

Amendment No. 854

Assembly Amendment to Senate Bill No. 290 Third Reprint	(BDR 57-973)
Proposed by: Assembly Committee on Ways and Means	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will: (1) MAINTAIN the unfunded mandate not requested by the affected local government to S.B. 290 R3 (§ 12). (2) ADD an appropriation where one does not currently exist in S.B. 290 R3.

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.

EWR/BJF



Date: 5/31/2021

S.B. No. 290—Enacts provisions relating to prescription drugs for the treatment of cancer. (BDR 57-973)



SENATE BILL NO. 290—SENATOR LANGE

MARCH 22, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Enacts provisions relating to prescription drugs for the treatment of cancer. (BDR 57-973)

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

CONTAINS UNFUNDED MANDATE (§ 12)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

~

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

AN ACT relating to insurance; requiring certain insurers to allow a person who has been diagnosed with stage 3 or 4 cancer and is covered by the insurer to apply for an exemption from required step therapy for certain drugs; requiring such insurers to grant such an exemption in certain circumstances; making appropriations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires local governments that provide health coverage for employees through a self-insurance reserve fund, private sector employers who provide health benefits for their employees, insurers who issue individual or group health policies, medical services corporations and health maintenance organizations to cover certain prescription drugs for the treatment of cancer. (NRS 287.010, 608.1555, 689A.0404, 689B.0365, 695B.1908, 695C.1733) **Sections 1, 3, 4, ~~6-8, 11, 12 and 13~~ 6-9 and 11-14.5** of this bill require all health insurers, including public and private sector employers that provide health benefits for their employees ~~but excluding~~ **and** Medicaid, to allow a covered person who has been diagnosed with stage 3 or 4 cancer or the attending practitioner of such a covered person to apply for an exemption from step therapy that would otherwise be required for a prescription drug to treat the cancer or any symptom thereof of the covered person. **Sections 1, 3, 4, ~~6-8, 11, 12 and 13~~ 6-9 and 11-14.5** require an insurer to: (1) grant such an exemption in certain circumstances; and (2) post a form for applying for such an exemption in an easily accessible location on the Internet website of the insurer. **Sections 2, ~~and~~ 5, 15.3 and 15.6** of this bill make conforming changes to indicate the placement of **sections 1, ~~and~~ 4 and 14.5** in the Nevada Revised Statutes. ~~[Sections 9 and 11.5 of this bill exempt from the provisions of sections 8 and 11, respectively, a health maintenance organization or other managed care organization that provides health care services to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program.]~~ **Section 10** of this bill authorizes the Commissioner of Insurance to suspend or revoke the certificate of a health maintenance organization that fails to comply with the requirements of **section 8**. The Commissioner is also authorized to take such action against other health insurers who fail to comply with the requirements of **sections 1, 3, 4, 6, 7 and 11** of this bill. (NRS 680A.200) **Sections 16.3 and 16.8 of this bill make appropriations to pay the increased costs for**

prescription drugs to the Public Employees' Benefits Program and Medicaid associated with complying with the provisions of this bill.

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 of a prescription drug for the treatment of cancer or any symptom of cancer that is part of a step therapy protocol shall allow an insured who has been diagnosed with stage 3 or 4 cancer or the attending practitioner of the insured to apply for an exemption from the step therapy protocol. The application process for such an exemption must:

(a) Allow the insured or attending practitioner, or a designated advocate for the insured or attending practitioner, to present to the insurer the clinical rationale for the exemption and any relevant medical information.

(b) Clearly prescribe the information and supporting documentation that must be submitted with the application, the criteria that will be used to evaluate the request and the conditions under which an expedited determination pursuant to subsection 4 is warranted.

(c) Require the review of each application by at least one physician, registered nurse or pharmacist.

2. The information and supporting documentation required pursuant to paragraph (b) of subsection 1:

(a) May include, without limitation:

(I) The medical history or other health records of the insured demonstrating that the insured has:

(I) Tried other drugs included in the pharmacological class of drugs for which the exemption is requested without success; or

(II) Taken the requested drug for a clinically appropriate amount of time to establish stability in relation to the cancer and the guidelines of the prescribing practitioner; and

(2) Any other relevant clinical information.

(b) Must not include any information or supporting documentation that is not necessary to make a determination about the application.

3. Except as otherwise provided in subsection 4, an insurer that receives an application for an exemption pursuant to subsection 1 shall:

(a) Make a determination concerning the application if the application is complete or request additional information or documentation necessary to complete the application not later than 72 hours after receiving the application; and

(b) If it requests additional information or documentation, make a determination concerning the application not later than 72 hours after receiving the requested information or documentation.

4. If, in the opinion of the attending practitioner, a step therapy protocol may seriously jeopardize the life or health of the insured, an insurer that receives an application for an exemption pursuant to subsection 1 must make a determination concerning the application as expeditiously as necessary to avoid serious jeopardy to the life or health of the insured.

1 5. An insurer shall disclose to the insured or attending practitioner who
2 submits an application for an exemption from a step therapy protocol pursuant to
3 subsection 1 the qualifications of each person who will review the application.

4 6. An insurer must grant an exemption from a step therapy protocol in
5 response to an application submitted pursuant to subsection 1 if:

6 (a) Any treatment otherwise required under the step therapy or any drug in
7 the same pharmacological class or having the same mechanism of action as the
8 drug for which the exemption is requested has not been effective at treating the
9 cancer or symptom of the insured when prescribed in accordance with clinical
10 indications, clinical guidelines or other peer-reviewed evidence;

11 (b) Delay of effective treatment would have severe or irreversible
12 consequences for the insured and the treatment otherwise required under the step
13 therapy is not reasonably expected to be effective based on the physical or mental
14 characteristics of the insured and the known characteristics of the treatment;

15 (c) Each treatment otherwise required under the step therapy:

16 (1) Is contraindicated for the insured or has caused or is likely, based on
17 peer-reviewed clinical evidence, to cause an adverse reaction or other physical
18 harm to the insured; or

19 (2) Has prevented or is likely to prevent the insured from performing the
20 responsibilities of his or her occupation or engaging in activities of daily living,
21 as defined in 42 C.F.R. § 441.505;

22 (d) The condition of the insured is stable while being treated with the
23 prescription drug for which the exemption is requested and the insured has
24 previously received approval for coverage of that drug; or

25 (e) Any other condition for which such an exemption is required by
26 regulation of the Commissioner is met.

