

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 an insurer 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 an insurer to grant such an exemption in certain circumstances; 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 and 11-14** of this bill require all health insurers, including Medicaid and public and private sector employers that provide health benefits for their employees, 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 and 11-14** require an insurer to: (1) grant such an exemption in certain circumstances; and (2) post certain information about the application process on the Internet. **Sections 2, 5, 9, 15 and 16** of this bill make conforming changes to indicate the placement of **sections 1, 4, 8 and 14** in the Nevada Revised Statutes. **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



20 health insurers who fail to comply with the requirements of sections 1, 3, 4, 6, 7
21 and 11 of this bill. (NRS 680A.200)

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

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

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

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

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

19 ***(c) Require the review of each application by at least one***
20 ***physician who specializes in oncology.***

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

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

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

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

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

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

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

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



(a) Make a determination concerning the application or request additional information or documentation 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:

(a) Except as otherwise provided in paragraphs (b) and (c), make an expedited determination concerning the application not later than 24 hours after receiving the application or, if additional information or documentation is necessary to make the determination, request such information or documentation within 24 hours after receiving the application;

(b) If it requests additional information or documentation, make the determination not later than 24 hours after receiving the additional information or documentation; and

(c) In any case, 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 name and 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 drug for which the exemption is requested has not been effective at treating the cancer or symptom of the insured when prescribed in accordance with clinical indications, clinical guidelines or other peer-reviewed evidence;

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

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

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



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

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

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

7. *If an insurer approves an application for an exemption from a step therapy protocol pursuant to this section, the insurer must cover the prescription drug to which the exemption applies in accordance with the terms of the applicable policy of health insurance. The insurer 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 insurer must continue to cover the drug for as long as it is necessary to treat the insured for the cancer or symptom.*

8. *An insurer shall post on an Internet website maintained by the insurer:*

(a) *The procedure to apply for an exemption from a step therapy protocol pursuant to this section, any forms prescribed by the insurer for the submission of such an application and a list of any supporting information or documentation that must be included in such an application; and*

(b) *The contact information of any person that an insured or attending practitioner who submits an application for exemption from a step therapy protocol pursuant to this section is required to contact concerning the application or may contact for assistance in completing and submitting the application.*

9. *A policy of health insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2021, has the legal effect of including the coverage required by this section, and any provision of the policy 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. 2. NRS 689A.330 is hereby amended to read as follows:

689A.330 If any policy is issued by a domestic insurer for delivery to a person residing in another state, and if the insurance commissioner or corresponding public officer of that other state has



1 informed the Commissioner that the policy is not subject to approval
2 or disapproval by that officer, the Commissioner may by ruling
3 require that the policy meet the standards set forth in NRS 689A.030
4 to 689A.320, inclusive **H**, and section 1 of this act.

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

7 *1. An insurer that offers or issues a policy of group health*
8 *insurance which provides coverage of a prescription drug for the*
9 *treatment of cancer or any symptom of cancer that is part of a step*
10 *therapy protocol shall allow an insured who has been diagnosed*
11 *with stage 3 or 4 cancer or the attending practitioner of the*
12 *insured to apply for an exemption from the step therapy protocol.*
13 *The application process for such an exemption must:*

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

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

23 *(c) Require the review of each application by at least one*
24 *physician who specializes in oncology.*

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

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

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

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

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

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

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

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

43 *(a) Make a determination concerning the application or*
44 *request additional information or documentation not later than 72*
45 *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:

(a) Except as otherwise provided in paragraphs (b) and (c), make an expedited determination concerning the application not later than 24 hours after receiving the application or if additional information or documentation is necessary to make the determination, request such information or documentation within 24 hours after receiving the application;

(b) If it requests additional information or documentation, make the determination not later than 24 hours after receiving the additional information or documentation; and

(c) In any case, 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 name and 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 drug for which the exemption is requested has not been effective at treating the cancer or symptom of the insured when prescribed in accordance with clinical indications, clinical guidelines or other peer-reviewed evidence;

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

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

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

(2) Has prevented or is likely to prevent the insured from performing the responsibilities of his or her occupation or



engaging in activities of daily living, as defined in 42 C.F.R. § 441.505;

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

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

7. If an insurer approves an application for an exemption from a step therapy protocol pursuant to this section, the insurer must cover the prescription drug to which the exemption applies in accordance with the terms of the applicable policy of group health insurance. The insurer 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 insurer must continue to cover the drug for as long as it is necessary to treat the insured for the cancer or symptom.

