ASSEMBLY BILL NO. 537–COMMITTEE ON COMMERCE AND LABOR

MARCH 28, 2011

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing prohibited acts for certain health care practitioners. (BDR 54-1115)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.

Effect on the State: No.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to health care practitioners; prohibiting certain health care practitioners from participating in the procurement, purchase or consumption of certain drugs that are not labeled in accordance with federal regulations; providing that such participation is grounds for disciplinary action or denial of licensure; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The United States Food and Drug Administration requires that certain prescription drugs include a label which meets federal regulations for such labels. (21 C.F.R. Part 201) Existing law in this State authorizes certain health care practitioners, including physicians, physician assistants, dentists, advanced practitioners of nursing, osteopathic physicians, osteopathic physician assistants, podiatric physicians, optometrists and veterinarians, to prescribe and administer controlled substances and dangerous drugs under certain circumstances. (NRS 639.0125, 639.235) This bill prohibits those health care practitioners and pharmacists from aiding, assisting, employing or advising, directly or indirectly, any person in the procurement, purchase or consumption of controlled substances and dangerous drugs that do not include a label as required under federal law. This bill further authorizes disciplinary action to be taken against health care practitioners for violations of the prohibition.





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

Section 1. NRS 630.306 is hereby amended to read as follows: 630.306 The following acts, among others, constitute grounds for initiating disciplinary action or denying licensure:

- 1. Inability to practice medicine with reasonable skill and safety because of illness, a mental or physical condition or the use of alcohol, drugs, narcotics or any other substance.
 - 2. Engaging in any conduct:

- (a) Which is intended to deceive;
- (b) Which the Board has determined is a violation of the standards of practice established by regulation of the Board; or
- (c) Which is in violation of a regulation adopted by the State Board of Pharmacy.
- 3. Administering, dispensing or prescribing any controlled substance, or any dangerous drug as defined in chapter 454 of NRS, to or for himself or herself or to others except as authorized by law.
- 4. Performing, assisting or advising the injection of any substance containing liquid silicone into the human body, except for the use of silicone oil to repair a retinal detachment.
- 5. Practicing or offering to practice beyond the scope permitted by law or performing services which the licensee knows or has reason to know that he or she is not competent to perform or which are beyond the scope of his or her training.
- 6. Performing, without first obtaining the informed consent of the patient or the patient's family, any procedure or prescribing any therapy which by the current standards of the practice of medicine is experimental.
- 7. Continual failure to exercise the skill or diligence or use the methods ordinarily exercised under the same circumstances by physicians in good standing practicing in the same specialty or field.
- 8. Habitual intoxication from alcohol or dependency on controlled substances.
- 9. Making or filing a report which the licensee or applicant knows to be false or failing to file a record or report as required by law or regulation.
 - 10. Failing to comply with the requirements of NRS 630.254.
- 11. Failure by a licensee or applicant to report in writing, within 30 days, any disciplinary action taken against the licensee or applicant by another state, the Federal Government or a foreign country, including, without limitation, the revocation, suspension or surrender of a license to practice medicine in another jurisdiction.
- 12. Failure by a licensee or applicant to report in writing, within 30 days, any criminal action taken or conviction obtained





against the licensee or applicant, other than a minor traffic violation, in this State or any other state or by the Federal Government, a branch of the Armed Forces of the United States or any local or federal jurisdiction of a foreign country.

- 13. Failure to be found competent to practice medicine as a result of an examination to determine medical competency pursuant to NRS 630.318.
 - 14. Operation of a medical facility at any time during which:
 - (a) The license of the facility is suspended or revoked; or
- (b) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.
 - → This subsection applies to an owner or other principal responsible for the operation of the facility.
 - 15. Failure to comply with the requirements of NRS 630.373.
 - Engaging in any act that is unsafe or unprofessional conduct in accordance with regulations adopted by the Board.
 - 17. Aiding, assisting, employing or advising, directly or indirectly, any person to procure, purchase or consume a controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included.
 - **Sec. 2.** NRS 631.3475 is hereby amended to read as follows:
 - 631.3475 The following acts, among others, constitute unprofessional conduct:
 - 1. Malpractice;