27 7. If an insurer approves an application for an exemption from a step
28 therapy protocol pursuant to this section, the insurer must cover the prescription
29 drug to which the exemption applies in accordance with the terms of the
30 applicable policy of health insurance. The insurer may initially limit the coverage
31 to a 1-week supply of the drug for which the exemption is granted. If the
32 attending practitioner determines after 1 week that the drug is effective at treating
33 the cancer or symptom for which it was prescribed, the insurer must continue to
34 cover the drug for as long as it is necessary to treat the insured for the cancer or
35 symptom. The insurer may conduct a review not more frequently than once each
36 quarter to determine, in accordance with available medical evidence, whether the
37 drug remains necessary to treat the insured for the cancer or symptom. The
38 insurer shall provide a report of the review to the insured.

39 8. An insurer shall post in an easily accessible location on an Internet
40 website maintained by the insurer a form for requesting an exemption pursuant
41 to this section.

42 9. A policy of health insurance subject to the provisions of this chapter that
43 is delivered, issued for delivery or renewed on or after January 1, 2022, has the
44 legal effect of including the coverage required by this section, and any provision
45 of the policy that conflicts with this section is void.

46 10. As used in this section, "attending practitioner" means the practitioner,
47 as defined in NRS 639.0125, who has primary responsibility for the treatment of
48 the cancer or any symptom of such cancer of an insured.

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

50 689A.330 If any policy is issued by a domestic insurer for delivery to a
51 person residing in another state, and if the insurance commissioner or
52 corresponding public officer of that other state has informed the Commissioner that
53 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 of a prescription drug for the treatment of cancer or any symptom of cancer that is part of a step therapy protocol shall allow an insured who has been diagnosed with stage 3 or 4 cancer or the attending practitioner of the insured to apply for an exemption from the step therapy protocol. The application process for such an exemption must:

(a) Allow the insured or attending practitioner, or a designated advocate for the insured or attending practitioner, to present to the insurer the clinical rationale for the exemption and any relevant medical information.

(b) Clearly prescribe the information and supporting documentation that must be submitted with the application, the criteria that will be used to evaluate the request and the conditions under which an expedited determination pursuant to subsection 4 is warranted.

(c) Require the review of each application by at least one physician, registered nurse or pharmacist.

2. The information and supporting documentation required pursuant to paragraph (b) of subsection 1:

(a) May include, without limitation:

(I) The medical history or other health records of the insured demonstrating that the insured has:

(I) Tried other drugs included in the pharmacological class of drugs for which the exemption is requested without success; or

(II) Taken the requested drug for a clinically appropriate amount of time to establish stability in relation to the cancer and the guidelines of the prescribing practitioner; and

(2) Any other relevant clinical information.

(b) Must not include any information or supporting documentation that is not necessary to make a determination about the application.

3. Except as otherwise provided in subsection 4, an insurer that receives an application for an exemption pursuant to subsection 1 shall:

(a) Make a determination concerning the application if the application is complete or request additional information or documentation necessary to complete the application not later than 72 hours after receiving the application; and

(b) If it requests additional information or documentation, make a determination concerning the application not later than 72 hours after receiving the requested information or documentation.

4. If, in the opinion of the attending practitioner, a step therapy protocol may seriously jeopardize the life or health of the insured, an insurer that receives an application for an exemption pursuant to subsection 1 must make a determination concerning the application as expeditiously as necessary to avoid serious jeopardy to the life or health of the insured.

5. An insurer shall disclose to the insured or attending practitioner who submits an application for an exemption from a step therapy protocol pursuant to subsection 1 the qualifications of each person who will review the application.

6. An insurer must grant an exemption from a step therapy protocol in response to an application submitted pursuant to subsection 1 if:

(a) Any treatment otherwise required under the step therapy or any drug in the same pharmacological class or having the same mechanism of action as the

1 *drug for which the exemption is requested has not been effective at treating the*
2 *cancer or symptom of the insured when prescribed in accordance with clinical*
3 *indications, clinical guidelines or other peer-reviewed evidence;*

4 *(b) Delay of effective treatment would have severe or irreversible*
5 *consequences for the insured and the treatment otherwise required under the step*
6 *therapy is not reasonably expected to be effective based on the physical or mental*
7 *characteristics of the insured and the known characteristics of the treatment;*

8 *(c) Each treatment otherwise required under the step therapy:*

9 *(1) Is contraindicated for the insured or has caused or is likely, based on*
10 *peer-reviewed clinical evidence, to cause an adverse reaction or other physical*
11 *harm to the insured; or*

12 *(2) Has prevented or is likely to prevent the insured from performing the*
13 *responsibilities of his or her occupation or engaging in activities of daily living,*
14 *as defined in 42 C.F.R. § 441.505;*

15 *(d) The condition of the insured is stable while being treated with the*
16 *prescription drug for which the exemption is requested and the insured has*
17 *previously received approval for coverage of that drug; or*

18 *(e) Any other condition for which such an exemption is required by*
19 *regulation of the Commissioner is met.*

20 *7. If an insurer approves an application for an exemption from a step*
21 *therapy protocol pursuant to this section, the insurer must cover the prescription*
22 *drug to which the exemption applies in accordance with the terms of the*
23 *applicable policy of group health insurance. The insurer may initially limit the*
24 *coverage to a 1-week supply of the drug for which the exemption is granted. If the*
25 *attending practitioner determines after 1 week that the drug is effective at treating*
26 *the cancer or symptom for which it was prescribed, the insurer must continue to*
27 *cover the drug for as long as it is necessary to treat the insured for the cancer or*
28 *symptom. The insurer may conduct a review not more frequently than once each*
29 *quarter to determine, in accordance with available medical evidence, whether the*
30 *drug remains necessary to treat the insured for the cancer or symptom. The*
31 *insurer shall provide a report of the review to the insured.*

32 *8. An insurer shall post in an easily accessible location on an Internet*
33 *website maintained by the insurer a form for requesting an exemption pursuant*
34 *to this section.*

35 *9. A policy of group health insurance subject to the provisions of this*
36 *chapter that is delivered, issued for delivery or renewed on or after January 1,*
37 *2022, has the legal effect of including the coverage required by this section, and*
38 *any provision of the policy that conflicts with this section is void.*

39 *10. As used in this section, "attending practitioner" means the practitioner,*
40 *as defined in NRS 639.0125, who has primary responsibility for the treatment of*
41 *the cancer or any symptom of such cancer of an insured.*

42 **Sec. 4.** Chapter 689C of NRS is hereby amended by adding thereto a new
43 section to read as follows:

44 *1. A carrier that offers or issues a health benefit plan which provides*
45 *coverage of a prescription drug for the treatment of cancer or any symptom of*
46 *cancer that is part of a step therapy protocol shall allow an insured who has been*
47 *diagnosed with stage 3 or 4 cancer or the attending practitioner of the insured to*
48 *apply for an exemption from the step therapy protocol. The application process*
49 *for such an exemption must:*

50 *(a) Allow the insured or attending practitioner, or a designated advocate for*
51 *the insured or attending practitioner, to present to the carrier the clinical*
52 *rationale for the exemption and any relevant medical information.*

1 (b) Clearly prescribe the information and supporting documentation that
2 must be submitted with the application, the criteria that will be used to evaluate
3 the request and the conditions under which an expedited determination pursuant
4 to subsection 4 is warranted.