8. An insurer shall post on an Internet website maintained by the insurer:

(a) The procedure to apply for an exemption from a step therapy protocol pursuant to this section, any forms prescribed by the insurer for the submission of such an application and a list of any supporting information or documentation that must be included in such an application; and

(b) The contact information of any person that an insured or attending practitioner who submits an application for exemption from a step therapy protocol pursuant to this section is required to contact concerning the application or may contact for assistance in completing and submitting the application.

9. A policy of group health insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2021, has the legal effect of including the coverage required by this section, and any provision of the policy 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. 4. Chapter 689C of NRS is hereby amended by adding thereto a new section to read as follows:

1. A carrier that offers or issues a health benefit 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



1 3 or 4 cancer or the attending practitioner of the insured to apply
2 for an exemption from the step therapy protocol. The application
3 process for such an exemption must:

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

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

13 (c) Require the review of each application by at least one
14 physician who specializes in oncology.

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

17 (a) May include, without limitation:

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

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

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

26 (2) Any other relevant clinical information.

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

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

33 (a) Make a determination concerning the application or
34 request additional information or documentation not later than 72
35 hours after receiving the application; and

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

39 4. If, in the opinion of the attending practitioner, a step
40 therapy protocol may seriously jeopardize the life or health of the
41 insured, a carrier that receives an application for an exemption
42 pursuant to subsection 1 must:

43 (a) Except as otherwise provided in paragraphs (b) and (c),
44 make an expedited determination concerning the application not
45 later than 24 hours after receiving the application or, if additional



1 *information or documentation is necessary to make the*
2 *determination, request such information or documentation within*
3 *24 hours after receiving the application;*

4 *(b) If it requests additional information or documentation,*
5 *make the determination not later than 24 hours after receiving the*
6 *additional information or documentation; and*

7 *(c) In any case, make a determination concerning the*
8 *application as expeditiously as necessary to avoid serious jeopardy*
9 *to the life or health of the insured.*

10 *5. A carrier shall disclose to the insured or attending*
11 *practitioner who submits an application for an exemption from a*
12 *step therapy protocol pursuant to subsection 1 the name and*
13 *qualifications of each person who will review the application.*

14 *6. A carrier must grant an exemption from a step therapy*
15 *protocol in response to an application submitted pursuant to*
16 *subsection 1 if:*

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

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

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

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

33 *(2) Has prevented or is likely to prevent the insured from*
34 *performing the responsibilities of his or her occupation or*
35 *engaging in activities of daily living, as defined in 42 C.F.R. §*
36 *441.505;*

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

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

43 *7. If a carrier approves an application for an exemption from*
44 *a step therapy protocol pursuant to this section, the carrier must*
45 *cover the prescription drug to which the exemption applies in*



1 *accordance with the terms of the applicable health benefit plan.*
2 *The carrier may initially limit the coverage to a 1-week supply of*
3 *the drug for which the exemption is granted. If the attending*
4 *practitioner determines after 1 week that the drug is effective at*
5 *treating the cancer or symptom for which it was prescribed, the*
6 *carrier must continue to cover the drug for as long as it is*
7 *necessary to treat the insured for the cancer or symptom.*

8 **8.** *A carrier shall post on an Internet website maintained by*
9 *the carrier:*

10 *(a) The procedure to apply for an exemption from a step*
11 *therapy protocol pursuant to this section, any forms prescribed by*
12 *the carrier for the submission of such an application and a list of*
13 *any supporting information or documentation that must be*
14 *included in such an application; and*

15 *(b) The contact information of any person that an insured or*
16 *attending practitioner who submits an application for exemption*
17 *from a step therapy protocol pursuant to this section is required to*
18 *contact concerning the application or may contact for assistance*
19 *in completing and submitting the application.*

20 **9.** *A health benefit plan subject to the provisions of this*
21 *chapter that is delivered, issued for delivery or renewed on or after*
22 *October 1, 2021, has the legal effect of including the coverage*
23 *required by this section, and any provision of the policy that*
24 *conflicts with this section is void.*

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

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

30 689C.425 A voluntary purchasing group and any contract
31 issued to such a group pursuant to NRS 689C.360 to 689C.600,
32 inclusive, are subject to the provisions of NRS 689C.015 to
33 689C.355, inclusive, *and section 4 of this act* to the extent
34 applicable and not in conflict with the express provisions of NRS
35 687B.408 and 689C.360 to 689C.600, inclusive.

