

SENATE BILL NO. 266—SENATORS DENIS, HARDY, SMITH, ATKINSON, SEGERBLOM; FORD, GOICOECHEA, HAMMOND, HUTCHISON, JONES, KIHUEN, MANENDO, PARKS, ROBERSON, SPEARMAN AND WOODHOUSE

MARCH 15, 2013

JOINT SPONSORS: ASSEMBLYMEN FIORE, DIAZ, EISEN, BOBZIEN, HAMBRICK; AIZLEY, ELLIOT ANDERSON, PAUL ANDERSON, BENITEZ-THOMPSON, CARLTON, CARRILLO, DALY, DONDERO LOOP, ELLISON, FLORES, FRIERSON, GRADY, HOGAN, HORNE, KIRKPATRICK, LIVERMORE, MARTIN, MUNFORD, NEAL, OHRENSCHALL, OSCARSON, PIERCE, SPIEGEL, SPRINKLE, STEWART AND WHEELER

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Requires certain policies of health insurance and health care plans to provide comparable coverage for orally administered chemotherapy. (BDR 57-879)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE (§ 9)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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

AN ACT relating to insurance; requiring certain policies of health insurance and health care plans to provide coverage for certain orally administered chemotherapy that is not less favorable to the insured than other forms of chemotherapy; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law requires certain public and private health care plans and policies
- 2 of insurance to provide coverage for certain procedures, including colorectal cancer
- 3 screenings, cytological screening tests and mammograms, in certain circumstances.
- 4 (NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374,



* S B 2 6 6 *

695B.1907, 695B.1912, 695C.1731, 695C.1735, 695G.168) Existing law also requires employers to provide certain benefits to employees, including coverage for the procedures required to be covered by insurers, if the employer provides health benefits for its employees. (NRS 608.1555) This bill requires each health care plan and policy of insurance, other than the State Plan for Medicaid, that provides coverage for both chemotherapy administered intravenously or by injection and orally administered chemotherapy to provide the coverage for orally administered chemotherapy to the same extent to the insured as other types of chemotherapy. The bill further prohibits a health care plan or policy of insurance from meeting this requirement by increasing the costs of the other types of chemotherapy or by decreasing the monetary limits for chemotherapy under the policy or plan.

The provisions of this bill apply prospectively to any policy of insurance or health care plan issued or renewed on or after October 1, 2013.

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

Section 1. Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:

1. An insurer that offers or issues a policy of health insurance which provides coverage for the treatment of cancer through the use of chemotherapy shall not:

(a) Require a higher copayment, deductible or coinsurance amount for chemotherapy administered orally by means of a prescription drug than is required for chemotherapy which is administered by injection or intravenously.

(b) Make the coverage subject to monetary limits that are less favorable for chemotherapy administered orally by means of a prescription drug than the monetary limits applicable to chemotherapy which is administered by injection or intravenously.

(c) Increase the copayment, deductible or coinsurance amount for chemotherapy that is administered by injection or intravenously or decrease the monetary limits applicable to such chemotherapy to meet the requirements of this section.

2. A policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2013, which provides coverage for the treatment of cancer through the use of chemotherapy has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the policy or renewal which is in conflict with this section is void.

3. Nothing in this section shall be construed as requiring an insurer to provide coverage for the treatment of cancer through the use of chemotherapy administered by injection or intravenously or administered orally by means of a prescription drug.



Sec. 2. NRS 689A.330 is hereby amended to read as follows:

689A.330 If any policy is issued by a domestic insurer for delivery to a person residing in another state, and if the insurance commissioner or corresponding public officer of that other state has informed the Commissioner that the policy is not subject to approval or disapproval by that officer, the Commissioner may by ruling require that the policy meet the standards set forth in NRS 689A.030 to 689A.320, inclusive **H**, and section 1 of this act.

Sec. 3. Chapter 689B of NRS is hereby amended by adding thereto a new section to read as follows:

1. An insurer that offers or issues a policy of group health insurance which provides coverage for the treatment of cancer through the use of chemotherapy shall not:

(a) Require a higher copayment, deductible or coinsurance amount for chemotherapy administered orally by means of a prescription drug than is required for chemotherapy which is administered by injection or intravenously.

(b) Make the coverage subject to monetary limits that are less favorable for chemotherapy administered orally by means of a prescription drug than the monetary limits applicable to chemotherapy which is administered by injection or intravenously.

