

Amendment No. 404

Senate Amendment to Senate Bill No. 276	(BDR 57-599)
Proposed by: Senate Committee on Commerce and Labor	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



SENATE BILL NO. 276—SENATOR CANCELA

MARCH 14, 2019

Referred to Committee on Commerce and Labor

SUMMARY—~~[Revises provisions relating to]~~ Directs the Legislative Commission to appoint a committee to conduct an interim study concerning the costs of prescription drugs. (BDR 57-599)

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

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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 prescription drugs; ~~[prohibiting a pharmacy benefit manager or insurer from accepting remuneration from a manufacturer]~~ directing the Legislative Commission to appoint a committee to conduct an interim study concerning the costs of prescription drugs in this State; [except in certain circumstances]; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[Existing law prohibits a pharmacy benefit manager from engaging in certain activity, including charging a copayment or coinsurance for a prescription drug in an amount that is greater than the total amount paid to a pharmacy that is in the applicable network of providers. (NRS 683A.179) Section 1 of this bill additionally prohibits a pharmacy benefit manager from accepting from the manufacturer of a prescription drug a rebate or reduction in price in connection with the sale of the prescription drug unless the full value of the rebate or reduction in price is applied to the price paid by the person to whom the drug is dispensed. Section 1 also prescribes the conditions under which a pharmacy benefit manager may accept other remuneration from a manufacturer. Sections 4, 21 and 23 of this bill prohibit an insurer, including a local government employer, the Public Employee Benefits Program and the Medicaid program, from accepting: (1) a rebate or reduction in price from a manufacturer under similar circumstances as prohibited by section 1 for a pharmacy benefit manager; or (2) any other remuneration from a manufacturer. Sections 2, 3, 5-20 and 22 of this bill make conforming changes.] This bill directs the Legislative Commission to appoint a committee to conduct an interim study concerning the issue of the costs of prescription drugs in this State and the impact of rebates, reductions in price and other remuneration from drug manufacturers on prescription drug prices.~~

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

Section 1. ~~[Chapter 683A of NRS is hereby amended by adding thereto a new section to read as follows:]~~

~~1. Except as authorized by this section, a pharmacy benefit manager shall not accept from a manufacturer a rebate, reduction in price or other remuneration in connection with the sale of a prescription drug to be dispensed in this State.~~

~~2. A pharmacy benefit manager may accept a rebate or reduction in price described in subsection 1 if:~~

~~(a) The value of the rebate or reduction in price is set forth in a contract between the pharmacy benefit manager and the manufacturer; and~~

~~(b) The full value of the rebate or reduction in price is paid to the dispensing pharmacy and applied to the price paid by the covered person to whom the drug is dispensed.~~

~~3. A pharmacy benefit manager may accept remuneration from a manufacturer for services provided to the manufacturer in connection with agreements between the pharmacy benefit manager and a pharmacy benefits plan or multiple pharmacy benefits plans if:~~

~~(a) The value of the remuneration is set forth in a contract between the pharmacy benefit manager and the manufacturer that:~~

~~(1) Covers all of the services provided by the pharmacy benefit manager to the manufacturer in connection with the plan or plans; and~~

~~(2) Specifies each such service to be provided by the pharmacy benefit manager to the manufacturer and the remuneration to be paid for each such service;~~

~~(b) The amount of the remuneration is consistent with the fair market value of the services and is not determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties or the manufacturer and the pharmacy benefits plan or multiple pharmacy benefits plans; and~~

~~(c) The remuneration is paid in fixed payments that are not based on a percentage of sales.~~

~~4. A pharmacy benefit manager shall disclose in writing to a pharmacy benefits plan with which it contracts at least annually, and to the Commissioner upon request, the services provided to each manufacturer in connection with an agreement between the pharmacy benefit manager and the pharmacy benefits plan.~~

~~5. As used in this section, "manufacturer" has the meaning ascribed to it in NRS 639.009.] (Deleted by amendment.)~~