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

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

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, a society that receives an application for an exemption pursuant to subsection 1 shall:

(a) Make a determination concerning the application or request additional information or documentation 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, a society that receives an application for an exemption pursuant to subsection 1 must:

(a) Except as otherwise provided in paragraphs (b) and (c), make an expedited determination concerning the application not later than 24 hours after receiving the application or, if additional information or documentation is necessary to make the determination, request such information or documentation within 24 hours after receiving the application;



(b) If it requests additional information or documentation, make the determination not later than 24 hours after receiving the additional information or documentation; and

(c) In any case, make a determination concerning the application as expeditiously as necessary to avoid serious jeopardy to the life or health of the insured.

5. A society 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 name and qualifications of each person who will review the application.

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

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

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

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

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

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

(e) Any other condition for which such an exemption is required by 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



1 *practitioner determines after 1 week that the drug is effective at*
2 *treating the cancer or symptom for which it was prescribed, the*
3 *society must continue to cover the drug for as long as it is*
4 *necessary to treat the insured for the cancer or symptom.*

5 8. *A society shall post on an Internet website maintained by*
6 *the society:*

7 (a) *The procedure to apply for an exemption from a step*
8 *therapy protocol pursuant to this section, any forms prescribed by*
9 *the society for the submission of such an application and a list of*
10 *any supporting information or documentation that must be*
11 *included in such an application; and*

12 (b) *The contact information of any person that an insured or*
13 *attending practitioner who submits an application for exemption*
14 *from a step therapy protocol pursuant to this section is required to*
15 *contact concerning the application or may contact for assistance*
16 *in completing and submitting the application.*

17 9. *A benefit contract subject to the provisions of this chapter*
18 *that is delivered, issued for delivery or renewed on or after*
19 *October 1, 2021, has the legal effect of including the coverage*
20 *required by this section, and any provision of the benefit contract*
21 *that conflicts with this section is void.*

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

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

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

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

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



(c) Require the review of each application by at least one physician who specializes in oncology.

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, a hospital or medical services corporation that receives an application for an exemption pursuant to subsection 1 shall:

(a) Make a determination concerning the application or request additional information or documentation 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, a hospital or medical services corporation that receives an application for an exemption pursuant to subsection 1 must:

(a) Except as otherwise provided in paragraphs (b) and (c), make an expedited determination concerning the application not later than 24 hours after receiving the application or, if additional information or documentation is necessary to make the determination, request such information or documentation within 24 hours after receiving the application;

(b) If it requests additional information or documentation, make the determination not later than 24 hours after receiving the additional information or documentation; and

(c) In any case, make a determination concerning the application as expeditiously as necessary to avoid serious jeopardy to the life or health of the insured.

5. A hospital or medical services corporation shall disclose to the insured or attending practitioner who submits an application for an exemption from a step therapy protocol pursuant to



1 subsection 1 the name and qualifications of each person who will
2 review the application.

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

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

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

18 (c) Each treatment otherwise required under the step therapy:
19 (1) Is contraindicated for the insured or has caused or is
20 likely, based on peer-reviewed clinical evidence, to cause an
21 adverse reaction or other physical harm to the insured; or

22 (2) Has prevented or is likely to prevent the insured from
23 performing the responsibilities of his or her occupation or
24 engaging in activities of daily living, as defined in 42 C.F.R. §
25 441.505;

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

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

32 7. If a hospital or medical services corporation approves an
33 application for an exemption from a step therapy protocol
34 pursuant to this section, the hospital or medical services
35 corporation must cover the prescription drug to which the
36 exemption applies in accordance with the terms of the applicable
37 policy of health insurance. The hospital or medical services
38 corporation may initially limit the coverage to a 1-week supply of
39 the drug for which the exemption is granted. If the attending
40 practitioner determines after 1 week that the drug is effective at
41 treating the cancer or symptom for which it was prescribed, the
42 hospital or medical services corporation must continue to cover
43 the drug for as long as it is necessary to treat the insured for the
44 cancer or symptom.



