

SENATE BILL NO. 128—SENATOR NEAL

PREFILED JANUARY 29, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Makes changes related to health care. (BDR 57-87)

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

CONTAINS UNFUNDED MANDATE (§ 4)
(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 health care; prescribing requirements governing the denial of requests for prior authorization; requiring, in certain circumstances, licensed physicians, physician assistants, advanced practice registered nurses and osteopathic physicians to discuss with patients certain information relating to stem cell treatment, storage and donation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes certain health insurers to require an insured to obtain
2 prior authorization from the insurer before receiving certain care. (NRS 687B.225)
3 **Sections 1, 4, 5 and 8** of this bill prohibit certain health insurers, including
4 Medicaid, the Children’s Health Insurance Program and insurance for public
5 employees, from using an artificial intelligence system or an automated decision
6 tool to: (1) deny a request for prior authorization; (2) modify a request for prior
7 authorization submitted by a provider of health care; (3) reduce the scope of
8 services or amount of coverage for care that is included within a request for prior
9 authorization; or (4) terminate, reduce or modify coverage for previously approved
10 care. **Sections 1, 4, 5 and 8** also prohibit such health insurers from denying or
11 modifying a request for prior authorization on the grounds that the care requested is
12 not medically necessary or is experimental or investigational, unless a licensed
13 health care professional with the education, training and expertise necessary to
14 evaluate the condition at issue first makes such a determination. **Section 2** of this
15 bill makes a conforming change to require the Director of the Department of Health
16 and Human Services to administer the requirements set forth in **section 8** in the
17 same manner as other requirements governing Medicaid and the Children’s Health
18 Insurance Program. **Sections 6 and 7** of this bill make conforming changes to
19 clarify that certain provisions generally applicable to members of plans of



20 self-insurance for employees of local governments and are applicable to the
21 provisions of **sections 4 and 5**, respectively.

22 Existing law requires a physician, physician assistant, advanced practice
23 registered nurse or an osteopathic physician to counsel and provide certain
24 information to a patient who is diagnosed with certain conditions. (NRS 630.3737,
25 632.2383, 633.6947) **Sections 9-11** of this bill require a physician, physician
26 assistant, advanced practice registered nurse or an osteopathic physician to: (1)
27 discuss with a patient, upon diagnosing the patient with arthritis, osteoarthritis or
28 any other condition that is regularly treated using stem cell therapy, the potential
29 use of stem cell therapy to treat the condition; and (2) when acting as a provider of
30 primary care during the first encounter with a new patient, inform the patient of
31 options that may be available to the patient for donating, banking or storing stem
32 cells for future use by the patient or a donee.

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

1 **Section 1.** NRS 687B.225 is hereby amended to read as
2 follows:

3 687B.225 1. Except as otherwise provided in NRS
4 689A.0405, 689A.0412, 689A.0413, 689A.0418, 689A.0437,
5 689A.044, 689A.0445, 689A.0459, 689B.031, 689B.0312,
6 689B.0313, 689B.0315, 689B.0317, 689B.0319, 689B.0374,
7 689B.0378, 689C.1665, 689C.1671, 689C.1675, 689C.1676,
8 695A.1843, 695A.1856, 695A.1865, 695A.1874, 695B.1912,
9 695B.1913, 695B.1914, 695B.1919, 695B.19197, 695B.1924,
10 695B.1925, 695B.1942, 695C.1696, 695C.1699, 695C.1713,
11 695C.1735, 695C.1737, 695C.1743, 695C.1745, 695C.1751,
12 695G.170, 695G.1705, 695G.171, 695G.1714, 695G.1715,
13 695G.1719 and 695G.177, any contract for group, blanket or
14 individual health insurance or any contract by a nonprofit hospital,
15 medical or dental service corporation or organization for dental care
16 which provides for payment of a certain part of medical or dental
17 care may require the insured or member to obtain prior authorization
18 for that care from the insurer or organization ~~[.The]~~ *in a manner*
19 *consistent with the provisions of this section.*

20 **2.** An insurer or organization *that requires an insured or*
21 *member to obtain prior authorization for medical or dental care*
22 shall:

23 (a) File its procedure for obtaining approval of care pursuant to
24 this section for approval by the Commissioner; and

25 (b) Unless a shorter time period is prescribed by a specific
26 statute, including, without limitation, NRS 689A.0446, 689B.0361,
27 689C.1688, 695A.1859, 695B.19087, 695C.16932 and 695G.1703,
28 respond to any request for approval by the insured or member
29 pursuant to this section within 20 days after it receives the request.



1 ~~2.1~~ 3. The procedure for prior authorization may not
2 discriminate among persons licensed to provide the covered care.