Sec. 2. ~~[NRS 683A.171 is hereby amended to read as follows:]~~

~~683A.171 As used in NRS 683A.171 to 683A.179, inclusive, unless the context otherwise requires, the words and terms defined in NRS 683A.172 to 683A.176, inclusive, and section 1 of this act have the meanings ascribed to them in those sections.] (Deleted by amendment.)~~

Sec. 3. ~~[NRS 683A.177 is hereby amended to read as follows:]~~

~~683A.177 1. Except as otherwise provided in subsection 2, the requirements of NRS 683A.171 to 683A.179, inclusive, and section 1 of this act and any regulations adopted by the Commissioner pursuant thereto do not apply to the coverage of prescription drugs under a plan that is subject to the Employee~~

~~Retirement Income Security Act of 1974 or any information relating to such coverage.~~

~~2. A plan described in subsection 1 may, by contract, require a pharmacy benefit manager that manages the coverage of prescription drugs under the plan to comply with the requirements of NRS 683A.171 to 683A.179, inclusive, and section 1 of this act and any regulations adopted by the Commissioner pursuant thereto.] (Deleted by amendment.)~~

~~Sec. 4. [Chapter 686A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Except as authorized by this section, a health carrier shall not accept from a manufacturer or a pharmacy benefit manager a rebate, reduction in the price paid for a prescription drug to be dispensed in this State or other remuneration in connection with the sale of a prescription drug to be dispensed in this State.~~

~~2. A health carrier may accept a rebate or reduction in price described in subsection 1 if:~~

~~(a) The value of the rebate or reduction in price is set forth in a contract between the manufacturer and the health carrier or a pharmacy benefit manager working on behalf of the health carrier; and~~

~~(b) The full value of the rebate or reduction in price is paid to the dispensing pharmacy and applied to the price paid by the covered person to whom the drug is dispensed.~~

~~3. As used in this section:~~

~~(a) "Health carrier" has the meaning ascribed to it in NRS 695C.024.~~

~~(b) "Manufacturer" has the meaning ascribed to it in NRS 639.009.~~

~~(c) "Pharmacy benefit manager" has the meaning ascribed to it in NRS 683A.174.] (Deleted by amendment.)~~

~~Sec. 5. [NRS 686A.020 is hereby amended to read as follows:~~

~~686A.020 A person shall not engage in this state in any practice which is defined in NRS 686A.010 to 686A.310, inclusive, and section 4 of this act, as, or determined pursuant to NRS 686A.170 to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.] (Deleted by amendment.)~~

~~Sec. 6. [NRS 686A.160 is hereby amended to read as follows:~~

~~686A.160 If the Commissioner has cause to believe that any person has been engaged or is engaging, in this state, in any unfair method of competition or any unfair or deceptive act or practice prohibited by NRS 686A.010 to 686A.310, inclusive, and section 4 of this act, and that a proceeding by the Commissioner in respect thereto would be in the interest of the public, the Commissioner may issue and serve upon such person a statement of the charges and a notice of the hearing to be held thereon. The statement of charges and notice of hearing shall comply with the requirements of NRS 679B.320 and shall be served upon such person directly or by certified or registered mail, return receipt requested.] (Deleted by amendment.)~~

~~Sec. 7. [NRS 686A.170 is hereby amended to read as follows:~~

~~686A.170 1. If the Commissioner believes that any person engaged in the insurance business is in the conduct of such business engaging in this state in any method of competition or in any act or practice not defined in NRS 686A.010 to 686A.310, inclusive, and section 4 of this act which is unfair or deceptive and that a proceeding by the Commissioner in respect thereto would be in the public interest, the Commissioner shall, after a hearing of which notice and of the charges against such person are given to the person, make a written report of the findings of fact relative to such charges and serve a copy thereof upon such person and any intervenor at the hearing.~~