5 (c) Require the review of each application by at least one physician,
6 registered nurse or pharmacist.

7 2. The information and supporting documentation required pursuant to
8 paragraph (b) of subsection 1:

9 (a) May include, without limitation:

10 (1) The medical history or other health records of the insured
11 demonstrating that the insured has:

12 (I) Tried other drugs included in the pharmacological class of drugs
13 for which the exemption is requested without success; or

14 (II) Taken the requested drug for a clinically appropriate amount of
15 time to establish stability in relation to the cancer and the guidelines of the
16 prescribing practitioner; and

17 (2) Any other relevant clinical information.

18 (b) Must not include any information or supporting documentation that is
19 not necessary to make a determination about the application.

20 3. Except as otherwise provided in subsection 4, a carrier that receives an
21 application for an exemption pursuant to subsection 1 shall:

22 (a) Make a determination concerning the application if the application is
23 complete or request additional information or documentation necessary to
24 complete the application not later than 72 hours after receiving the application;
25 and

26 (b) If it requests additional information or documentation, make a
27 determination concerning the application not later than 72 hours after receiving
28 the requested information or documentation.

29 4. If, in the opinion of the attending practitioner, a step therapy protocol
30 may seriously jeopardize the life or health of the insured, a carrier that receives
31 an application for an exemption pursuant to subsection 1 must make a
32 determination concerning the application as expeditiously as necessary to avoid
33 serious jeopardy to the life or health of the insured.

34 5. A carrier shall disclose to the insured or attending practitioner who
35 submits an application for an exemption from a step therapy protocol pursuant to
36 subsection 1 the qualifications of each person who will review the application.

37 6. A carrier must grant an exemption from a step therapy protocol in
38 response to an application submitted pursuant to subsection 1 if:

39 (a) Any treatment otherwise required under the step therapy or any drug in
40 the same pharmacological class or having the same mechanism of action as the
41 drug for which the exemption is requested has not been effective at treating the
42 cancer or symptom of the insured when prescribed in accordance with clinical
43 indications, clinical guidelines or other peer-reviewed evidence;

44 (b) Delay of effective treatment would have severe or irreversible
45 consequences for the insured and the treatment otherwise required under the step
46 therapy is not reasonably expected to be effective based on the physical or mental
47 characteristics of the insured and the known characteristics of the treatment;

48 (c) Each treatment otherwise required under the step therapy:

49 (1) Is contraindicated for the insured or has caused or is likely, based on
50 peer-reviewed clinical evidence, to cause an adverse reaction or other physical
51 harm to the insured; or

1 (2) *Has prevented or is likely to prevent the insured from performing the*
2 *responsibilities of his or her occupation or engaging in activities of daily living,*
3 *as defined in 42 C.F.R. § 441.505;*

4 (d) *The condition of the insured is stable while being treated with the*
5 *prescription drug for which the exemption is requested and the insured has*
6 *previously received approval for coverage of that drug; or*

7 (e) *Any other condition for which such an exemption is required by*
8 *regulation of the Commissioner is met.*

9 7. *If a carrier approves an application for an exemption from a step therapy*
10 *protocol pursuant to this section, the carrier must cover the prescription drug to*
11 *which the exemption applies in accordance with the terms of the applicable*
12 *health benefit plan. The carrier may initially limit the coverage to a 1-week*
13 *supply of the drug for which the exemption is granted. If the attending*
14 *practitioner determines after 1 week that the drug is effective at treating the*
15 *cancer or symptom for which it was prescribed, the carrier must continue to cover*
16 *the drug for as long as it is necessary to treat the insured for the cancer or*
17 *symptom. The carrier may conduct a review not more frequently than once each*
18 *quarter to determine, in accordance with available medical evidence, whether the*
19 *drug remains necessary to treat the insured for the cancer or symptom. The*
20 *carrier shall provide a report of the review to the insured.*

21 8. *A carrier shall post in an easily accessible location on an Internet website*
22 *maintained by the carrier a form for requesting an exemption pursuant to this*
23 *section.*

24 9. *A health benefit plan subject to the provisions of this chapter that is*
25 *delivered, issued for delivery or renewed on or after January 1, 2022, has the*
26 *legal effect of including the coverage required by this section, and any provision*
27 *of the policy that conflicts with this section is void.*

28 10. *As used in this section, "attending practitioner" means the practitioner,*
29 *as defined in NRS 639.0125, who has primary responsibility for the treatment of*
30 *the cancer or any symptom of such cancer of an insured.*

31 **Sec. 5.** NRS 689C.425 is hereby amended to read as follows:

32 689C.425 A voluntary purchasing group and any contract issued to such a
33 group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the
34 provisions of NRS 689C.015 to 689C.355, inclusive, *and section 4 of this act* to the
35 extent applicable and not in conflict with the express provisions of NRS 687B.408
36 and 689C.360 to 689C.600, inclusive.

37 **Sec. 6.** Chapter 695A of NRS is hereby amended by adding thereto a new
38 section to read as follows:

39 1. *A society that offers or issues a benefit contract which provides coverage*
40 *of a prescription drug for the treatment of cancer or any symptom of cancer that*
41 *is part of a step therapy protocol shall allow an insured who has been diagnosed*
42 *with stage 3 or 4 cancer or the attending practitioner of the insured to apply for*
43 *an exemption from the step therapy protocol. The application process for such an*
44 *exemption must:*

45 (a) *Allow the insured or attending practitioner, or a designated advocate for*
46 *the insured or attending practitioner, to present to the society the clinical*
47 *rationale for the exemption and any relevant medical information.*

48 (b) *Clearly prescribe the information and supporting documentation that*
49 *must be submitted with the application, the criteria that will be used to evaluate*
50 *the request and the conditions under which an expedited determination pursuant*
51 *to subsection 4 is warranted.*

52 (c) *Require the review of each application by at least one physician,*
53 *registered nurse or pharmacist.*

1 2. *The information and supporting documentation required pursuant to*
2 *paragraph (b) of subsection 1:*

3 (a) *May include, without limitation:*

4 (1) *The medical history or other health records of the insured*
5 *demonstrating that the insured has:*

6 (i) *Tried other drugs included in the pharmacological class of drugs*
7 *for which the exemption is requested without success; or*

8 (ii) *Taken the requested drug for a clinically appropriate amount of*
9 *time to establish stability in relation to the cancer and the guidelines of the*
10 *prescribing practitioner; and*

