Director and his employees shall not have any conflict  
34 of interest relating to the performance of their duties pursuant to this  
35 section and NRS 223.560 and 223.580. For the purposes of this  
36 subsection, a conflict of interest shall be deemed to exist if the  
37 Director or employee, or any person affiliated with the Director or  
38 employee:

39         (a) Has direct involvement in the licensing, certification or  
40 accreditation of a health care facility, insurer or provider of health  
41 care;

42         (b) Has a direct ownership interest or investment interest in a  
43 health care facility, insurer or provider of health care;

44         (c) Is employed by, or participating in, the management of a  
45 health care facility, insurer or provider of health care; or



(d) Receives or has the right to receive, directly or indirectly, remuneration pursuant to any arrangement for compensation with a health care facility, insurer or provider of health care.

**Sec. 8.** NRS 453.3639 is hereby amended to read as follows:

453.3639 1. ~~[A]~~ *Except as otherwise provided in subsection 3, a* person who is located within or outside this State shall not, via the Internet, fill or refill a prescription drug if:

(a) The person has reasonable cause to believe that the prescription is being filled or refilled for a person in this State; and

(b) The prescription drug has not been lawfully imported into the United States.

2. ~~[A]~~ *Except as otherwise provided in subsection 3, a* person who is located within or outside this State shall not, via the Internet, fill or refill a prescription drug if:

(a) The person has reasonable cause to believe that the prescription is being filled or refilled for a person in this State; and

(b) The prescription was not delivered to the person in accordance with all applicable state and federal laws, regulations and standards.

3. *The provisions of this section do not prohibit a Canadian pharmacy which is licensed by the Board and which has been recommended by the Board pursuant to subsection 4 of NRS 639.2328 for inclusion on the Internet website established and maintained pursuant to subsection 9 of NRS 223.560 from providing prescription drugs through mail order service to residents of Nevada in the manner set forth in NRS 639.2328 to 639.23286, inclusive.*

4. A person shall not knowingly aid another person in any act or transaction that violates any provision of this section.

~~[4.]~~ 5. Except as otherwise provided in subsection ~~[5.]~~ 6, a person who violates any provision of this section is guilty of a category C felony and shall be punished as provided in NRS 193.130.

~~[5.]~~ 6. A person who violates any provision of this section is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 3 years and a maximum term of not more than 15 years, and may be further punished by a fine of not more than \$100,000, if the substance or drug involved:

(a) Is classified in schedule I; or

(b) Proximately causes substantial bodily harm to or the death of the intended recipient of the substance or drug or any other person.

~~[6.]~~ 7. The court shall not grant probation to or suspend the sentence of a person punished pursuant to subsection ~~[5.]~~ 6.



- 1       ~~[7-]~~ 8. A person may be prosecuted, convicted and punished  
2 for a violation of this section whether or not the person is  
3 prosecuted, convicted or punished for violating any other specific  
4 statute based upon the same act or transaction.  
5       **Sec. 9.** This act becomes effective on July 1, 2005.