~~2. If such report charges a violation of NRS 686A.010 to 686A.310, inclusive, and section 4 of this act and if such method of competition, act or practice has not been discontinued, the Commissioner may, through the Attorney General, at any time after 20 days after the service of such report cause an action to be instituted in the district court of the county wherein the person resides or has his or her principal place of business to enjoin and restrain such person from engaging in such method, act or practice. The court shall have jurisdiction of the proceeding and shall have power to make and enter appropriate orders in connection therewith and to issue such writs or orders as are ancillary to its jurisdiction or necessary in its judgment to prevent injury to the public pendente lite; but the State of Nevada shall not be required to give security before the issuance of any such order or injunction under this section. If a stenographic record of the proceedings in the hearing before the Commissioner was made, a certified transcript thereof including all evidence taken and the report and findings shall be received in evidence in such action.~~

~~2. If the court finds that:~~

~~(a) The method of competition complained of is unfair or deceptive;~~

~~(b) The proceedings by the Commissioner with respect thereto are to the interest of the public; and~~

~~(c) The findings of the Commissioner are supported by the weight of the evidence;~~

~~it shall issue its order enjoining and restraining the continuance of such method of competition, act or practice.~~

~~4. Either party may appeal from such final judgment or order or decree of court in a like manner as provided for appeals in civil cases.~~

~~5. If the Commissioner's report made under subsection 1 or order on hearing made under NRS 679B.360 does not charge a violation of NRS 686A.010 to 686A.310, inclusive, and section 4 of this act, then any intervenor in the proceedings may appeal therefrom within the time and in the manner provided in this Code for appeals from the Commissioner generally.~~

~~6. Upon violation of any injunction issued under this section, the Commissioner, after a hearing thereon, may impose the appropriate penalties provided for in NRS 686A.187. (Deleted by amendment.)~~

Sec. 8. [NRS 686A.183 is hereby amended to read as follows:

~~686A.183 1. After the hearing provided for in NRS 686A.160, the Commissioner shall issue an order on hearing pursuant to NRS 679B.360. If the Commissioner determines that the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice in violation of NRS 686A.010 to 686A.310, inclusive, and section 4 of this act, the Commissioner shall order the person to cease and desist from engaging in that method of competition, act or practice, and may order one or both of the following:~~

~~(a) If the person knew or reasonably should have known that he or she was in violation of NRS 686A.010 to 686A.310, inclusive, and section 4 of this act, payment of an administrative fine of not more than \$5,000 for each act or violation, except that as to licensed agents, brokers, solicitors and adjusters, the administrative fine must not exceed \$500 for each act or violation.~~

~~(b) Suspension or revocation of the person's license if the person knew or reasonably should have known that he or she was in violation of NRS 686A.010 to 686A.310, inclusive [], and section 4 of this act.~~

~~2. Until the expiration of the time allowed for taking an appeal, pursuant to NRS 679B.370, if no petition for review has been filed within that time, or, if a petition for review has been filed within that time, until the official record in the proceeding has been filed with the court, the Commissioner may, at any time, upon~~

1 such notice and in such manner as the Commissioner deems proper, modify or set
2 aside, in whole or in part, any order issued by him or her under this section.

3 ~~2. After the expiration of the time allowed for taking an appeal, if no petition~~
4 ~~for review has been filed, the Commissioner may at any time, after notice and~~
5 ~~opportunity for hearing, reopen and alter, modify or set aside, in whole or in part,~~
6 ~~any order issued by him or her under this section whenever in the opinion of the~~
7 ~~Commissioner conditions of fact or of law have so changed as to require such~~
8 ~~action or if the public interest so requires. (Deleted by amendment.)~~

9 **Sec. 9.** ~~[NRS 686A.270 is hereby amended to read as follows:~~

10 ~~686A.270 No insurer shall be held guilty of having committed any of the acts~~
11 ~~prohibited by NRS 686A.010 to 686A.310, inclusive, and section 4 of this act by~~
12 ~~reason of the act of any agent, solicitor or employee not an officer, director or~~
13 ~~department head thereof, unless an officer, director or department head of the~~
14 ~~insurer has knowingly permitted such act or has had prior knowledge thereof.]~~
15 ~~(Deleted by amendment.)~~

