

**MINUTES OF THE SUBCOMMITTEE OF THE
SENATE COMMITTEE ON COMMERCE AND LABOR**

**Seventy-third Session
April 7, 2005**

The subcommittee of the Senate Committee on Commerce and Labor was called to order by Chair Joe Heck at 10:02 a.m. on Thursday, April 7, 2005, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4406, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joe Heck, Chair
Senator Warren B. Hardy II
Senator Michael Schneider

GUEST LEGISLATORS PRESENT:

Senator Bob Beers, Clark County Senatorial District No. 6

STAFF MEMBERS PRESENT:

Shirley Parks, Committee Secretary
Kevin Powers, Committee Counsel
Scott Young, Committee Policy Analyst
Donna Winter, Committee Secretary

OTHERS PRESENT:

Jack Kim, Nevada Association of Health Plans; Sierra Health Services, Incorporated

CHAIR HECK:

I would like to open the hearing on Senate Bill (S.B.) 29.

SENATE BILL 29: Requires policies of health insurance to provide coverage for certain treatments for cancer. (BDR 57-265)

I would like to thank Kevin Powers, Committee Counsel, for doing the mock-up proposed amendment to S.B. 29 ([Exhibit C](#), original is on file at the Research Library). I would like to commend all the parties that were involved, specifically those representing the payer community and Cancer Institute, for their diligent work in coming up with what we believe is a consensus on how we can include Phase I clinical trials into our current statute.

The following changes were made to the bill. The Phase I clinical trial to the treatment of cancer was added into section 1. A provision was added upon my insistence that specifically dictates where a Phase I clinical trial can and cannot be conducted. Since these are Phase I trials, perhaps first in-human trials, there should be tighter controls over where those trials are conducted. There is a provision in the bill that states Phase I clinical trials can only be performed at centers that are authorized to do so, and we define what the criteria are for those centers. We made sure that we emphasized that these trials need to be a clinical trial or a study that is therapeutic in nature. Therefore, they are treatment trials, not experimental trials. The biggest change we defined in section 1, subsection 2, paragraph (b) of the bill was specifically what the payer community will cover. All parties agreed that the language satisfied their needs. The payer party will continue to cover any routine health care cost that they would have otherwise covered. The effective date was changed to January 1, 2006; it is not retroactive as previously issued policies. The same language repeats for all the other sections concerning all the different types of insurance companies.

SENATOR HARDY:

I would like to hear from some of those who opposed the original bill, and get them on the record that they are okay with these changes.

JACK KIM (Nevada Association of Health Plans; Sierra Health Services, Incorporated):

We were opposed to the bill in its original format. The Nevada Association of Health Plans always has and always will oppose mandates. The changes that have been presented in this amendment address a number of our concerns. Our biggest concern was the complications for which we would be required to pay, especially if those complications were directly related to the clinical trial and not the cancer or the member. We are not opposed to these changes at this point.

SENATOR HARDY:

Mr. Chairman, as a Legislator I am opposed to mandates as a rule. However, this is a unique circumstance. The last thing we want to do is create a culture in Nevada where we do not want clinical trials. I appreciate those coming forward who opposed the bill and demonstrated a willingness to work through these issues. I am favorable toward the language stipulating that trials are therapeutic in nature and the additional language about what the insurance providers are required to cover. I hope we are creating a culture where these trials are welcomed in our State.

MR. KIM:

Many health care plans had already covered the clinical trials. Before the original bill, A.B. No. 502 of the 72nd Session, these plans covered clinical trials and they will continue to cover them with or without S.B. 29. This bill makes it clearer that the complications are not covered. We would cover any complications that are related to cancer because that is ongoing treatment. The intent of the subcommittee and members that worked with Chair Heck on this amendment was to not cover complications brought on by clinical trial itself but limit coverage to just routine care. I appreciate Chair Heck's work with us in drafting language that we could not oppose.

SENATOR HARDY:

I did not mean to put Mr. Kim on the spot, but I felt it was necessary for him to be on the record in expressing his thoughts.

SENATOR SCHNEIDER:

Mr. Kim, if one of your insureds had cancer, could not be cured but wanted to do some experimental treatment or drugs, would you cover that or not? If they went to University of California at Los Angeles or another similar medical facility, would you pay for their treatment there?

MR. KIM:

Before this bill even came into existence, Sierra Health Services, Incorporated had a number of people in clinical trials, and they still do have a number of people in clinical trials. We do not limit the treatment to Nevada. The money we are appropriating for that is from where the treatment would come. We do not plan to change that policy. We made the commitment in the 72nd Legislative Session that in the event somebody's trials had begun in another state we would cover them.

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CHAIR HECK:

Subcommittee, what is your pleasure on S.B. 29?

SENATOR HARDY MOVED THAT THE SUBCOMMITTEE RECOMMEND
THE COMMITTEE AMEND AND DO PASS S.B. 29.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR HECK:

The meeting of the subcommittee of the Senate Committee on Commerce and
Labor is adjourned at 10:09 a.m.

RESPECTFULLY SUBMITTED:

Donna Winter,
Committee Secretary

APPROVED BY:

Senator Joe Heck, Chair

DATE: _____