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- Professional incompetence;
- Suspension or revocation of a license to practice dentistry, the imposition of a fine or other disciplinary action by any agency of another state authorized to regulate the practice of dentistry in that state;
- More than one act by the dentist or dental hygienist constituting substandard care in the practice of dentistry or dental 33 34 hygiene;
 - 5. Administering, dispensing or prescribing any controlled substance or any dangerous drug as defined in chapter 454 of NRS, if it is not required to treat the dentist's patient;
 - 6. Aiding, assisting, employing or advising, directly or indirectly, any person to procure, purchase or consume a controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included:
 - 7. Chronic or persistent inebriety or addiction to a controlled substance, to such an extent as to render the person unsafe or





unreliable as a practitioner, or such gross immorality as tends to bring reproach upon the dental profession;

- [7.] 8. Conviction of a felony or misdemeanor involving moral turpitude or which relates to the practice of dentistry in this State, or conviction of any criminal violation of this chapter;
- [8.] 9. Conviction of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive; or
- [9.] 10. Operation of a medical facility, as defined in NRS 449.0151, at any time during which:
 - (a) The license of the facility is suspended or revoked; or
- (b) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.
- → This subsection applies to an owner or other principal responsible for the operation of the facility.
 - **Sec. 3.** NRS 632.320 is hereby amended to read as follows:
- 632.320 1. The Board may deny, revoke or suspend any license or certificate applied for or issued pursuant to this chapter, or take other disciplinary action against a licensee or holder of a certificate, upon determining that the licensee or certificate holder:
- (a) Is guilty of fraud or deceit in procuring or attempting to procure a license or certificate pursuant to this chapter.
 - (b) Is guilty of any offense:
 - (1) Involving moral turpitude; or
- (2) Related to the qualifications, functions or duties of a licensee or holder of a certificate,
- in which case the record of conviction is conclusive evidence thereof.
- (c) Has been convicted of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive.
- (d) Is unfit or incompetent by reason of gross negligence or recklessness in carrying out usual nursing functions.
- (e) Uses any controlled substance, dangerous drug as defined in chapter 454 of NRS, or intoxicating liquor to an extent or in a manner which is dangerous or injurious to any other person or which impairs his or her ability to conduct the practice authorized by the license or certificate.
 - (f) Is a person with mental incompetence.
- (g) Is guilty of unprofessional conduct, which includes, but is not limited to, the following:
- (1) Conviction of practicing medicine without a license in violation of chapter 630 of NRS, in which case the record of conviction is conclusive evidence thereof.





- (2) Impersonating any applicant or acting as proxy for an applicant in any examination required pursuant to this chapter for the issuance of a license or certificate.
- (3) Impersonating another licensed practitioner or holder of a certificate.
- (4) Permitting or allowing another person to use his or her license or certificate to practice as a licensed practical nurse, registered nurse or nursing assistant.
- (5) Repeated malpractice, which may be evidenced by claims of malpractice settled against the licensee or certificate holder.
 - (6) Physical, verbal or psychological abuse of a patient.
- (7) Conviction for the use or unlawful possession of a controlled substance or dangerous drug as defined in chapter 454 of NRS.
- (h) Has willfully or repeatedly violated the provisions of this chapter. The voluntary surrender of a license or certificate issued pursuant to this chapter is prima facie evidence that the licensee or certificate holder has committed or expects to commit a violation of this chapter.
- (i) Is guilty of aiding or abetting any person in a violation of this chapter.
- (j) Has falsified an entry on a patient's medical chart concerning a controlled substance.
- (k) Has falsified information which was given to a physician, pharmacist, podiatric physician or dentist to obtain a controlled substance.
- (1) Has aided, assisted, employed or advised, directly or indirectly, any person to procure, purchase or consume a controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included.
- (m) Has been disciplined in another state in connection with a license to practice nursing or a certificate to practice as a nursing assistant or has committed an act in another state which would constitute a violation of this chapter.
- [(m)] (n) Has engaged in conduct likely to deceive, defraud or endanger a patient or the general public.
- [(n)] (o) Has willfully failed to comply with a regulation, subpoena or order of the Board.
- [(o)] (p) Has operated a medical facility at any time during which:
 - (1) The license of the facility was suspended or revoked; or
- (2) An act or omission occurred which resulted in the suspension or revocation of the license pursuant to NRS 449.160.