16 **Sec. 10.** ~~[NRS 686A.520 is hereby amended to read as follows:~~

17 ~~686A.520 1. The provisions of NRS 683A.341, 683A.451, 683A.461,~~
18 ~~683A.480 and 686A.010 to 686A.310, inclusive, and section 4 of this act apply to~~
19 ~~companies.~~

20 ~~2. For the purposes of subsection 1, unless the context requires that a section~~
21 ~~apply only to insurers, any reference in those sections to "insurer" must be replaced~~
22 ~~by a reference to "company." (Deleted by amendment.)~~

23 **Sec. 11.** ~~[NRS 688C.175 is hereby amended to read as follows:~~

24 ~~688C.175 1. Persons engaged in the business of viatical settlements are~~
25 ~~subject to the provisions of this chapter and to the following provisions, to the~~
26 ~~extent reasonably applicable:~~

27 ~~(a) NRS 679B.230 to 679B.300, inclusive, concerning examinations of~~
28 ~~insurers,~~

29 ~~(b) NRS 679B.310 to 679B.370, inclusive, concerning hearings regarding~~
30 ~~insurers and employees of insurers,~~

31 ~~(c) Chapter 680A of NRS,~~

32 ~~(d) Chapter 683A of NRS,~~

33 ~~(e) NRS 686A.010 to 686A.310, inclusive, and section 4 of this act~~
34 ~~concerning trade practices and frauds.~~

35 ~~2. Nothing in this chapter or elsewhere in this title preempts or otherwise~~
36 ~~limits the provisions of chapter 90 of NRS, or of any rules, regulations or orders~~
37 ~~issued by or through the Administrator of the Securities Division of the Office of~~
38 ~~the Secretary of State or the Administrator's designee acting pursuant to the~~
39 ~~authority granted by chapter 90 of NRS.~~

40 ~~3. Compliance with the provisions of this chapter does not constitute~~
41 ~~compliance with any applicable provisions of chapter 90 of NRS or with any rule,~~
42 ~~regulation or order adopted or issued thereunder.] (Deleted by amendment.)~~

43 **Sec. 12.** ~~[NRS 689.595 is hereby amended to read as follows:~~

44 ~~689.595 1. The provisions of NRS 683A.341, 683A.451, 683A.461,~~
45 ~~683A.480 and 686A.010 to 686A.310, inclusive, and section 4 of this act apply to~~
46 ~~agents and sellers.~~

47 ~~2. For the purposes of subsection 1, unless the context requires that a section~~
48 ~~apply only to insurers, any reference in those sections to "insurer" must be replaced~~
49 ~~by a reference to "agent" and "seller."~~

50 ~~3. The provisions of NRS 679B.230 to 679B.300, inclusive, apply to sellers.~~
51 ~~Unless the context requires that a provision apply only to insurers, any reference in~~
52 ~~those sections to "insurer" must be replaced by a reference to "seller." (Deleted by~~
53 ~~amendment.)~~

Sec. 13. ~~[NRS 695B.320 is hereby amended to read as follows:~~

~~695B.320 1. Nonprofit hospital and medical or dental service corporations are subject to the provisions of this chapter, and to the provisions of chapters 679A and 679B of NRS, NRS 686A.010 to 686A.315, inclusive, and section 4 of this act, 687B.010 to 687B.040, inclusive, 687B.070 to 687B.140, inclusive, 687B.150, 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B, 692C, 693A and 696B of NRS, to the extent applicable and not in conflict with the express provisions of this chapter.~~

~~2. For the purposes of this section and the provisions set forth in subsection 1, a nonprofit hospital and medical or dental service corporation is included in the meaning of the term "insurer." (Deleted by amendment.)~~