11 (2) *Any other relevant clinical information.*

12 (b) *Must not include any information or supporting documentation that is*
13 *not necessary to make a determination about the application.*

14 3. *Except as otherwise provided in subsection 4, a society that receives an*
15 *application for an exemption pursuant to subsection 1 shall:*

16 (a) *Make a determination concerning the application if the application is*
17 *complete or request additional information or documentation necessary to*
18 *complete the application not later than 72 hours after receiving the application;*
19 *and*

20 (b) *If it requests additional information or documentation, make a*
21 *determination concerning the application not later than 72 hours after receiving*
22 *the requested information or documentation.*

23 4. *If, in the opinion of the attending practitioner, a step therapy protocol*
24 *may seriously jeopardize the life or health of the insured, a society that receives*
25 *an application for an exemption pursuant to subsection 1 must make a*
26 *determination concerning the application as expeditiously as necessary to avoid*
27 *serious jeopardy to the life or health of the insured.*

28 5. *A society shall disclose to the insured or attending practitioner who*
29 *submits an application for an exemption from a step therapy protocol pursuant to*
30 *subsection 1 the qualifications of each person who will review the application.*

31 6. *A society must grant an exemption from a step therapy protocol in*
32 *response to an application submitted pursuant to subsection 1 if:*

33 (a) *Any treatment otherwise required under the step therapy or any drug in*
34 *the same pharmacological class or having the same mechanism of action as the*
35 *drug for which the exemption is requested has not been effective at treating the*
36 *cancer or symptom of the insured when prescribed in accordance with clinical*
37 *indications, clinical guidelines or other peer-reviewed evidence;*

38 (b) *Delay of effective treatment would have severe or irreversible*
39 *consequences for the insured and the treatment otherwise required under the step*
40 *therapy is not reasonably expected to be effective based on the physical or mental*
41 *characteristics of the insured and the known characteristics of the treatment;*

42 (c) *Each treatment otherwise required under the step therapy:*

43 (1) *Is contraindicated for the insured or has caused or is likely, based on*
44 *peer-reviewed clinical evidence, to cause an adverse reaction or other physical*
45 *harm to the insured; or*

46 (2) *Has prevented or is likely to prevent the insured from performing the*
47 *responsibilities of his or her occupation or engaging in activities of daily living,*
48 *as defined in 42 C.F.R. § 441.505;*

49 (d) *The condition of the insured is stable while being treated with the*
50 *prescription drug for which the exemption is requested and the insured has*
51 *previously received approval for coverage of that drug; or*

52 (e) *Any other condition for which such an exemption is required by*
53 *regulation of the Commissioner is met.*

7. *If a society approves an application for an exemption from a step therapy protocol pursuant to this section, the society must cover the prescription drug to which the exemption applies in accordance with the terms of the applicable benefit contract. The society may initially limit the coverage to a 1-week supply of the drug for which the exemption is granted. If the attending practitioner determines after 1 week that the drug is effective at treating the cancer or symptom for which it was prescribed, the society must continue to cover the drug for as long as it is necessary to treat the insured for the cancer or symptom. The society may conduct a review not more frequently than once each quarter to determine, in accordance with available medical evidence, whether the drug remains necessary to treat the insured for the cancer or symptom. The society shall provide a report of the review to the insured.*

8. *A society shall post in an easily accessible location on an Internet website maintained by the society a form for requesting an exemption pursuant to this section.*

9. *A benefit contract subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2022, has the legal effect of including the coverage required by this section, and any provision of the benefit contract that conflicts with this section is void.*

10. *As used in this section, "attending practitioner" means the practitioner, as defined in NRS 639.0125, who has primary responsibility for the treatment of the cancer or any symptom of such cancer of an insured.*

Sec. 7. Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A hospital or medical services corporation that offers or issues a policy of health insurance which provides coverage of a prescription drug for the treatment of cancer or any symptom of cancer that is part of a step therapy protocol shall allow an insured who has been diagnosed with stage 3 or 4 cancer or the attending practitioner of the insured to apply for an exemption from the step therapy protocol. The application process for such an exemption must:*

(a) *Allow the insured or attending practitioner, or a designated advocate for the insured or attending practitioner, to present to the a hospital or medial services corporation the clinical rationale for the exemption and any relevant medical information.*

(b) *Clearly prescribe the information and supporting documentation that must be submitted with the application, the criteria that will be used to evaluate the request and the conditions under which an expedited determination pursuant to subsection 4 is warranted.*

(c) *Require the review of each application by at least one physician, registered nurse or pharmacist.*

2. *The information and supporting documentation required pursuant to paragraph (b) of subsection 1:*

(a) *May include, without limitation:*

(I) *The medical history or other health records of the insured demonstrating that the insured has:*

(I) *Tried other drugs included in the pharmacological class of drugs for which the exemption is requested without success; or*

(II) *Taken the requested drug for a clinically appropriate amount of time to establish stability in relation to the cancer and the guidelines of the prescribing practitioner; and*

(2) *Any other relevant clinical information.*

(b) *Must not include any information or supporting documentation that is not necessary to make a determination about the application.*

1 3. Except as otherwise provided in subsection 4, a hospital or medical
2 services corporation that receives an application for an exemption pursuant to
3 subsection 1 shall:

4 (a) Make a determination concerning the application if the application is
5 complete or request additional information or documentation necessary to
6 complete the application not later than 72 hours after receiving the application;
7 and

8 (b) If it requests additional information or documentation, make a
9 determination concerning the application not later than 72 hours after receiving
10 the requested information or documentation.

11 4. If, in the opinion of the attending practitioner, a step therapy protocol
12 may seriously jeopardize the life or health of the insured, a hospital or medical
13 services corporation that receives an application for an exemption pursuant to
14 subsection 1 must make a determination concerning the application as
15 expeditiously as necessary to avoid serious jeopardy to the life or health of the
16 insured.

17 5. A hospital or medical services corporation shall disclose to the insured or
18 attending practitioner who submits an application for an exemption from a step
19 therapy protocol pursuant to subsection 1 the qualifications of each person who
20 will review the application.

21 6. A hospital or medical services corporation must grant an exemption from
22 a step therapy protocol in response to an application submitted pursuant to
23 subsection 1 if:

24 (a) Any treatment otherwise required under the step therapy or any drug in
25 the same pharmacological class or having the same mechanism of action as the
26 drug for which the exemption is requested has not been effective at treating the
27 cancer or symptom of the insured when prescribed in accordance with clinical
28 indications, clinical guidelines or other peer-reviewed evidence;

29 (b) Delay of effective treatment would have severe or irreversible
30 consequences for the insured and the treatment otherwise required under the step
31 therapy is not reasonably expected to be effective based on the physical or mental
32 characteristics of the insured and the known characteristics of the treatment;

33 (c) Each treatment otherwise required under the step therapy:

34 (1) Is contraindicated for the insured or has caused or is likely, based on
35 peer-reviewed clinical evidence, to cause an adverse reaction or other physical
36 harm to the insured; or

37 (2) Has prevented or is likely to prevent the insured from performing the
38 responsibilities of his or her occupation or engaging in activities of daily living,
39 as defined in 42 C.F.R. § 441.505;

40 (d) The condition of the insured is stable while being treated with the
41 prescription drug for which the exemption is requested and the insured has
42 previously received approval for coverage of that drug; or

43 (e) Any other condition for which such an exemption is required by
44 regulation of the Commissioner is met.