- → This paragraph applies to an owner or other principal responsible for the operation of the facility.
- 2. For the purposes of this section, a plea or verdict of guilty or guilty but mentally ill or a plea of nolo contendere constitutes a conviction of an offense. The Board may take disciplinary action pending the appeal of a conviction.
 - **Sec. 4.** NRS 633.511 is hereby amended to read as follows:
- 633.511 The grounds for initiating disciplinary action pursuant 8 9 to this chapter are:
 - 1. Unprofessional conduct.
 - Conviction of:

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- (a) A violation of any federal or state law regulating the 13 possession, distribution or use of any controlled substance or any 14 dangerous drug as defined in chapter 454 of NRS;
 - (b) A felony relating to the practice of osteopathic medicine;
 - (c) A violation of any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive;
 - (d) Murder, voluntary manslaughter or mayhem;
 - (e) Any felony involving the use of a firearm or other deadly weapon;
 - (f) Assault with intent to kill or to commit sexual assault or mayhem;
 - (g) Sexual assault, statutory sexual seduction, incest, lewdness, indecent exposure or any other sexually related crime;
 - (h) Abuse or neglect of a child or contributory delinquency; or
 - (i) Any offense involving moral turpitude.
- 27 The suspension of the license to practice osteopathic medicine by any other jurisdiction. 28
- 29 Malpractice or gross malpractice, which may be evidenced by a claim of malpractice settled against a practitioner. 30
 - 5. Professional incompetence.
 - 6. Failure to comply with the requirements of NRS 633.527.
- 7. Failure to comply with the requirements of subsection 3 of 33 NRS 633.471. 34
 - 8. Failure to comply with the provisions of NRS 633.694.
 - Operation of a medical facility, as defined in NRS 449.0151, at any time during which:
 - (a) The license of the facility is suspended or revoked; or
- (b) An act or omission occurs which results in the suspension or 39 revocation of the license pursuant to NRS 449.160. 40
- → This subsection applies to an owner or other principal responsible 41 42 for the operation of the facility.
- 10. Failure to comply with the provisions of subsection 2 of 43 44 NRS 633.322.
 - 11. Signing a blank prescription form.





- 12. Aiding, assisting, employing or advising, directly or indirectly, any person to procure, purchase or consume a controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included.
- 13. Attempting, directly or indirectly, by intimidation, coercion or deception, to obtain or retain a patient or to discourage the use of a second opinion.
- [13.] 14. Terminating the medical care of a patient without adequate notice or without making other arrangements for the continued care of the patient.
- [14.] 15. In addition to the provisions of subsection 3 of NRS 633.524, making or filing a report which the licensee knows to be false, failing to file a record or report that is required by law or willfully obstructing or inducing another to obstruct the making or filing of such a record or report.
- [15.] 16. Failure to report any person the licensee knows, or has reason to know, is in violation of the provisions of this chapter or the regulations of the Board within 30 days after the date the licensee knows or has reason to know of the violation.
- [16.] 17. Failure by a licensee or applicant to report in writing, within 30 days, any criminal action taken or conviction obtained against the licensee or applicant, other than a minor traffic violation, in this State or any other state or by the Federal Government, a branch of the Armed Forces of the United States or any local or federal jurisdiction of a foreign country.
- [17.] 18. Engaging in any act that is unsafe in accordance with regulations adopted by the Board.
 - **Sec. 5.** NRS 635.130 is hereby amended to read as follows:
- 635.130 1. The Board, after notice and a hearing as required by law, and upon any cause enumerated in subsection 2, may take one or more of the following disciplinary actions:
- (a) Deny an application for a license or refuse to renew a license.
 - (b) Suspend or revoke a license.
 - (c) Place a licensee on probation.
 - (d) Impose a fine not to exceed \$5,000.
- 2. The Board may take disciplinary action against a licensee for any of the following causes:
- (a) The making of a false statement in any affidavit required of the applicant for application, examination or licensure pursuant to the provisions of this chapter.
- (b) Lending the use of the holder's name to an unlicensed person.