Sec. 14. ~~[NRS 695C.300 is hereby amended to read as follows:~~

~~695C.300 1. No health maintenance organization or representative thereof may cause or knowingly permit the use of advertising which is untrue or misleading, solicitation which is untrue or misleading or any form of evidence of coverage which is deceptive. For purposes of this chapter:~~

~~(a) A statement or item of information shall be deemed to be untrue if it does not conform to fact in any respect which is or may be significant to an enrollee of, or person considering enrollment in, a health care plan.~~

~~(b) A statement or item of information shall be deemed to be misleading, whether or not it may be literally untrue if, in the total context in which such statement is made or such item of information is communicated, such statement or item of information may be reasonably understood by a reasonable person not possessing special knowledge regarding health care coverage, as indicating any benefit or advantage or the absence of any exclusion, limitation or disadvantage of possible significance to an enrollee of, or person considering enrollment in, a health care plan if such benefit or advantage or absence of limitation, exclusion or disadvantage does not in fact exist.~~

~~(c) An evidence of coverage shall be deemed to be deceptive if the evidence of coverage taken as a whole, and with consideration given to typography and format as well as language, shall be such as to cause a reasonable person not possessing special knowledge regarding health care plans and evidences of coverage therefor to expect benefits, services, charges or other advantages which the evidence of coverage does not provide or which the health care plan issuing such evidence of coverage does not regularly make available for enrollees covered under such evidence of coverage.~~

~~2. NRS 686A.010 to 686A.310, inclusive, and section 4 of this act shall be construed to apply to health maintenance organizations, health care plans and evidences of coverage except to the extent that the nature of health maintenance organizations, health care plans and evidences of coverage render the sections therein clearly inappropriate.~~

~~3. An enrollee may not be cancelled or not renewed except for the failure to pay the charge for such coverage or for cause as determined in the master contract.~~

~~4. No health maintenance organization, unless licensed as an insurer, may use in its name, contracts, or literature any of the words "insurance," "casualty," "surety," "mutual" or any other words descriptive of the insurance, casualty or surety business or deceptively similar to the name or description of any insurance or surety corporation doing business in this State.~~

~~5. No person not certificated under this chapter shall use in its name, contracts or literature the phrase "health maintenance organization" or the initials "HMO." (Deleted by amendment.)~~

1 **Sec. 15.** ~~[NRS 695D.290 is hereby amended to read as follows:~~
2 ~~695D.290 The provisions of NRS 686A.010 to 686A.310, inclusive, and~~
3 ~~section 4 of this act relating to trade practices and frauds apply to organizations for~~
4 ~~dental care.] (Deleted by amendment.)~~

5 **Sec. 16.** ~~[NRS 695E.170 is hereby amended to read as follows:~~
6 ~~695E.170 1. A risk retention group and its agents and representatives are~~
7 ~~subject to the provisions of NRS 686A.010 to 686A.310, inclusive [], and section~~
8 ~~4 of this act. Any injunction obtained pursuant to those sections must be obtained~~
9 ~~from a court of competent jurisdiction.~~

10 ~~2. All premiums paid for coverages within this state to a risk retention group~~
11 ~~are subject to the provisions of chapter 680B of NRS. Each risk retention group~~
12 ~~shall report all premiums paid to it and shall pay the taxes on premiums and any~~
13 ~~related fines or penalties for risks resident, located or to be performed in the state.~~

14 ~~3. Any person acting as an agent or a broker for a risk retention group~~
15 ~~pursuant to NRS 695E.210 shall:~~

16 ~~(a) Report to the Commissioner each premium for direct business for risks~~
17 ~~resident, located or to be performed in this State which the person has placed with~~
18 ~~or on behalf of a risk retention group that is not chartered in this State.~~

19 ~~(b) Maintain a complete and separate record of each policy obtained from each~~
20 ~~risk retention group. Each record maintained pursuant to this subsection must be~~
21 ~~made available upon request by the Commissioner for examination pursuant to~~
22 ~~NRS 679B.240, and must include, for each policy and each kind of insurance~~
23 ~~provided therein:~~