45 7. If a hospital or medical services corporation approves an application for
46 an exemption from a step therapy protocol pursuant to this section, the hospital
47 or medical services corporation must cover the prescription drug to which the
48 exemption applies in accordance with the terms of the applicable policy of health
49 insurance. The hospital or medical services corporation may initially limit the
50 coverage to a 1-week supply of the drug for which the exemption is granted. If the
51 attending practitioner determines after 1 week that the drug is effective at treating
52 the cancer or symptom for which it was prescribed, the hospital or medical
53 services corporation must continue to cover the drug for as long as it is necessary

1 *to treat the insured for the cancer or symptom. The hospital or medical services*
2 *corporation may conduct a review not more frequently than once each quarter to*
3 *determine, in accordance with available medical evidence, whether the drug*
4 *remains necessary to treat the insured for the cancer or symptom. The hospital or*
5 *medical services corporation shall provide a report of the review to the insured.*

6 *8. A hospital or medical services corporation shall post in an easily*
7 *accessible location on an Internet website maintained by the hospital or medical*
8 *services corporation a form for requesting an exemption pursuant to this section.*

9 *9. A policy of health insurance subject to the provisions of this chapter that*
10 *is delivered, issued for delivery or renewed on or after January 1, 2022, has the*
11 *legal effect of including the coverage required by this section, and any provision*
12 *of the policy that conflicts with this section is void.*

13 *10. As used in this section, "attending practitioner" means the practitioner,*
14 *as defined in NRS 639.0125, who has primary responsibility for the treatment of*
15 *the cancer or any symptom of such cancer of an insured.*

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

18 *1. A health maintenance organization that offers or issues a health care*
19 *plan which provides coverage of a prescription drug for the treatment of cancer*
20 *or any symptom of cancer that is part of a step therapy protocol shall allow an*
21 *enrollee who has been diagnosed with stage 3 or 4 cancer or the attending*
22 *practitioner of the enrollee to apply for an exemption from the step therapy*
23 *protocol. The application process for such an exemption must:*

24 *(a) Allow the enrollee or attending practitioner, or a designated advocate for*
25 *the enrollee or attending practitioner, to present to the health maintenance*
26 *organization the clinical rationale for the exemption and any relevant medical*
27 *information.*

28 *(b) Clearly prescribe the information and supporting documentation that*
29 *must be submitted with the application, the criteria that will be used to evaluate*
30 *the request and the conditions under which an expedited determination pursuant*
31 *to subsection 4 is warranted.*

32 *(c) Require the review of each application by at least one physician,*
33 *registered nurse or pharmacist.*

34 *2. The information and supporting documentation required pursuant to*
35 *paragraph (b) of subsection 1:*

36 *(a) May include, without limitation:*

37 *(I) The medical history or other health records of the enrollee*
38 *demonstrating that the enrollee has:*

39 *(I) Tried other drugs included in the pharmacological class of drugs*
40 *for which the exemption is requested without success; or*

41 *(II) Taken the requested drug for a clinically appropriate amount of*
42 *time to establish stability in relation to the cancer and the guidelines of the*
43 *prescribing practitioner; and*

44 *(2) Any other relevant clinical information.*

45 *(b) Must not include any information or supporting documentation that is*
46 *not necessary to make a determination about the application.*

47 *3. Except as otherwise provided in subsection 4, a health maintenance*
48 *organization that receives an application for an exemption pursuant to subsection*
49 *1 shall:*

50 *(a) Make a determination concerning the application if the application is*
51 *complete or request additional information or documentation necessary to*
52 *complete the application not later than 72 hours after receiving the application;*
53 *and*

1 (b) If it requests additional information or documentation, make a
2 determination concerning the application not later than 72 hours after receiving
3 the requested information or documentation.

4 4. If, in the opinion of the attending practitioner, a step therapy protocol
5 may seriously jeopardize the life or health of the enrollee, a health maintenance
6 organization that receives an application for an exemption pursuant to subsection
7 1 must make a determination concerning the application as expeditiously as
8 necessary to avoid serious jeopardy to the life or health of the enrollee.

9 5. A health maintenance organization shall disclose to the enrollee or
10 attending practitioner who submits an application for an exemption from a step
11 therapy protocol pursuant to subsection 1 the qualifications of each person who
12 will review the application.

13 6. A health maintenance organization must grant an exemption from a step
14 therapy protocol in response to an application submitted pursuant to subsection 1
15 if:

16 (a) Any treatment otherwise required under the step therapy or any drug in
17 the same pharmacological class or having the same mechanism of action as the
18 drug for which the exemption is requested has not been effective at treating the
19 cancer or symptom of the enrollee when prescribed in accordance with clinical
20 indications, clinical guidelines or other peer-reviewed evidence;

21 (b) Delay of effective treatment would have severe or irreversible
22 consequences for the enrollee and the treatment otherwise required under the
23 step therapy is not reasonably expected to be effective based on the physical or
24 mental characteristics of the enrollee and the known characteristics of the
25 treatment;

26 (c) Each treatment otherwise required under the step therapy:

27 (1) Is contraindicated for the enrollee or has caused or is likely, based on
28 peer-reviewed clinical evidence, to cause an adverse reaction or other physical
29 harm to the enrollee; or

30 (2) Has prevented or is likely to prevent the enrollee from performing the
31 responsibilities of his or her occupation or engaging in activities of daily living,
32 as defined in 42 C.F.R. § 441.505;

33 (d) The condition of the enrollee is stable while being treated with the
34 prescription drug for which the exemption is requested and the enrollee has
35 previously received approval for coverage of that drug; or

36 (e) Any other condition for which such an exemption is required by
37 regulation of the Commissioner is met.

38 7. If a health maintenance organization approves an application for an
39 exemption from a step therapy protocol pursuant to this section, the health
40 maintenance organization must cover the prescription drug to which the
41 exemption applies in accordance with the terms of the applicable health care
42 plan. The health maintenance organization may initially limit the coverage to a
43 1-week supply of the drug for which the exemption is granted. If the attending
44 practitioner determines after 1 week that the drug is effective at treating the
45 cancer or symptom for which it was prescribed, the health maintenance
46 organization must continue to cover the drug for as long as it is necessary to treat
47 the enrollee for the cancer or symptom. The health maintenance organization
48 may conduct a review not more frequently than once each quarter to determine,
49 in accordance with available medical evidence, whether the drug remains
50 necessary to treat the enrollee for the cancer or symptom. The health
51 maintenance organization shall provide a report of the review to the enrollee.