(c) Increase the copayment, deductible or coinsurance amount for chemotherapy that is administered by injection or intravenously or decrease the monetary limits applicable to such chemotherapy to meet the requirements of this section.

2. A policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2013, which provides coverage for the treatment of cancer through the use of chemotherapy has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the policy or renewal which is in conflict with this section is void.

3. Nothing in this section shall be construed as requiring an insurer to provide coverage for the treatment of cancer through the use of chemotherapy administered by injection or intravenously or administered orally by means of a prescription drug.

Sec. 4. Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

1. An insurer that offers or issues a contract for hospital or medical service which provides coverage for the treatment of cancer through the use of chemotherapy shall not:

(a) Require a higher copayment, deductible or coinsurance amount for chemotherapy administered orally by means of a



1 *prescription drug than is required for chemotherapy which is*
2 *administered by injection or intravenously.*

3 *(b) Make the coverage subject to monetary limits that are less*
4 *favorable for chemotherapy administered orally by means of a*
5 *prescription drug than the monetary limits applicable to*
6 *chemotherapy which is administered by injection or intravenously.*

7 *(c) Increase the copayment, deductible or coinsurance amount*
8 *for chemotherapy that is administered by injection or*
9 *intravenously or decrease the monetary limits applicable to such*
10 *chemotherapy to meet the requirements of this section.*

11 *2. A contract subject to the provisions of this chapter that is*
12 *delivered, issued for delivery or renewed on or after October 1,*
13 *2013, which provides coverage for the treatment of cancer through*
14 *the use of chemotherapy has the legal effect of providing that*
15 *coverage subject to the requirements of this section, and any*
16 *provision of the contract or renewal which is in conflict with this*
17 *section is void.*

18 *3. Nothing in this section shall be construed as requiring an*
19 *insurer to provide coverage for the treatment of cancer through*
20 *the use of chemotherapy administered by injection or*
21 *intravenously or administered orally by means of a prescription*
22 *drug.*

23 **Sec. 5.** Chapter 695C of NRS is hereby amended by adding
24 thereto a new section to read as follows:

25 *1. A health maintenance organization that offers or issues a*
26 *health care plan which provides coverage for the treatment of*
27 *cancer through the use of chemotherapy shall not:*

28 *(a) Require a higher copayment, deductible or coinsurance*
29 *amount for chemotherapy administered orally by means of a*
30 *prescription drug than is required for chemotherapy which is*
31 *administered by injection or intravenously.*

32 *(b) Make the coverage subject to monetary limits that are less*
33 *favorable for chemotherapy administered orally by means of a*
34 *prescription drug than the monetary limits applicable to*
35 *chemotherapy which is administered by injection or intravenously.*

36 *(c) Increase the copayment, deductible or coinsurance amount*
37 *for chemotherapy that is administered by injection or*
38 *intravenously or decrease the monetary limits applicable to such*
39 *chemotherapy to meet the requirements of this section.*

40 *2. Evidence of coverage subject to the provisions of this*
41 *chapter that is delivered, issued for delivery or renewed on or after*
42 *October 1, 2013, which provides coverage for the treatment of*
43 *cancer through the use of chemotherapy has the legal effect of*
44 *providing that coverage subject to the requirements of this section,*



1 *and any provision of the evidence of coverage or the renewal*
2 *which is in conflict with this section is void.*

3 *3. Nothing in this section shall be construed as requiring a*
4 *health maintenance organization to provide coverage for the*
5 *treatment of cancer through the use of chemotherapy*
6 *administered by injection or intravenously or administered orally*
7 *by means of a prescription drug.*

8 **Sec. 6.** NRS 695C.050 is hereby amended to read as follows:

9 695C.050 1. Except as otherwise provided in this chapter or
10 in specific provisions of this title, the provisions of this title are not
11 applicable to any health maintenance organization granted a
12 certificate of authority under this chapter. This provision does not
13 apply to an insurer licensed and regulated pursuant to this title
14 except with respect to its activities as a health maintenance
15 organization authorized and regulated pursuant to this chapter.

16 2. Solicitation of enrollees by a health maintenance
17 organization granted a certificate of authority, or its representatives,
18 must not be construed to violate any provision of law relating to
19 solicitation or advertising by practitioners of a healing art.