- (c) If the holder is a podiatric physician, permitting an unlicensed person in his or her employ to practice as a podiatry hygienist.
- (d) Habitual indulgence in the use of alcohol or any controlled substance which impairs the intellect and judgment to such an extent as in the opinion of the Board incapacitates the holder in the performance of his or her professional duties.
 - (e) Conviction of a crime involving moral turpitude.
- (f) Conviction of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive.
- (g) Conduct which in the opinion of the Board disqualifies the licensee to practice with safety to the public.
- (h) The commission of fraud by or on behalf of the licensee regarding his or her license or practice.
 - (i) Gross incompetency.

- (j) Affliction of the licensee with any mental or physical disorder which seriously impairs his or her competence as a podiatric physician or podiatry hygienist.
- (k) False representation by or on behalf of the licensee regarding his or her practice.
 - (1) Unethical or unprofessional conduct.
- (m) Willful or repeated violations of this chapter or regulations adopted by the Board.
- (n) Willful violation of the regulations adopted by the State Board of Pharmacy.
- (o) Aiding, assisting, employing or advising, directly or indirectly, any person to procure, purchase or consume a controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included.
- (p) Operation of a medical facility, as defined in NRS 449.0151, at any time during which:
 - (1) The license of the facility is suspended or revoked; or
- (2) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.
- This paragraph applies to an owner or other principal responsible for the operation of the facility.
 - **Sec. 6.** NRS 636.295 is hereby amended to read as follows:
- 636.295 The following acts, conduct, omissions, or mental or physical conditions, or any of them, committed, engaged in, omitted, or being suffered by a licensee, constitute sufficient cause for disciplinary action:





- 1. Affliction of the licensee with any communicable disease likely to be communicated to other persons.
- 2. Commission by the licensee of a felony relating to the practice of optometry or a gross misdemeanor involving moral turpitude of which the licensee has been convicted and from which he or she has been sentenced by a final judgment of a federal or state court in this or any other state, the judgment not having been reversed or vacated by a competent appellate court and the offense not having been pardoned by executive authority.
- 3. Conviction of any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive.
- 4. Commission of fraud by or on behalf of the licensee in obtaining a license or a renewal thereof, or in practicing optometry thereunder.
- 5. Habitual drunkenness or addiction to any controlled substance.
 - 6. Gross incompetency.

- 7. Affliction with any mental or physical disorder or disturbance seriously impairing his or her competency as an optometrist.
- 8. Making false or misleading representations, by or on behalf of the licensee, with respect to optometric materials or services.
- 9. Practice by the licensee, or attempting or offering so to do, while in an intoxicated condition.
- 10. Perpetration of unethical or unprofessional conduct in the practice of optometry.
- 11. Aiding, assisting, employing or advising, directly or indirectly, any person to procure, purchase or consume a controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included.
- 12. Any violation of the provisions of this chapter or any regulations adopted pursuant thereto.
- [12.] 13. Operation of a medical facility, as defined in NRS 449.0151, at any time during which:
 - (a) The license of the facility is suspended or revoked; or
- 38 (b) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.
- 40 → This subsection applies to an owner or other principal responsible for the operation of the facility.
 - **Sec. 7.** NRS 638.140 is hereby amended to read as follows:
- 43 638.140 The following acts, among others, are grounds for disciplinary action:





- 1. Violation of a regulation adopted by the State Board of Pharmacy or the Nevada State Board of Veterinary Medical Examiners:
 - 2. Habitual drunkenness;
 - 3. Addiction to the use of a controlled substance;
 - 4. Conviction of or a plea of nolo contendere to a felony related to the practice of veterinary medicine, or any offense involving moral turpitude;
 - 5. Incompetence;
 - 6. Negligence;