1 8. A health maintenance organization shall post in an easily accessible
2 location on an Internet website maintained by the health maintenance
3 organization a form for requesting an exemption pursuant to this section.

4 9. A health care plan subject to the provisions of this chapter that is
5 delivered, issued for delivery or renewed on or after January 1, 2022, has the
6 legal effect of including the coverage required by this section, and any provision
7 of the health care plan that conflicts with this section is void.

8 10. As used in this section, "attending practitioner" means the practitioner,
9 as defined in NRS 639.0125, who has primary responsibility for the treatment of
10 the cancer or any symptom of such cancer of an enrollee.

11 **Sec. 9.** NRS 695C.050 is hereby amended to read as follows:

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

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

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

25 4. The provisions of NRS 695C.110, 695C.125, 695C.1691, 695C.1693,
26 695C.170, 695C.1703, 695C.1705, 695C.1709 to 695C.173, inclusive, 695C.1733,
27 695C.17335, 695C.1734, 695C.1751, 695C.1755, 695C.176 to 695C.200, inclusive,
28 and 695C.265 ~~[and section 8 of this act]~~ do not apply to a health maintenance
29 organization that provides health care services through managed care to recipients
30 of Medicaid under the State Plan for Medicaid or insurance pursuant to the
31 Children's Health Insurance Program pursuant to a contract with the Division of
32 Health Care Financing and Policy of the Department of Health and Human
33 Services. This subsection does not exempt a health maintenance organization from
34 any provision of this chapter for services provided pursuant to any other contract.

35 5. The provisions of NRS 695C.1694 to 695C.1698, inclusive, 695C.1701,
36 695C.1708, 695C.1728, 695C.1731, 695C.17345, 695C.1735, 695C.1745 and
37 695C.1757 and section 8 of this act apply to a health maintenance organization that
38 provides health care services through managed care to recipients of Medicaid under
39 the State Plan for Medicaid.

40 **Sec. 10.** NRS 695C.330 is hereby amended to read as follows:

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

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

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

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

(d) The Commissioner certifies that the health maintenance organization:

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

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

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

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

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

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

(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 or creditors or to the general public;

(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. 11. 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 of a prescription drug for the treatment of cancer or any symptom of cancer that is part of a step therapy protocol shall allow an insured who has been diagnosed with stage 3 or 4 cancer or the attending practitioner of the insured to apply for an exemption from the step therapy protocol. The application process for such an exemption must:

(a) Allow the insured or attending practitioner, or a designated advocate for the insured or attending practitioner, to present to the managed care organization the clinical rationale for the exemption and any relevant medical information.

1 (b) Clearly prescribe the information and supporting documentation that
2 must be submitted with the application, the criteria that will be used to evaluate
3 the request and the conditions under which an expedited determination pursuant
4 to subsection 4 is warranted.

5 (c) Require the review of each application by at least one physician,
6 registered nurse or pharmacist.

7 2. The information and supporting documentation required pursuant to
8 paragraph (b) of subsection 1:

9 (a) May include, without limitation:

10 (1) The medical history or other health records of the insured
11 demonstrating that the insured has:

12 (I) Tried other drugs included in the pharmacological class of drugs
13 for which the exemption is requested without success; or

14 (II) Taken the requested drug for a clinically appropriate amount of
15 time to establish stability in relation to the cancer and the guidelines of the
16 prescribing practitioner; and

17 (2) Any other relevant clinical information.

18 (b) Must not include any information or supporting documentation that is
19 not necessary to make a determination about the application.

20 3. Except as otherwise provided in subsection 4, a managed care
21 organization that receives an application for an exemption pursuant to subsection
22 1 shall:

23 (a) Make a determination concerning the application if the application is
24 complete or request additional information or documentation necessary to
25 complete the application not later than 72 hours after receiving the application;
26 and

27 (b) If it requests additional information or documentation, make a
28 determination concerning the application not later than 72 hours after receiving
29 the requested information or documentation.

30 4. If, in the opinion of the attending practitioner, a step therapy protocol
31 may seriously jeopardize the life or health of the insured, a managed care
32 organization that receives an application for an exemption pursuant to subsection
33 1 must make a determination concerning the application as expeditiously as
34 necessary to avoid serious jeopardy to the life or health of the insured.

35 5. A managed care organization shall disclose to the insured or attending
36 practitioner who submits an application for an exemption from a step therapy
37 protocol pursuant to subsection 1 the qualifications of each person who will
38 review the application.

39 6. A managed care organization must grant an exemption from a step
40 therapy protocol in response to an application submitted pursuant to subsection 1
41 if:

42 (a) Any treatment otherwise required under the step therapy or any drug in
43 the same pharmacological class or having the same mechanism of action as the
44 drug for which the exemption is requested has not been effective at treating the
45 cancer or symptom of the insured when prescribed in accordance with clinical
46 indications, clinical guidelines or other peer-reviewed evidence;

47 (b) Delay of effective treatment would have severe or irreversible
48 consequences for the insured and the treatment otherwise required under the step
49 therapy is not reasonably expected to be effective based on the physical or mental
50 characteristics of the insured and the known characteristics of the treatment;

51 (c) Each treatment otherwise required under the step therapy:

1 (1) *Is contraindicated for the insured or has caused or is likely, based on*
2 *peer-reviewed clinical evidence, to cause an adverse reaction or other physical*
3 *harm to the insured; or*

4 (2) *Has prevented or is likely to prevent the insured from performing the*
5 *responsibilities of his or her occupation or engaging in activities of daily living,*
6 *as defined in 42 C.F.R. § 441.505;*

7 (d) *The condition of the insured is stable while being treated with the*
8 *prescription drug for which the exemption is requested and the insured has*
9 *previously received approval for coverage of that drug; or*

10 (e) *Any other condition for which such an exemption is required by*
11 *regulation of the Commissioner is met.*

12 7. *If a managed care organization approves an application for an*
13 *exemption from a step therapy protocol pursuant to this section, the managed*
14 *care organization must cover the prescription drug to which the exemption*
15 *applies in accordance with the terms of the applicable health care plan. The*
16 *managed care organization may initially limit the coverage to a 1-week supply of*
17 *the drug for which the exemption is granted. If the attending practitioner*
18 *determines after 1 week that the drug is effective at treating the cancer or*
19 *symptom for which it was prescribed, the managed care organization must*
20 *continue to cover the drug for as long as it is necessary to treat the insured for*
21 *the cancer or symptom. The managed care organization may conduct a review*
22 *not more frequently than once each quarter to determine, in accordance with*
23 *available medical evidence, whether the drug remains necessary to treat the*
24 *insured for the cancer or symptom. The managed care organization shall provide*
25 *a report of the review to the insured.*