20 3. Any health maintenance organization authorized under this
21 chapter shall not be deemed to be practicing medicine and is exempt
22 from the provisions of chapter 630 of NRS.

23 4. The provisions of NRS 695C.110, 695C.125, 695C.1691,
24 695C.1693, 695C.170 to 695C.173, inclusive, 695C.1733 to
25 695C.200, inclusive, *and section 5 of this act*, 695C.250 and
26 695C.265 do not apply to a health maintenance organization that
27 provides health care services through managed care to recipients of
28 Medicaid under the State Plan for Medicaid or insurance pursuant to
29 the Children's Health Insurance Program pursuant to a contract with
30 the Division of Health Care Financing and Policy of the Department
31 of Health and Human Services. This subsection does not exempt a
32 health maintenance organization from any provision of this chapter
33 for services provided pursuant to any other contract.

34 5. The provisions of NRS 695C.1694, 695C.1695 and
35 695C.1731 apply to a health maintenance organization that provides
36 health care services through managed care to recipients of Medicaid
37 under the State Plan for Medicaid.

38 **Sec. 7.** NRS 695C.330 is hereby amended to read as follows:

39 695C.330 1. The Commissioner may suspend or revoke any
40 certificate of authority issued to a health maintenance organization
41 pursuant to the provisions of this chapter if the Commissioner finds
42 that any of the following conditions exist:

43 (a) The health maintenance organization is operating
44 significantly in contravention of its basic organizational document,
45 its health care plan or in a manner contrary to that described in and



1 reasonably inferred from any other information submitted pursuant
2 to NRS 695C.060, 695C.070 and 695C.140, unless any amendments
3 to those submissions have been filed with and approved by the
4 Commissioner;

5 (b) The health maintenance organization issues evidence of
6 coverage or uses a schedule of charges for health care services
7 which do not comply with the requirements of NRS 695C.1691 to
8 695C.200, inclusive, *and section 5 of this act* or 695C.207;

9 (c) The health care plan does not furnish comprehensive health
10 care services as provided for in NRS 695C.060;

11 (d) The State Board of Health certifies to the Commissioner that
12 the health maintenance organization:

13 (1) Does not meet the requirements of subsection 2 of NRS
14 695C.080; or

15 (2) Is unable to fulfill its obligations to furnish health care
16 services as required under its health care plan;

17 (e) The health maintenance organization is no longer financially
18 responsible and may reasonably be expected to be unable to meet its
19 obligations to enrollees or prospective enrollees;

20 (f) The health maintenance organization has failed to put into
21 effect a mechanism affording the enrollees an opportunity to
22 participate in matters relating to the content of programs pursuant to
23 NRS 695C.110;

24 (g) The health maintenance organization has failed to put into
25 effect the system required by NRS 695C.260 for:

26 (1) Resolving complaints in a manner reasonably to dispose
27 of valid complaints; and

28 (2) Conducting external reviews of adverse determinations
29 that comply with the provisions of NRS 695G.241 to 695G.310,
30 inclusive;

31 (h) The health maintenance organization or any person on its
32 behalf has advertised or merchandised its services in an untrue,
33 misrepresentative, misleading, deceptive or unfair manner;

34 (i) The continued operation of the health maintenance
35 organization would be hazardous to its enrollees;

36 (j) The health maintenance organization fails to provide the
37 coverage required by NRS 695C.1691; or

38 (k) The health maintenance organization has otherwise failed to
39 comply substantially with the provisions of this chapter.

40 2. A certificate of authority must be suspended or revoked only
41 after compliance with the requirements of NRS 695C.340.

42 3. If the certificate of authority of a health maintenance
43 organization is suspended, the health maintenance organization shall
44 not, during the period of that suspension, enroll any additional



1 groups or new individual contracts, unless those groups or persons
2 were contracted for before the date of suspension.

3 4. If the certificate of authority of a health maintenance
4 organization is revoked, the organization shall proceed, immediately
5 following the effective date of the order of revocation, to wind up its
6 affairs and shall conduct no further business except as may be
7 essential to the orderly conclusion of the affairs of the organization.
8 It shall engage in no further advertising or solicitation of any kind.
9 The Commissioner may, by written order, permit such further
10 operation of the organization as the Commissioner may find to be in
11 the best interest of enrollees to the end that enrollees are afforded
12 the greatest practical opportunity to obtain continuing coverage for
13 health care.