24 ~~(1) The limit of liability;~~

25 ~~(2) The period covered;~~

26 ~~(3) The effective date;~~

27 ~~(4) The name of the risk retention group which issued the policy;~~

28 ~~(5) The gross annual premium charged; and~~

29 ~~(6) The amount of return premiums, if any.~~

30 ~~4. As used in this section, "premiums for direct business" means any premium~~
31 ~~written in this State for a policy of insurance. The term does not include any~~
32 ~~premium for reinsurance or for a contract between members of a risk retention~~
33 ~~group.] (Deleted by amendment.)~~

34 **Sec. 17.** ~~[NRS 695F.090 is hereby amended to read as follows:~~

35 ~~695F.090 1. Prepaid limited health service organizations are subject to the~~
36 ~~provisions of this chapter and to the following provisions, to the extent reasonably~~
37 ~~applicable:~~

38 ~~(a) NRS 687B.310 to 687B.420, inclusive, concerning cancellation and~~
39 ~~nonrenewal of policies;~~

40 ~~(b) NRS 687B.122 to 687B.128, inclusive, concerning readability of policies;~~

41 ~~(c) The requirements of NRS 679B.152;~~

42 ~~(d) The fees imposed pursuant to NRS 449.465;~~

43 ~~(e) NRS 686A.010 to 686A.310, inclusive, and section 4 of this act~~
44 ~~concerning trade practices and frauds;~~

45 ~~(f) The assessment imposed pursuant to NRS 679B.700;~~

46 ~~(g) Chapter 683A of NRS;~~

47 ~~(h) To the extent applicable, the provisions of NRS 689B.340 to 689B.580,~~
48 ~~inclusive, and chapter 689C of NRS relating to the portability and availability of~~
49 ~~health insurance;~~

50 ~~(i) NRS 689A.035, 689A.0463, 689A.410, 689A.413 and 689A.415;~~

51 ~~(j) NRS 680B.025 to 680B.039, inclusive, concerning premium tax, premium~~
52 ~~tax rate, annual report and estimated quarterly tax payments. For the purposes of~~
53 ~~this subsection, unless the context otherwise requires that a section apply only to~~

~~insurers, any reference in those sections to "insurer" must be replaced by a reference to "prepaid limited health service organization."~~

~~— (k) Chapter 692C of NRS, concerning holding companies;~~

~~— (l) NRS 689A.637, concerning health centers;~~

~~— 2. For the purposes of this section and the provisions set forth in subsection 1, a prepaid limited health service organization is included in the meaning of the term "insurer." (Deleted by amendment.)~~

Sec. 18. ~~[NRS 696A.360 is hereby amended to read as follows:~~

~~696A.360 Motor clubs are also subject, in the same manner as insurers, to the following provisions of this Code to the extent reasonably applicable:~~

~~— 1. Chapter 679A of NRS (scope and definitions);~~

~~— 2. Chapter 679B of NRS (Commissioner of Insurance);~~

~~— 3. NRS 683A.400 (fiduciary funds);~~

~~— 4. Chapter 685B of NRS (unauthorized insurers);~~

~~— 5. NRS 686A.010 to 686A.310, inclusive, and section 4 of this act (trade practices and frauds); and~~

~~— 6. Chapter 696B of NRS (delinquent insurers).] (Deleted by amendment.)~~

Sec. 19. ~~[NRS 697.360 is hereby amended to read as follows:~~

~~697.360 Licensed bail agents, bail solicitors and bail enforcement agents, and general agents are also subject to the following provisions of this Code, to the extent reasonably applicable:~~

