

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.



(NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374, 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 offered through the Silver State Health Insurance Exchange on or after January 1, 2015, and to any other policy of insurance or health care plan issued or renewed on or after January 1, 2014.

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 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 if the policy is:

(a) A qualified health plan, as defined in NRS 695I.080, that is offered to persons through the Silver State Health Insurance Exchange and delivered, issued for delivery or renewed on or after January 1, 2015; or



(b) For any other policy, delivered, issued for delivery or renewed on or after January 1, 2014.

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 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.



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

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

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

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

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

18 **2. A contract subject to the provisions of this chapter which**
19 **provides coverage for the treatment of cancer through the use of**
20 **chemotherapy has the legal effect of providing that coverage**
21 **subject to the requirements of this section, and any provision of**
22 **the contract or renewal which is in conflict with this section is void**
23 **if the contract is:**

24 **(a) A qualified health plan, as defined in NRS 695I.080, that is**
25 **offered to persons through the Silver State Health Insurance**
26 **Exchange and delivered, issued for delivery or renewed on or after**
27 **January 1, 2015; or**

28 **(b) For any other contract, delivered, issued for delivery or**
29 **renewed on or after January 1, 2014.**

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

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

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

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

44 **(b) Make the coverage subject to monetary limits that are less**
45 **favorable for chemotherapy administered orally by means of a**



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1 *prescription drug than the monetary limits applicable to*
2 *chemotherapy which is administered by injection or intravenously.*

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

7 *2. Evidence of coverage subject to the provisions of this*
8 *chapter which provides coverage for the treatment of cancer*
9 *through the use of chemotherapy has the legal effect of providing*
10 *that coverage subject to the requirements of this section, and any*
11 *provision of the evidence of coverage or the renewal which is in*
12 *conflict with this section is void if the evidence of coverage is:*

13 *(a) A qualified health plan, as defined in NRS 695I.080, that is*
14 *offered to persons through the Silver State Health Insurance*
15 *Exchange and delivered, issued for delivery or renewed on or after*
16 *January 1, 2015; or*

17 *(b) For any other evidence of coverage, delivered, issued for*
18 *delivery or renewed on or after January 1, 2014.*

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

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

25 695C.050 1. Except as otherwise provided in this chapter or
26 in specific provisions of this title, the provisions of this title are not
27 applicable to any health maintenance organization granted a
28 certificate of authority under this chapter. This provision does not
29 apply to an insurer licensed and regulated pursuant to this title
30 except with respect to its activities as a health maintenance
31 organization authorized and regulated pursuant to this chapter.

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

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

39 4. The provisions of NRS 695C.110, 695C.125, 695C.1691,
40 695C.1693, 695C.170 to 695C.173, inclusive, 695C.1733 to
41 695C.200, inclusive, *and section 5 of this act*, 695C.250 and
42 695C.265 do not apply to a health maintenance organization that
43 provides health care services through managed care to recipients of
44 Medicaid under the State Plan for Medicaid or insurance pursuant to
45 the Children's Health Insurance Program pursuant to a contract with



1 the Division of Health Care Financing and Policy of the Department
2 of Health and Human Services. This subsection does not exempt a
3 health maintenance organization from any provision of this chapter
4 for services provided pursuant to any other contract.

5 5. The provisions of NRS 695C.1694, 695C.1695 and
6 695C.1731 apply to a health maintenance organization that provides
7 health care services through managed care to recipients of Medicaid
8 under the State Plan for Medicaid.

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

10 695C.330 1. The Commissioner may suspend or revoke any
11 certificate of authority issued to a health maintenance organization
12 pursuant to the provisions of this chapter if the Commissioner finds
13 that any of the following conditions exist:

14 (a) The health maintenance organization is operating
15 significantly in contravention of its basic organizational document,
16 its health care plan or in a manner contrary to that described in and
17 reasonably inferred from any other information submitted pursuant
18 to NRS 695C.060, 695C.070 and 695C.140, unless any amendments
19 to those submissions have been filed with and approved by the
20 Commissioner;

21 (b) The health maintenance organization issues evidence of
22 coverage or uses a schedule of charges for health care services
23 which do not comply with the requirements of NRS 695C.1691 to
24 695C.200, inclusive, *and section 5 of this act* or 695C.207;

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

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

29 (1) Does not meet the requirements of subsection 2 of NRS
30 695C.080; or

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

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

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

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

42 (1) Resolving complaints in a manner reasonably to dispose
43 of valid complaints; and



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

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

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

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

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

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

3. If the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of that suspension, enroll any additional groups or new individual contracts, unless those groups or persons were contracted for before the date of suspension.

