

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)

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

AN ACT relating to insurance; requiring certain 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; 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** of this bill require all health insurers, including public and private sector employers that provide health benefits for their employees but excluding 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** 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** of this bill make conforming changes to indicate the placement of **sections 1 and 4** 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



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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)

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:

(1) 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 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



1 and the insured has previously received approval for coverage of
2 that drug; or

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

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

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

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

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

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

33 689A.330 If any policy is issued by a domestic insurer for
34 delivery to a person residing in another state, and if the insurance
35 commissioner or corresponding public officer of that other state has
36 informed the Commissioner that the policy is not subject to approval
37 or disapproval by that officer, the Commissioner may by ruling
38 require that the policy meet the standards set forth in NRS 689A.030
39 to 689A.320, inclusive **H**, and section 1 of this act.

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

42 1. An insurer that offers or issues a policy of group health
43 insurance which provides coverage of a prescription drug for the
44 treatment of cancer or any symptom of cancer that is part of a step
45 therapy protocol shall allow an insured who has been diagnosed



1 with stage 3 or 4 cancer or the attending practitioner of the
2 insured to apply for an exemption from the step therapy protocol.
3 The application 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 insurer 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, registered nurse or pharmacist.

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, an insurer
31 that receives an application for an exemption pursuant to
32 subsection 1 shall:

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

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

40 4. If, in the opinion of the attending practitioner, a step
41 therapy protocol may seriously jeopardize the life or health of the
42 insured, an insurer that receives an application for an exemption
43 pursuant to subsection 1 must make a determination concerning
44 the application as expeditiously as necessary to avoid serious
45 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. The insurer 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 insurer shall provide a report of the review to the insured.

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

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 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 carrier 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:

(1) 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 carrier 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, a carrier 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. A carrier 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 carrier 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 carrier approves an application for an exemption from a step therapy protocol pursuant to this section, the carrier must cover the prescription drug to which the exemption applies in accordance with the terms of the applicable health benefit plan. The carrier 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 carrier must continue to cover the drug for as long as it is necessary to treat the insured for the cancer or symptom. The carrier 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 carrier shall provide a report of the review to the insured.

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

9. A health benefit plan 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. 5. NRS 689C.425 is hereby amended to read as follows:

689C.425 A voluntary purchasing group and any contract issued to such a group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the provisions of NRS 689C.015 to 689C.355, inclusive, **and section 4 of this act** to the extent



applicable and not in conflict with the express provisions of NRS 687B.408 and 689C.360 to 689C.600, inclusive.

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

1. A society that offers or issues a benefit contract 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 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, 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, a society 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, a society 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. 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



1 accordance with the terms of the applicable benefit contract. The
2 society may initially limit the coverage to a 1-week supply of the
3 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 society must continue to cover the drug for as long as it is
7 necessary to treat the insured for the cancer or symptom. The
8 society may conduct a review not more frequently than once each
9 quarter to determine, in accordance with available medical
10 evidence, whether the drug remains necessary to treat the insured
11 for the cancer or symptom. The society shall provide a report of
12 the review to the insured.

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

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

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

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

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

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

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

44 (c) Require the review of each application by at least one
45 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) 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 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, a hospital or medical services corporation 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. 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 subsection 1 the name and qualifications of each person who will review the application.

6. A hospital or medical services corporation 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



1 of the insured when prescribed in accordance with clinical
2 indications, clinical guidelines or other peer-reviewed evidence;

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

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

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

13 (2) Has prevented or is likely to prevent the insured from
14 performing the responsibilities of his or her occupation or
15 engaging in activities of daily living, as defined in 42 C.F.R. §
16 441.505;

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

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

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

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



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

1. A health maintenance 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 enrollee who has been diagnosed with stage 3 or 4 cancer or the attending practitioner of the enrollee to apply for an exemption from the step therapy protocol. The application process for such an exemption must:

(a) Allow the enrollee or attending practitioner, or a designated advocate for the enrollee or attending practitioner, to present to the health maintenance 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, registered nurse or pharmacist.

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

(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 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 enrollee, a health maintenance organization 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 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 enrollee for the cancer or symptom. The health maintenance organization 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 enrollee for the cancer or symptom. The health maintenance organization shall provide a report of the review to the enrollee.*

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

9. *A health care plan 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 health care plan 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 enrollee.*

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

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



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

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

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

5. The provisions of NRS 695C.1694 to 695C.1698, inclusive, 695C.1701, 695C.1708, 695C.1728, 695C.1731, 695C.17345, 695C.1735, 695C.1745 and 695C.1757 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, registered nurse or pharmacist.

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

(a) May include, without limitation:

(1) 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 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, a managed care organization 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. 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. The managed care organization 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 managed care organization shall provide a report of the review to the insured.*

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

9. *A health care plan 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 health care plan 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. 11.5. NRS 695G.090 is hereby amended to read as follows:

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

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

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

(b) Any other applicable provision of this title.



3. The provisions of NRS 695G.164, 695G.1645, 695G.167, 695G.200 to 695G.230, inclusive, and 695G.430 *and section 11 of this act* do not apply to a 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 pursuant to a contract with the Division of Health Care 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.

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 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. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

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.