26 8. *A managed care organization shall post in an easily accessible location*
27 *on an Internet website maintained by the managed care organization a form for*
28 *requesting an exemption pursuant to this section.*

29 9. *A health care plan subject to the provisions of this chapter that is*
30 *delivered, issued for delivery or renewed on or after January 1, 2022, has the*
31 *legal effect of including the coverage required by this section, and any provision*
32 *of the health care plan that conflicts with this section is void.*

33 10. *As used in this section, "attending practitioner" means the practitioner,*
34 *as defined in NRS 639.0125, who has primary responsibility for the treatment of*
35 *the cancer or any symptom of such cancer of an insured.*

36 **Sec. 11.5.** ~~NRS 695G.090 is hereby amended to read as follows:~~

37 ~~695G.090 1. Except as otherwise provided in subsection 3, the provisions of~~
38 ~~this chapter apply to each organization and insurer that operates as a managed care~~
39 ~~organization and may include, without limitation, an insurer that issues a policy of~~
40 ~~health insurance, an insurer that issues a policy of individual or group health~~
41 ~~insurance, a carrier serving small employers, a fraternal benefit society, a hospital~~
42 ~~or medical service corporation and a health maintenance organization.~~

43 ~~2. In addition to the provisions of this chapter, each managed care~~
44 ~~organization shall comply with:~~

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

47 ~~(b) Any other applicable provision of this title.~~

48 ~~3. The provisions of NRS 695G.164, 695G.165, 695G.167, 695G.200 to~~
49 ~~695G.230, inclusive, and 695G.430 and section 11 of this act do not apply to a~~
50 ~~managed care organization that provides health care services to recipients of~~
51 ~~Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's~~
52 ~~Health Insurance Program pursuant to a contract with the Division of Health Care~~
53 ~~Financing and Policy of the Department of Health and Human Services. This~~

~~subsection does not exempt a managed care organization from any provision of this chapter for services provided pursuant to any other contract.~~ (Deleted by amendment.)

Sec. 12. NRS 287.010 is hereby amended to read as follows:

287.010 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada may:

(a) Adopt and carry into effect a system of group life, accident or health insurance, or any combination thereof, for the benefit of its officers and employees, and the dependents of officers and employees who elect to accept the insurance and who, where necessary, have authorized the governing body to make deductions from their compensation for the payment of premiums on the insurance.

(b) Purchase group policies of life, accident or health insurance, or any combination thereof, for the benefit of such officers and employees, and the dependents of such officers and employees, as have authorized the purchase, from insurance companies authorized to transact the business of such insurance in the State of Nevada, and, where necessary, deduct from the compensation of officers and employees the premiums upon insurance and pay the deductions upon the premiums.

(c) Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank or credit union authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this State. Any contract with an independent administrator must be approved by the Commissioner of Insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided. The provisions of NRS 687B.408, 689B.030 to 689B.050, inclusive, *and section 3 of this act*, 689B.287 and 689B.500 apply to coverage provided pursuant to this paragraph, except that the provisions of NRS 689B.0378, 689B.03785 and 689B.500 only apply to coverage for active officers and employees of the governing body, or the dependents of such officers and employees.

(d) Defray part or all of the cost of maintenance of a self-insurance fund or of the premiums upon insurance. The money for contributions must be budgeted for in accordance with the laws governing the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada.

2. If a school district offers group insurance to its officers and employees pursuant to this section, members of the board of trustees of the school district must not be excluded from participating in the group insurance. If the amount of the deductions from compensation required to pay for the group insurance exceeds the compensation to which a trustee is entitled, the difference must be paid by the trustee.

3. In any county in which a legal services organization exists, the governing body of the county, or of any school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada in the county, may enter into a contract with the legal services organization pursuant to which the officers and employees of the legal services organization, and

the dependents of those officers and employees, are eligible for any life, accident or health insurance provided pursuant to this section to the officers and employees, and the dependents of the officers and employees, of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency.

4. If a contract is entered into pursuant to subsection 3, the officers and employees of the legal services organization:

(a) Shall be deemed, solely for the purposes of this section, to be officers and employees of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency with which the legal services organization has contracted; and

(b) Must be required by the contract to pay the premiums or contributions for all insurance which they elect to accept or of which they authorize the purchase.

5. A contract that is entered into pursuant to subsection 3:

(a) Must be submitted to the Commissioner of Insurance for approval not less than 30 days before the date on which the contract is to become effective.

(b) Does not become effective unless approved by the Commissioner.

(c) Shall be deemed to be approved if not disapproved by the Commissioner within 30 days after its submission.

6. As used in this section, "legal services organization" means an organization that operates a program for legal aid and receives money pursuant to NRS 19.031.

Sec. 13. 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.155, 695G.160, 695G.162, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.170 to 695G.174, inclusive, *and section 11 of this act*, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.

Sec. 14. (Deleted by amendment.)

Sec. 14.5. Chapter 422 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Department or a pharmacy benefit manager or health maintenance organization with which the Department contracts pursuant to NRS 422.4053 to manage prescription drug benefits shall allow a recipient of Medicaid who has been diagnosed with stage 3 or 4 cancer or the attending practitioner of the recipient to apply for an exemption from step therapy that would otherwise be required pursuant to NRS 422.403 to instead use a prescription drug prescribed by the attending practitioner to treat the cancer or any symptom thereof of the recipient of Medicaid. The application process must:

(a) Allow the recipient or attending practitioner, or a designated advocate for the recipient or attending practitioner, to present to the Department, pharmacy benefit manager or health maintenance organization, as applicable, the clinical rationale for the exemption and any relevant medical information.

(b) Clearly prescribe the information and supporting documents that must be submitted with the application, the criteria that will be used to evaluate the request and the conditions under which an expedited determination pursuant to subsection 4 is warranted.

(c) Require the review of each application by at least one physician, registered nurse or pharmacist.

2. The information and supporting documentation required pursuant to paragraph (b) of subsection 1:

(a) May include, without limitation:

1 (I) The medical history or other health records of the recipient
2 demonstrating that the recipient has:

3 (I) Tried other drugs included in the pharmacological class of drugs
4 for which the exemption is requested without success; or

5 (II) Taken the requested drug for a clinically appropriate amount of
6 time to establish stability in relation to the cancer and the guidelines of the
7 prescribing practitioner; and

8 (2) Any other relevant clinical information.