14 **Sec. 8.** Chapter 695G of NRS is hereby amended by adding
15 thereto a new section to read as follows:

16 *1. A managed care organization that offers or issues a health*
17 *care plan which provides coverage for the treatment of cancer*
18 *through the use of chemotherapy shall not:*

19 *(a) Require a higher copayment, deductible or coinsurance*
20 *amount for chemotherapy administered orally by means of a*
21 *prescription drug than is required for chemotherapy which is*
22 *administered by injection or intravenously.*

23 *(b) Make the coverage subject to monetary limits that are less*
24 *favorable for chemotherapy administered orally by means of a*
25 *prescription drug than the monetary limits applicable to*
26 *chemotherapy which is administered by injection or intravenously.*

27 *(c) Increase the copayment, deductible or coinsurance amount*
28 *for chemotherapy that is administered by injection or*
29 *intravenously or decrease the monetary limits applicable to such*
30 *chemotherapy to meet the requirements of this section.*

31 *2. An evidence of coverage for a health care plan subject to*
32 *the provisions of this chapter that is delivered, issued for delivery*
33 *or renewed on or after October 1, 2013, which provides coverage*
34 *for the treatment of cancer through the use of chemotherapy has*
35 *the legal effect of providing that coverage subject to the*
36 *requirements of this section, and any provision of the evidence of*
37 *coverage or the renewal which is in conflict with this section is*
38 *void.*

39 *3. Nothing in this section shall be construed as requiring a*
40 *managed care organization to provide coverage for the treatment*
41 *of cancer through the use of chemotherapy administered by*
42 *injection or intravenously or administered orally by means of a*
43 *prescription drug.*



1 **Sec. 9.** Chapter 287 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 ***1. The governing body of any county, school district,***
4 ***municipal corporation, political subdivision, public corporation or***
5 ***other local governmental entity of the State of Nevada that***
6 ***provides health insurance through a plan of self-insurance which***
7 ***provides coverage for the treatment of cancer through the use of***
8 ***chemotherapy shall not:***

9 ***(a) Require a higher copayment, deductible or coinsurance***
10 ***amount for chemotherapy administered orally by means of a***
11 ***prescription drug than is required for chemotherapy which is***
12 ***administered by injection or intravenously.***

13 ***(b) Make the coverage subject to monetary limits that are less***
14 ***favorable for chemotherapy administered orally by means of a***
15 ***prescription drug than the monetary limits applicable to***
16 ***chemotherapy which is administered by injection or intravenously.***

17 ***(c) Increase the copayment, deductible or coinsurance amount***
18 ***for chemotherapy that is administered by injection or***
19 ***intravenously or decrease the monetary limits applicable to such***
20 ***chemotherapy to meet the requirements of this section.***

21 ***2. A plan of self-insurance subject to the provisions of this***
22 ***chapter that is delivered, issued for delivery or renewed on or after***
23 ***October 1, 2013, which provides coverage for the treatment of***
24 ***cancer through the use of chemotherapy has the legal effect of***
25 ***providing that coverage subject to the requirements of this section,***
26 ***and any provision of the plan or the renewal which is in conflict***
27 ***with this section is void.***

28 ***3. Nothing in this section shall be construed as requiring the***
29 ***governing body of any county, school district, municipal***
30 ***corporation, political subdivision, public corporation or other***
31 ***local governmental entity of the State of Nevada that provides***
32 ***health insurance through a plan of self-insurance to provide***
33 ***coverage for the treatment of cancer through the use of***
34 ***chemotherapy administered by injection or intravenously or***
35 ***administered orally by means of a prescription drug.***

36 **Sec. 10.** NRS 287.04335 is hereby amended to read as
37 follows:

38 287.04335 If the Board provides health insurance through a
39 plan of self-insurance, it shall comply with the provisions of NRS
40 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645, 695G.170,
41 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230, inclusive,
42 695G.241 to 695G.310, inclusive, and 695G.405, ***and section 8 of***
43 ***this act*** in the same manner as an insurer that is licensed pursuant to
44 title 57 of NRS is required to comply with those provisions.



- 1 **Sec. 11.** The provisions of NRS 354.599 do not apply to any
2 additional expenses of a local government that are related to the
3 provisions of this act.