1 8. *A hospital or medical services corporation shall post on an*
2 *Internet website maintained by the hospital or medical services*
3 *corporation:*

4 (a) *The procedure to apply for an exemption from a step*
5 *therapy protocol pursuant to this section, any forms prescribed by*
6 *the hospital or medical services corporation for the submission of*
7 *such an application and a list of any supporting information or*
8 *documentation that must be included in such an application; and*

9 (b) *The contact information of any person that an insured or*
10 *attending practitioner who submits an application for exemption*
11 *from a step therapy protocol pursuant to this section is required to*
12 *contact concerning the application for exemption or may contact*
13 *for assistance in completing and submitting the application.*

14 9. *A policy of health insurance subject to the provisions of*
15 *this chapter that is delivered, issued for delivery or renewed on or*
16 *after October 1, 2021, has the legal effect of including the*
17 *coverage required by this section, and any provision of the policy*
18 *that conflicts with this section is void.*

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

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

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

32 (a) *Allow the enrollee or attending practitioner, or a*
33 *designated advocate for the enrollee or attending practitioner, to*
34 *present to the health maintenance organization the clinical*
35 *rationale for the exemption and any relevant medical information.*

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

41 (c) *Require the review of each application by at least one*
42 *physician who specializes in oncology.*

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

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



(1) The medical history or other health records of the enrollee demonstrating that the enrollee 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, a health maintenance organization that receives an application for an exemption pursuant to subsection 1 shall:

(a) Make a determination concerning the application or request additional information or documentation 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 enrollee, a health maintenance organization that receives an application for an exemption pursuant to subsection 1 must:

(a) Except as otherwise provided in paragraphs (b) and (c), make an expedited determination concerning the application not later than 24 hours after receiving the application or, if additional information or documentation is necessary to make the determination, request such information or documentation within 24 hours after receiving the application;

(b) If it requests additional information or documentation, make the determination not later than 24 hours after receiving the additional information or documentation; and

(c) In any case, make a determination concerning the application as expeditiously as necessary to avoid serious jeopardy to the life or health of the enrollee.

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

6. A health maintenance organization 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 drug for which the exemption is requested has not been effective at treating the cancer or symptom of the enrollee when prescribed in accordance with clinical indications, clinical guidelines or other peer-reviewed evidence;

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

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

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

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

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

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

7. If a health maintenance organization approves an application for an exemption from a step therapy protocol pursuant to this section, the health maintenance organization must cover the prescription drug to which the exemption applies in accordance with the terms of the applicable health care plan. The health maintenance organization 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 health maintenance organization must continue to cover the drug for as long as it is necessary to treat the insured for the cancer or symptom.

8. A health maintenance organization shall post on an Internet website maintained by the health maintenance organization:

(a) The procedure to apply for an exemption from a step therapy protocol pursuant to this section, any forms prescribed by the health maintenance organization for the submission of such



1 *an application and a list of any supporting information or*
2 *documentation that must be included in such an application; and*

3 *(b) The contact information of any person that an enrollee or*
4 *attending practitioner who submits an application for exemption*
5 *from a step therapy protocol pursuant to this section is required to*
6 *contact concerning the application or may contact for assistance*
7 *in completing and submitting the application.*

8 *9. A health care plan subject to the provisions of this chapter*
9 *that is delivered, issued for delivery or renewed on or after*
10 *October 1, 2021, has the legal effect of including the coverage*
11 *required by this section, and any provision of the health care plan*
12 *that conflicts with this section is void.*

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

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

18 695C.050 1. Except as otherwise provided in this chapter or
19 in specific provisions of this title, the provisions of this title are not
20 applicable to any health maintenance organization granted a
21 certificate of authority under this chapter. This provision does not
22 apply to an insurer licensed and regulated pursuant to this title
23 except with respect to its activities as a health maintenance
24 organization authorized and regulated pursuant to this chapter.

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

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

32 4. The provisions of NRS 695C.110, 695C.125, 695C.1691,
33 695C.1693, 695C.170, 695C.1703, 695C.1705, 695C.1709 to
34 695C.173, inclusive, 695C.1733, 695C.17335, 695C.1734,
35 695C.1751, 695C.1755, 695C.176 to 695C.200, inclusive, and
36 695C.265 do not apply to a health maintenance organization that
37 provides health care services through managed care to recipients of
38 Medicaid under the State Plan for Medicaid or insurance pursuant to
39 the Children’s Health Insurance Program pursuant to a contract with
40 the Division of Health Care Financing and Policy of the Department
41 of Health and Human Services. This subsection does not exempt a
42 health maintenance organization from any provision of this chapter
43 for services provided pursuant to any other contract.

44 5. The provisions of NRS 695C.1694 to 695C.1698, inclusive,
45 695C.1701, 695C.1708, 695C.1728, 695C.1731, 695C.17345,



695C.1735, 695C.1745 and 695C.1757 *and section 8 of this act* apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid.