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

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

1. A managed care organization that offers or issues a health care plan 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



1 *intravenously or decrease the monetary limits applicable to such*
2 *chemotherapy to meet the requirements of this section.*

3 2. *An evidence of coverage for a health care plan subject to*
4 *the provisions of this chapter which provides coverage for the*
5 *treatment of cancer through the use of chemotherapy has the legal*
6 *effect of providing that coverage subject to the requirements of*
7 *this section, and any provision of the evidence of coverage or the*
8 *renewal which is in conflict with this section is void if the evidence*
9 *of coverage is:*

10 (a) *A qualified health plan, as defined in NRS 695I.080, that is*
11 *offered to persons through the Silver State Health Insurance*
12 *Exchange and delivered, issued for delivery or renewed on or after*
13 *January 1, 2015; or*

14 (b) *For any other evidence of coverage, delivered, issued for*
15 *delivery or renewed on or after January 1, 2014.*

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

21 **Sec. 8.5.** NRS 695G.090 is hereby amended to read as
22 follows:

23 695G.090 1. Except as otherwise provided in subsection 3,
24 the provisions of this chapter apply to each organization and insurer
25 that operates as a managed care organization and may include,
26 without limitation, an insurer that issues a policy of health
27 insurance, an insurer that issues a policy of individual or group
28 health insurance, a carrier serving small employers, a fraternal
29 benefit society, a hospital or medical service corporation and a
30 health maintenance organization.

31 2. In addition to the provisions of this chapter, each managed
32 care organization shall comply with:

33 (a) The provisions of chapter 686A of NRS, including all
34 obligations and remedies set forth therein; and

35 (b) Any other applicable provision of this title.

36 3. The provisions of NRS 695G.164, 695G.1645, 695G.200 to
37 695G.230, inclusive, and 695G.430 *and section 8 of this act*, do not
38 apply to a managed care organization that provides health care
39 services to recipients of Medicaid under the State Plan for Medicaid
40 or insurance pursuant to the Children's Health Insurance Program
41 pursuant to a contract with the Division of Health Care Financing
42 and Policy of the Department of Health and Human Services. This
43 subsection does not exempt a managed care organization from any
44 provision of this chapter for services provided pursuant to any other
45 contract.



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 which provides coverage for the treatment of cancer**
23 **through the use of chemotherapy has the legal effect of providing**
24 **that coverage subject to the requirements of this section, and any**
25 **provision of the plan or the renewal which is in conflict with this**
26 **section is void if the plan is:**

27 **(a) A qualified health plan, as defined in NRS 695I.080, that is**
28 **offered to persons through the Silver State Health Insurance**
29 **Exchange and delivered, issued for delivery or renewed on or after**
30 **January 1, 2015; or**

31 **(b) For any other plan, delivered, issued for delivery or**
32 **renewed on or after January 1, 2014.**

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

41 **Sec. 9.5.** NRS 287.015 is hereby amended to read as follows:

42 287.015 1. A local government employer and any employee
43 organization that is recognized by the employer pursuant to chapter
44 288 of NRS may, by written agreement between themselves or with
45 other local government employers and employee organizations,



1 establish a trust fund to provide health and welfare benefits to active
2 and retired employees of the participating employers and the
3 dependents of those employees.

4 2. All contributions made to a trust fund established pursuant
5 to this section must be held in trust and used:

6 (a) To provide, from principal or income, or both, for the benefit
7 of the participating employees and their dependents, medical,
8 hospital, dental, vision, death, disability or accident benefits, or any
9 combination thereof, and any other benefit appropriate for an entity
10 that qualifies as a voluntary employees' beneficiary association
11 under Section 501(c)(9) of the Internal Revenue Code of 1986, 26
12 U.S.C. § 501(c)(9), as amended; and

13 (b) To pay any reasonable administrative expenses incident to
14 the provision of these benefits and the administration of the trust.

15 3. The basis on which contributions are to be made to the trust
16 must be specified in a collective bargaining agreement between each
17 participating local government employer and employee organization
18 or in a written participation agreement between the employer and
19 employee organization, jointly, and the trust.

20 4. The trust must be administered by a board of trustees on
21 which participating local government employers and employee
22 organizations are equally represented. The agreement that
23 establishes the trust must:

24 (a) Set forth the powers and duties of the board of trustees,
25 which must not be inconsistent with the provisions of this section;

26 (b) Establish a procedure for resolving expeditiously any
27 deadlock that arises among the members of the board of trustees;
28 and

29 (c) Provide for an audit of the trust, at least annually, the results
30 of which must be reported to each participating employer and
31 employee organization.

32 5. The provisions of paragraphs (b) and (c) of subsection 2 of
33 NRS 287.029 apply to a trust fund established pursuant to this
34 section by the governing body of a school district.

35 6. *The provisions of section 9 of this act do not apply to a*
36 *trust fund established pursuant to this section.*

37 7. As used in this section:

38 (a) "Employee organization" has the meaning ascribed to it in
39 NRS 288.040.

40 (b) "Local government employer" has the meaning ascribed to it
41 in NRS 288.060.

42 **Sec. 10.** NRS 287.04335 is hereby amended to read as
43 follows:

44 287.04335 If the Board provides health insurance through a
45 plan of self-insurance, it shall comply with the provisions of



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1 NRS 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645,
2 695G.170, 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230,
3 inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, *and*
4 *section 8 of this act* in the same manner as an insurer that is licensed
5 pursuant to title 57 of NRS is required to comply with those
6 provisions.

7 **Sec. 11.** The provisions of NRS 354.599 do not apply to any
8 additional expenses of a local government that are related to the
9 provisions of this act.