3 4. *An insurer or organization that requires an insured or*
4 *member to obtain prior authorization for medical or dental care*
5 *shall not:*

6 (a) *Utilize or employ an artificial intelligence system or*
7 *automated decision tool to:*

8 (1) *Deny a request for prior authorization for medical or*
9 *dental care;*

10 (2) *Modify a request for medical or dental care submitted*
11 *by a provider of health care;*

12 (3) *Reduce the scope of services or the amount of coverage*
13 *for medical or dental care included within a request for prior*
14 *authorization; or*

15 (4) *Terminate, reduce or modify coverage for previously*
16 *approved medical or dental care.*

17 (b) *Deny or modify a request for prior authorization submitted*
18 *by an insured or member, or by a provider of health care on behalf*
19 *of an insured or member, on the grounds that the care requested is*
20 *not medically necessary or is experimental or investigational,*
21 *unless a licensed health care professional who possesses the*
22 *education, training and expertise necessary to evaluate the specific*
23 *clinical issues relevant to the request for prior authorization first*
24 *determines that the care requested is not medically necessary or is*
25 *experimental or investigational after reviewing all available*
26 *medical documentation, notes of the insured's or member's*
27 *provider of health care, test results and other relevant medical*
28 *records of the insured or member.*

29 5. *The provisions of subsection 4 do not prohibit an insurer*
30 *or organization from utilizing an artificial intelligence system or*
31 *automated decision tool to automatically approve a request for*
32 *prior authorization.*

33 6. *As used in this section:*

34 (a) *“Artificial intelligence system” means a machine-based*
35 *system that can, for a given set of human-defined objectives, make*
36 *predictions, recommendations or decisions influencing real or*
37 *virtual environments.*

38 (b) *“Automated decision tool” means an automated or*
39 *computerized system that is specifically developed or modified to*
40 *make, or to be a controlling factor in making, consequential*
41 *decisions.*

42 (c) *“Healing art” means any system, treatment, operation,*
43 *diagnosis, prescription or practice for the ascertainment, cure,*
44 *relief, palliation, adjustment or correction of any human disease,*
45 *ailment, deformity, injury, or unhealthy or abnormal physical or*



1 *mental condition for the practice of which long periods of*
2 *specialized education and training and a degree of specialized*
3 *knowledge of an intellectual and physical nature are required.*

4 (d) *“Licensed health care professional” means a person who is*
5 *licensed in any state or territory of the United States to perform*
6 *any healing art.*

7 (e) *“Medical or dental care” includes, without limitation, the*
8 *provision of prescription drugs.*

9 (f) *“Medically necessary” has the meaning ascribed to it in*
10 *NRS 695G.055.*

11 (g) *“Provider of health care” has the meaning ascribed to it in*
12 *NRS 695G.070.*

13 **Sec. 2.** NRS 232.320 is hereby amended to read as follows:

14 232.320 1. The Director:

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

18 (1) The Administrator of the Aging and Disability Services
19 Division;

20 (2) The Administrator of the Division of Welfare and
21 Supportive Services;

22 (3) The Administrator of the Division of Child and Family
23 Services;

24 (4) The Administrator of the Division of Health Care
25 Financing and Policy; and

26 (5) The Administrator of the Division of Public and
27 Behavioral Health.

28 (b) Shall administer, through the divisions of the Department,
29 the provisions of chapters 63, 424, 425, 427A, 432A to 442,
30 inclusive, 446 to 450, inclusive, 458A and 656A of NRS, NRS
31 127.220 to 127.310, inclusive, 422.001 to 422.410, inclusive, *and*
32 *section 8 of this act*, 422.580, 432.010 to 432.133, inclusive,
33 432B.6201 to 432B.626, inclusive, 444.002 to 444.430, inclusive,
34 and 445A.010 to 445A.055, inclusive, and all other provisions of
35 law relating to the functions of the divisions of the Department, but
36 is not responsible for the clinical activities of the Division of Public
37 and Behavioral Health or the professional line activities of the other
38 divisions.

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

43 (d) Shall, after considering advice from agencies of local
44 governments and nonprofit organizations which provide social
45 services, adopt a master plan for the provision of human services in



1 this State. The Director shall revise the plan biennially and deliver a
2 copy of the plan to the Governor and the Legislature at the
3 beginning of each regular session. The plan must:

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

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

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

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

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

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

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

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

28 2. Notwithstanding any other provision of law, the Director, or
29 the Director's designee, is responsible for appointing and removing
30 subordinate officers and employees of the Department.

31 **Sec. 3.** Chapter 287 of NRS is hereby amended by adding
32 thereto the provisions set forth as sections 4 and 5 of this act.