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

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

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

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

(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 who specializes in oncology.



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, a managed care organization that receives an application for an exemption pursuant to subsection 1 shall:

(a) Make a determination concerning the application or request additional information or documentation 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, a managed care organization that receives an application for an exemption pursuant to subsection 1 must:

(a) Except as otherwise provided in paragraphs (b) and (c), make an expedited determination concerning the application not later than 24 hours after receiving the application or, if additional information or documentation is necessary to make the determination, request such information or documentation within 24 hours after receiving the application;

(b) If it requests additional information or documentation, make the determination not later than 24 hours after receiving the additional information or documentation; and

(c) In any case, make a determination concerning the application as expeditiously as necessary to avoid serious jeopardy to the life or health of the insured.

5. A managed care organization 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 name and qualifications of each person who will review the application.



6. A managed care organization 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 drug for which the exemption is requested has not been effective at treating the cancer or symptom of the insured when prescribed in accordance with clinical indications, clinical guidelines or other peer-reviewed evidence;

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

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

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

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

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

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

7. If a managed care organization approves an application for an exemption from a step therapy protocol pursuant to this section, the managed care organization must cover the prescription drug to which the exemption applies in accordance with the terms of the applicable health care plan. The managed care organization 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 managed care organization must continue to cover the drug for as long as it is necessary to treat the insured for the cancer or symptom.

8. A managed care organization shall post on an Internet website maintained by the managed care organization:

(a) The procedure to apply for an exemption from a step therapy protocol pursuant to this section, any forms prescribed by



1 *the managed care organization for the submission of such an*
2 *application and a list of any supporting information or*
3 *documentation that must be included in such an application; and*

4 *(b) The contact information of any person that an insured or*
5 *attending practitioner who submits an application for exemption*
6 *from a step therapy protocol pursuant to this section is required to*
7 *contact concerning the application or may contact for assistance*
8 *in completing and submitting the application.*

9 *9. A health care plan subject to the provisions of this chapter*
10 *that is delivered, issued for delivery or renewed on or after*
11 *October 1, 2021, has the legal effect of including the coverage*
12 *required by this section, and any provision of the health care plan*
13 *that conflicts with this section is void.*

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

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

19 287.010 1. The governing body of any county, school
20 district, municipal corporation, political subdivision, public
21 corporation or other local governmental agency of the State of
22 Nevada may:

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

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

38 (c) Provide group life, accident or health coverage through a
39 self-insurance reserve fund and, where necessary, deduct
40 contributions to the maintenance of the fund from the compensation
41 of officers and employees and pay the deductions into the fund. The
42 money accumulated for this purpose through deductions from the
43 compensation of officers and employees and contributions of the
44 governing body must be maintained as an internal service fund as
45 defined by NRS 354.543. The money must be deposited in a state or



1 national bank or credit union authorized to transact business in the
2 State of Nevada. Any independent administrator of a fund created
3 under this section is subject to the licensing requirements of chapter
4 683A of NRS, and must be a resident of this State. Any contract
5 with an independent administrator must be approved by the
6 Commissioner of Insurance as to the reasonableness of
7 administrative charges in relation to contributions collected and
8 benefits provided. The provisions of NRS 687B.408, 689B.030 to
9 689B.050, inclusive, *and section 3 of this act*, 689B.287 and
10 689B.500 apply to coverage provided pursuant to this paragraph,
11 except that the provisions of NRS 689B.0378, 689B.03785 and
12 689B.500 only apply to coverage for active officers and employees
13 of the governing body, or the dependents of such officers and
14 employees.

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

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

27 3. In any county in which a legal services organization exists,
28 the governing body of the county, or of any school district,
29 municipal corporation, political subdivision, public corporation or
30 other local governmental agency of the State of Nevada in the
31 county, may enter into a contract with the legal services
32 organization pursuant to which the officers and employees of the
33 legal services organization, and the dependents of those officers and
34 employees, are eligible for any life, accident or health insurance
35 provided pursuant to this section to the officers and employees, and
36 the dependents of the officers and employees, of the county, school
37 district, municipal corporation, political subdivision, public
38 corporation or other local governmental agency.