9 (b) Must not include any information or supporting documentation that is
10 not necessary to make a determination about the application.

11 3. Except as otherwise provided in subsection 4, the Department, pharmacy
12 benefit manager or health maintenance organization, as applicable, that receives
13 an application for an exemption pursuant to subsection 1 shall:

14 (a) Make a determination concerning the application if the application is
15 complete or request additional information or documentation necessary to
16 complete the application not later than 72 hours after receiving the application;
17 and

18 (b) If it requests additional information or documentation, make a
19 determination concerning the application not later than 72 hours after receiving
20 the requested information or documentation.

21 4. If, in the opinion of the attending practitioner, step therapy may seriously
22 jeopardize the life or health of the recipient, the Department, pharmacy benefit
23 manager or health maintenance organization that receives an application for an
24 exemption pursuant to subsection 1, as applicable, must make a determination
25 concerning the application as expeditiously as necessary to avoid serious
26 jeopardy to the life or health of the recipient.

27 5. The Department, pharmacy benefit manager or health maintenance
28 organization, as applicable, shall disclose to a recipient or attending practitioner
29 who submits an application for an exemption from step therapy pursuant to
30 subsection 1 the qualifications of each person who will review the application.

31 6. The Department, pharmacy benefit manager or health maintenance
32 organization, as applicable, must grant an exemption from step therapy in
33 response to an application submitted pursuant to subsection 1 if:

34 (a) Any treatment otherwise required under the step therapy or any drug in
35 the same pharmacological class or having the same mechanism of action as the
36 drug for which the exemption is requested has not been effective at treating the
37 cancer or symptom of the recipient when prescribed in accordance with clinical
38 indications, clinical guidelines or other peer-reviewed evidence;

39 (b) Delay of effective treatment would have severe or irreversible
40 consequences for the recipient and the treatment otherwise required under the
41 step therapy is not reasonably expected to be effective based on the physical or
42 mental characteristics of the recipient and the known characteristics of the
43 treatment;

44 (c) Each treatment otherwise required under the step therapy:

45 (1) Is contraindicated for the recipient or has caused or is likely, based
46 on peer-reviewed clinical evidence, to cause an adverse reaction or other physical
47 harm to the recipient; or

48 (2) Has prevented or is likely to prevent the recipient from performing
49 the responsibilities of his or her occupation or engaging in activities of daily
50 living, as defined in 42 C.F.R. § 441.505; or

51 (d) The condition of the recipient is stable while being treated with the
52 prescription drug for which the exemption is requested and the recipient has
53 previously received approval for coverage of that drug.

1 7. If the Department, pharmacy benefit manager or health maintenance
2 organization, as applicable, approves an application for an exemption from step
3 therapy pursuant to this section, the State must pay the nonfederal share of the
4 cost of the prescription drug to which the exemption applies. The Department,
5 pharmacy benefit manager or health maintenance organization may initially
6 limit the coverage to a 1-week supply of the drug for which the exemption is
7 granted. If the attending practitioner determines after 1 week that the drug is
8 effective at treating the cancer or symptom for which it was prescribed, the State
9 must continue to pay the nonfederal share of the cost of the drug for as long as it
10 is necessary to treat the recipient for the cancer or symptom. The Department,
11 pharmacy benefit manager or health maintenance organization, as applicable,
12 may conduct a review not more frequently than once each quarter to determine,
13 in accordance with available medical evidence, whether the drug remains
14 necessary to treat the recipient for the cancer or symptom. The Department,
15 pharmacy benefit manager or health maintenance organization, as applicable,
16 shall provide a report of the review to the recipient.

17 8. The Department and any pharmacy benefit manager or health
18 maintenance organization with which the Department contracts pursuant to NRS
19 422.4053 to manage prescription drug benefits shall post in an easily accessible
20 location on an Internet website maintained by the Department, pharmacy benefit
21 manager or health maintenance organization, as applicable, a form for
22 requesting an exemption pursuant to this section.

23 9. As used in this section, "attending practitioner" means the practitioner,
24 as defined in NRS 639.0125, who has primary responsibility for the treatment of
25 the cancer or any symptom of such cancer of a recipient.

26 **Sec. 15.** (Deleted by amendment.)

27 **Sec. 15.3.** NRS 422.401 is hereby amended to read as follows:

28 422.401 As used in NRS 422.401 to 422.406, inclusive, and section 14.5 of
29 this act, unless the context otherwise requires, the words and terms defined in NRS
30 422.4015 to 422.4024, inclusive, have the meanings ascribed to them in those
31 sections.

32 **Sec. 15.6.** NRS 422.406 is hereby amended to read as follows:

33 422.406 1. The Department may, to carry out its duties set forth in NRS
34 422.27172 to 422.27178, inclusive, and 422.401 to 422.406, inclusive, and section
35 14.5 of this act and to administer the provisions of those sections:

36 (a) Adopt regulations; and

37 (b) Enter into contracts for any services.

38 2. Any regulations adopted by the Department pursuant to NRS 422.27172 to
39 422.27178, inclusive, and 422.401 to 422.406, inclusive, and section 14.5 of this
40 act must be adopted in accordance with the provisions of chapter 241 of NRS.

41 **Sec. 16.** (Deleted by amendment.)

42 **Sec. 16.3.** 1. There is hereby appropriated from the State General
43 Fund to the Division of Health Care Financing and Policy of the Department
44 of Health and Human Services to pay the increased costs for prescription
45 drugs associated with complying with the provisions of this act the following
46 sums:

47 For the Fiscal Year 2021-2022 \$765,814

48 For the Fiscal Year 2022-2023 \$753,976

49 2. Any balance of the sums appropriated by subsection 1 remaining at
50 the end of the respective fiscal years must not be committed for expenditure
51 after June 30 of the respective fiscal years by the entity to which the
52 appropriation is made or any entity to which money from the appropriation is
53 granted or otherwise transferred in any manner, and any portion of the

appropriated money remaining must not be spent for any purpose after September 16, 2022, and September 15, 2023, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 16, 2022, and September 15, 2023, respectively.

Sec. 16.8. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee for allocation to the Public Employees' Benefits Program the sum of \$713,000 to pay the increased costs for prescription drugs associated with complying with the provisions of this act. Money appropriated pursuant to this section is available for Fiscal Year 2022-2023 and may be allocated by the Interim Finance Committee to the Public Employees' Benefits Program upon the presentation to the Interim Finance Committee of an itemization of costs.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2023, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 15, 2023, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 15, 2023.

Sec. 17. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 18. 1. This ~~act becomes~~ section and section 16.3 of this act become effective on July 1, 2021.

2. Sections 1 to 16, inclusive, and 17 of this act become effective on January 1, 2022.

3. Section 16.8 of this act becomes effective on July 1, 2022.