~~— 1. Chapter 679A of NRS;~~

~~— 2. Chapter 679B of NRS;~~

~~— 3. NRS 683A.261;~~

~~— 4. NRS 683A.301;~~

~~— 5. NRS 683A.311;~~

~~— 6. NRS 683A.331;~~

~~— 7. NRS 683A.341;~~

~~— 8. NRS 683A.361;~~

~~— 9. NRS 683A.400;~~

~~— 10. NRS 683A.451;~~

~~— 11. NRS 683A.461;~~

~~— 12. NRS 683A.480;~~

~~— 13. NRS 683A.500;~~

~~— 14. NRS 683A.520;~~

~~— 15. NRS 686A.010 to 686A.310, inclusive [], and section 4 of this act.] (Deleted by amendment.)~~

Sec. 20. ~~[NRS 232.320 is hereby amended to read as follows:~~

~~232.320 1. The Director;~~

~~(a) Shall appoint, with the consent of the Governor, administrators of the divisions of the Department, who are respectively designated as follows:~~

~~— (1) The Administrator of the Aging and Disability Services Division;~~

~~— (2) The Administrator of the Division of Welfare and Supportive Services;~~

~~— (3) The Administrator of the Division of Child and Family Services;~~

~~— (4) The Administrator of the Division of Health Care Financing and Policy; and~~

~~— (5) The Administrator of the Division of Public and Behavioral Health.~~

~~(b) Shall administer, through the divisions of the Department, the provisions of chapters 63, 424, 425, 427A, 432A to 442, inclusive, 446 to 450, inclusive, 458A and 656A of NRS, NRS 127.220 to 127.310, inclusive, 422.001 to 422.410, inclusive, and section 23 of this act, 422.580, 432.010 to 432.133, inclusive, 432B.621 to 432B.626, inclusive, 444.002 to 444.430, inclusive, and 445A.010 to 445A.055, inclusive, and all other provisions of law relating to the functions of the~~

divisions of the Department, but is not responsible for the clinical activities of the Division of Public and Behavioral Health or the professional line activities of the other divisions.

~~—(c) Shall administer any state program for persons with developmental disabilities established pursuant to the Developmental Disabilities Assistance and Bill of Rights Act of 2000, 42 U.S.C. §§ 15001 et seq.~~

~~—(d) Shall, after considering advice from agencies of local governments and nonprofit organizations which provide social services, adopt a master plan for the provision of human services in this State. The Director shall revise the plan biennially and deliver a copy of the plan to the Governor and the Legislature at the beginning of each regular session. The plan must:~~

~~—(1) Identify and assess the plans and programs of the Department for the provision of human services, and any duplication of those services by federal, state and local agencies;~~

~~—(2) Set forth priorities for the provision of those services;~~

~~—(3) Provide for communication and the coordination of those services among nonprofit organizations, agencies of local government, the State and the Federal Government;~~

~~—(4) Identify the sources of funding for services provided by the Department and the allocation of that funding;~~

~~—(5) Set forth sufficient information to assist the Department in providing those services and in the planning and budgeting for the future provision of those services; and~~

~~—(6) Contain any other information necessary for the Department to communicate effectively with the Federal Government concerning demographic trends, formulas for the distribution of federal money and any need for the modification of programs administered by the Department.~~

~~—(e) May, by regulation, require nonprofit organizations and state and local governmental agencies to provide information regarding the programs of those organizations and agencies, excluding detailed information relating to their budgets and payrolls, which the Director deems necessary for the performance of the duties imposed upon him or her pursuant to this section.~~

~~—(f) Has such other powers and duties as are provided by law.~~

~~2. Notwithstanding any other provision of law, the Director, or the Director's designee, is responsible for appointing and removing subordinate officers and employees of the Department, other than the State Public Defender of the Office of State Public Defender who is appointed pursuant to NRS 180.010.]~~ **(Deleted by amendment.)**

Sec. 21. [Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. Except as authorized by this section, a governing body of a local governmental agency that provides health coverage pursuant to NRS 287.010 shall not accept from a manufacturer or a pharmacy benefit manager a rebate, reduction in price or other remuneration in connection with the sale of a prescription drug.~~