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

41 (a) Shall be deemed, solely for the purposes of this section, to be
42 officers and employees of the county, school district, municipal
43 corporation, political subdivision, public corporation or other local
44 governmental agency with which the legal services organization has
45 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. 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 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 or pharmacy benefit manager, 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



1 *which an expedited determination pursuant to subsection 4 is*
2 *warranted.*

3 *(c) Require the review of each application by at least one*
4 *physician who specializes in oncology.*

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

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

8 *(1) The medical history or other health records of the*
9 *recipient demonstrating that the recipient has:*

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

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

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

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

20 *3. Except as otherwise provided in subsection 4, the*
21 *Department or pharmacy benefit manager, as applicable, that*
22 *receives an application for an exemption pursuant to subsection 1*
23 *shall:*

24 *(a) Make a determination concerning the application or*
25 *request additional information or documentation not later than 72*
26 *hours after the application; and*

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

30 *4. If, in the opinion of the attending practitioner, step therapy*
31 *may seriously jeopardize the life or health of the recipient, the*
32 *Department or pharmacy benefit manager that receives an*
33 *application for an exemption pursuant to subsection 1, as*
34 *applicable, must:*

35 *(a) Except as otherwise provided in paragraphs (b) and (c),*
36 *make an expedited determination concerning the application not*
37 *later than 24 hours after receiving the application or, if additional*
38 *information or documentation is necessary to make the*
39 *determination, request such information or documentation within*
40 *24 hours after receiving the application;*

41 *(b) If it requests additional information or documentation,*
42 *make the determination not later than 24 hours after receiving the*
43 *additional information or documentation; and*



(c) *In any case, make a determination concerning the application as expeditiously as necessary to avoid serious jeopardy to the life or health of the recipient.*

5. *The Department or pharmacy benefit manager, as applicable, shall disclose to a recipient or attending practitioner who submits an application for an exemption from step therapy pursuant to subsection 1 the name and qualifications of each person who will review the application.*

6. *The Department or pharmacy benefit manager, as applicable, must grant an exemption from step therapy 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 drug for which the exemption is requested have been ineffective at treating the cancer or symptom when prescribed in accordance with clinical indications, clinical guidelines or other peer-reviewed evidence;*

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

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

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

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

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

7. *If the Department or pharmacy benefit manager, as applicable, approves an application for an exemption from step therapy pursuant to this section, the State must pay the nonfederal share of the cost of the prescription drug to which the exemption applies. The Department or pharmacy benefit manager 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 State must continue to pay the nonfederal share of the cost of the drug for as*



1 *long as it is necessary to treat the cancer or symptom of the*
2 *recipient.*

3 8. *The Department and any pharmacy benefit manager with*
4 *which the Department contracts pursuant to NRS 422.4053 to*
5 *manage prescription drug benefits shall post on an Internet*
6 *website maintained by the Department or pharmacy benefit*
7 *manager, as applicable:*

8 (a) *The procedure to apply for an exemption from step therapy*
9 *pursuant to this section, any forms prescribed by the Department*
10 *or pharmacy benefit manager, as applicable, for the submission of*
11 *such an application and a list of any supporting information or*
12 *documentation that must be included in such an application; and*

13 (b) *The contact information for any person that a recipient or*
14 *attending practitioner who submits an application for exemption*
15 *from step therapy pursuant to this section is required to contact*
16 *concerning the application or may contact for assistance in*
17 *completing and submitting the application.*

18 9. *As used in this section, “attending practitioner” means the*
19 *practitioner, as defined in NRS 639.0125, who has primary*
20 *responsibility for the treatment of the cancer of a recipient or any*
21 *symptom of such cancer.*

22 **Sec. 15.** NRS 422.401 is hereby amended to read as follows:

23 422.401 As used in NRS 422.401 to 422.406, inclusive, *and*
24 *section 14 of this act*, unless the context otherwise requires, the
25 words and terms defined in NRS 422.4015 to 422.4024, inclusive,
26 have the meanings ascribed to them in those sections.

27 **Sec. 16.** NRS 422.406 is hereby amended to read as follows:

28 422.406 1. The Department may, to carry out its duties set
29 forth in NRS 422.27172 to 422.27178, inclusive, and 422.401 to
30 422.406, inclusive, *and section 14 of this act* and to administer the
31 provisions of those sections:

32 (a) Adopt regulations; and

33 (b) Enter into contracts for any services.

34 2. Any regulations adopted by the Department pursuant to NRS
35 422.27172 to 422.27178, inclusive, and 422.401 to 422.406,
36 inclusive, *and section 14 of this act* must be adopted in accordance
37 with the provisions of chapter 241 of NRS.

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