- 7. Malpractice pertaining to veterinary medicine as evidenced by an action for malpractice in which the holder of a license is found liable for damages;
- 8. Conviction of a violation of any law concerning the possession, distribution or use of a controlled substance or a dangerous drug as defined in chapter 454 of NRS;
- 9. Willful failure to comply with any provision of this chapter, a regulation, subpoena or order of the Board, the standard of care established by the American Veterinary Medical Association or an order of a court;
- 10. Prescribing, administering or dispensing a controlled substance to an animal to influence the outcome of a competitive event in which the animal is a competitor;
- 11. Aiding, assisting, employing or advising, directly or indirectly, any person to procure, purchase or consume a controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included;
- 12. Willful failure to comply with a request by the Board for medical records within 14 days after receipt of a demand letter issued by the Board;
 - [12.] 13. Willful failure to accept service by mail or in person from the Board;
 - [13.] 14. Failure of a supervising veterinarian to provide immediate or direct supervision to licensed or unlicensed personnel if the failure results in malpractice or the death of an animal; and
 - [14.] 15. Failure of a supervising veterinarian to ensure that a licensed veterinarian is on the premises of a facility or agency when medical treatment is administered to an animal if the treatment requires direct or immediate supervision by a licensed veterinarian.
 - **Sec. 8.** NRS 639.210 is hereby amended to read as follows:
- 639.210 The Board may suspend or revoke any certificate, license, registration or permit issued pursuant to this chapter, and





deny the application of any person for a certificate, license, registration or permit, if the holder or applicant:

1. Is not of good moral character;

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- 2. Is guilty of habitual intemperance;
- 3. Becomes or is intoxicated or under the influence of liquor, any depressant drug or a controlled substance, unless taken pursuant to a lawfully issued prescription, while on duty in any establishment licensed by the Board;
- 4. Is guilty of unprofessional conduct or conduct contrary to the public interest;
 - $\tilde{5}$. Is addicted to the use of any controlled substance;
- 6. Has been convicted of a violation of any law or regulation of the Federal Government or of this or any other state related to controlled substances, dangerous drugs, drug samples, or the wholesale or retail distribution of drugs;
 - 7. Has been convicted of:
- (a) A felony relating to holding a certificate, license, registration or permit pursuant to this chapter;
 - (b) A felony pursuant to NRS 639.550 or 639.555; or
- 20 (c) Other crime involving moral turpitude, dishonesty or 21 corruption;
 - 8. Has been convicted of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive:
 - 9. Has willfully made to the Board or its authorized representative any false statement which is material to the administration or enforcement of any of the provisions of this chapter;
 - 10. Has obtained any certificate, certification, license or permit by the filing of an application, or any record, affidavit or other information in support thereof, which is false or fraudulent;
- 11. Has violated any provision of the Federal Food, Drug and Cosmetic Act or any other federal law or regulation relating to prescription drugs;
 - 12. Has violated, attempted to violate, assisted or abetted in the violation of or conspired to violate any of the provisions of this chapter or any law or regulation relating to drugs, the manufacture or distribution of drugs or the practice of pharmacy, or has knowingly permitted, allowed, condoned or failed to report a violation of any of the provisions of this chapter or any law or regulation relating to drugs, the manufacture or distribution of drugs or the practice of pharmacy committed by the holder of a certificate, license, registration or permit;
 - 13. Has aided, assisted, employed or advised, directly or indirectly, any person to procure, purchase or consume a





controlled substance or a dangerous drug as defined in chapter 454 of NRS for which a label required by the United States Food and Drug Administration pursuant to 21 C.F.R. Part 201 is not included:

14. Has failed to renew a certificate, license or permit by failing to submit the application for renewal or pay the renewal fee therefor;

[14.] 15. Has had a certificate, license or permit suspended or revoked in another state on grounds which would cause suspension or revocation of a certificate, license or permit in this State;

[15.] 16. Has, as a managing pharmacist, violated any provision of law or regulation concerning recordkeeping or inventory in a store over which he or she presides, or has knowingly allowed a violation of any provision of this chapter or other state or federal laws or regulations relating to the practice of pharmacy by personnel of the pharmacy under his or her supervision;

[16.] 17. Has repeatedly been negligent, which may be evidenced by claims of malpractice settled against him or her;

[17.] 18. Has failed to maintain and make available to a state or federal officer any records in accordance with the provisions of this chapter or chapter 453 or 454 of NRS;

[18.] 19. Has failed to file or maintain a bond or other security if required by NRS 639.515; or

[19.] 20. Has operated a medical facility, as defined in NRS 449.0151, at any time during which:

(a) The license of the facility was suspended or revoked; or

(b) An act or omission occurred which resulted in the suspension or revocation of the license pursuant to NRS 449.160.

This subsection applies to an owner or other principal responsible for the operation of the facility.