~~2. A governing body of a local governmental agency may accept a rebate or reduction in price described in subsection 1 if:~~

~~—(a) The value of the rebate or reduction in price is set forth in a contract between the manufacturer and the governing body or a pharmacy benefit manager working on behalf of the governing body; and~~

~~—(b) The full value of the rebate or reduction in price is paid to the dispensing pharmacy and applied to the price paid by the covered person to whom the drug is dispensed.~~

~~3. As used in this section:~~

~~(a) "Manufacturer" has the meaning ascribed to it in NRS 639.009.~~

~~(b) "Pharmacy benefit manager" has the meaning ascribed to it in NRS 683A.174.] (Deleted by amendment.)~~

Sec. 22. ~~[NRS 287.04335 is hereby amended to read as follows:~~

~~287.04335 If the Board provides health insurance through a plan of self insurance, it shall comply with the provisions of NRS 687B.409, 689B.255, 695G.150, 695G.160, 695G.162, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.170 to 695G.173, inclusive, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, and section 4 of this act in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.] (Deleted by amendment.)~~

Sec. 23. ~~[Chapter 422 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. Except as authorized by this section, the Department shall not accept from a manufacturer or a pharmacy benefit manager a rebate, reduction in price or other remuneration in connection with the sale of a prescription drug dispensed to a recipient of Medicaid.~~

~~2. The Department may accept a rebate or reduction in price described in subsection 1 if:~~

~~(a) The value of the rebate or reduction in price is set forth in a contract between the manufacturer and the Department or a pharmacy benefit manager working on behalf of the Department; and~~

~~(b) The full value of the rebate or reduction in price is paid to the dispensing pharmacy and applied to the price paid by the recipient to whom the drug is dispensed.~~

~~3. As used in this section:~~

~~(a) "Manufacturer" has the meaning ascribed to it in NRS 639.009.~~

~~(b) "Pharmacy benefit manager" has the meaning ascribed to it in NRS 683A.174.] (Deleted by amendment.)~~

Sec. 24. ~~[The amendatory provisions of sections 1, 4, 21, 22 and 23 of this act do not apply to a contract entered into before July 1, 2019, but apply to any renewal or extension of such a contract.] (Deleted by amendment.)~~

Sec. 25. 1. The Legislative Commission shall appoint a committee to conduct an interim study concerning the cost of prescription drugs in this State and the impact of rebates, reductions in price and other remuneration from manufacturers on prescription drug prices.

2. The interim committee must be composed of six Legislators as follows:

(a) Two members appointed by the Majority Leader of the Senate;

(b) Two members appointed by the Speaker of the Assembly;

(c) One member appointed by the Minority Leader of the Senate; and

(d) One member appointed by the Minority Leader of the Assembly.

3. The Legislative Commission shall appoint a Chair and Vice Chair from among the members of the interim committee.

4. In conducting the study, the interim committee shall consult with and solicit input from persons and organizations with expertise in matters relevant to the costs of prescription drugs and the impact of rebates, reductions in price and other remuneration from manufacturers on prescription drug prices.

5. The interim committee shall study and examine:

(a) The overall costs of prescription drugs in this State, including, without limitation, a comparison of those costs with other states;

1 (b) The impact of rebates, reductions in price and other remuneration
2 from manufacturers on the overall costs of prescription drugs in this State;
3 and

4 (c) Opportunities and options for lowering the costs of prescription drugs
5 to make those drugs more affordable for the residents of this State.

6 6. The Legislative Commission shall submit a report of the results of the
7 study, including any recommendations for legislation to:

8 (a) The Legislative Committee on Health Care; and

9 (b) The Director of the Legislative Counsel Bureau for transmittal to the
10 81st Session of the Nevada Legislature.

11 7. As used in this section, "manufacturer" has the meaning ascribed to it
12 in NRS 639.009.

13 *Sec. 26.* This act becomes effective on July 1, 2019.