33 **Sec. 4. 1. *The governing body of any county, school***
34 ***district, municipal corporation, political subdivision, public***
35 ***corporation or other local governmental agency of the State of***
36 ***Nevada that provides health insurance through a plan of self-***
37 ***insurance shall not:***

38 (a) *Utilize or employ an artificial intelligence system or*
39 *automated decision tool to:*

40 (1) *Deny a request for prior authorization for medical or*
41 *dental care;*

42 (2) *Modify a request for medical or dental care submitted*
43 *by a provider of health care;*



1 (3) *Reduce the scope of services or the amount of coverage*
2 *for medical or dental care included within a request for prior*
3 *authorization; or*

4 (4) *Terminate, reduce or modify coverage for previously*
5 *approved medical or dental care.*

6 (b) *Deny or modify a request for prior authorization submitted*
7 *by an insured, or by a provider of health care on behalf of an*
8 *insured, on the grounds that the care requested is not medically*
9 *necessary or is experimental or investigational, unless a licensed*
10 *health care professional who possesses the education, training and*
11 *expertise necessary to evaluate the specific clinical issues relevant*
12 *to the request for prior authorization first determines that the care*
13 *requested is not medically necessary or is experimental or*
14 *investigational after reviewing all available medical*
15 *documentation, notes of the insured's provider of health care, test*
16 *results and other relevant medical records of the insured.*

17 2. *The provisions of subsection 1 do not prohibit a governing*
18 *body of any county, school district, municipal corporation,*
19 *political subdivision, public corporation or other local*
20 *governmental agency of the State of Nevada that provides health*
21 *insurance through a plan of self-insurance from utilizing an*
22 *artificial intelligence system or automated decision tool to*
23 *automatically approve a request for prior authorization.*

24 3. *As used in this section:*

25 (a) *"Artificial intelligence system" has the meaning ascribed to*
26 *it in NRS 687B.225.*

27 (b) *"Automated decision tool" has the meaning ascribed to it*
28 *in NRS 687B.225.*

29 (c) *"Licensed health care professional" has the meaning*
30 *ascribed to it in NRS 687B.225.*

31 (d) *"Medical or dental care" has the meaning ascribed to it in*
32 *NRS 687B.225.*

33 (e) *"Medically necessary" has the meaning ascribed to it in*
34 *NRS 695G.055.*

35 (f) *"Provider of health care" has the meaning ascribed to it in*
36 *NRS 695G.070.*

37 **Sec. 5. 1. If the Board provides health insurance through a**
38 **plan of self-insurance, the Board shall not:**

39 (a) *Utilize or employ an artificial intelligence system or*
40 *automated decision tool to:*

41 (1) *Deny a request for prior authorization for medical or*
42 *dental care;*

43 (2) *Modify a request for medical or dental care submitted*
44 *by a provider of health care;*



1 (3) *Reduce the scope of services or the amount of coverage*
2 *for medical or dental care included within a request for prior*
3 *authorization; or*

4 (4) *Terminate, reduce or modify coverage for previously*
5 *approved medical or dental care.*

6 (b) *Deny or modify a request for prior authorization submitted*
7 *by an insured, or by a provider of health care on behalf of an*
8 *insured, on the grounds that the care requested is not medically*
9 *necessary or is experimental or investigational, unless a licensed*
10 *health care professional who possesses the education, training and*
11 *expertise necessary to evaluate the specific clinical issues relevant*
12 *to the request for prior authorization first determines that the care*
13 *requested is not medically necessary or is experimental or*
14 *investigational after reviewing all available medical*
15 *documentation, notes of the insured's provider of health care, test*
16 *results and other relevant medical records of the insured.*

17 2. *The provisions of subsection 1 do not prohibit the Board*
18 *from utilizing an artificial intelligence system or automated*
19 *decision tool to automatically approve a request for prior*
20 *authorization.*

21 3. *As used in this section:*

22 (a) *"Artificial intelligence system" has the meaning ascribed to*
23 *it in NRS 687B.225.*

24 (b) *"Automated decision tool" has the meaning ascribed to it*
25 *in NRS 687B.225.*

26 (c) *"Licensed health care professional" has the meaning*
27 *ascribed to it in NRS 687B.225.*

28 (d) *"Medical or dental care" has the meaning ascribed to it in*
29 *NRS 687B.225.*

30 (e) *"Medically necessary" has the meaning ascribed to it in*
31 *NRS 695G.055.*

32 (f) *"Provider of health care" has the meaning ascribed to it in*
33 *NRS 695G.070.*

34 **Sec. 6.** NRS 287.040 is hereby amended to read as follows:

35 287.040 The provisions of NRS 287.010 to 287.040, inclusive,
36 *and section 4 of this act* do not make it compulsory upon any
37 governing body of any county, school district, municipal
38 corporation, political subdivision, public corporation or other local
39 governmental agency of the State of Nevada, except as otherwise
40 provided in NRS 287.021 or subsection 4 of NRS 287.023 or in an
41 agreement entered into pursuant to subsection 3 of NRS 287.015, to
42 pay any premiums, contributions or other costs for group insurance,
43 a plan of benefits or medical or hospital services established
44 pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or
45 (d) of subsection 1 of NRS 287.025, for coverage under the Public



1 Employees' Benefits Program, or to make any contributions to a
2 trust fund established pursuant to NRS 287.017, or upon any officer
3 or employee of any county, school district, municipal corporation,
4 political subdivision, public corporation or other local governmental
5 agency of this State to accept any such coverage or to assign his or
6 her wages or salary in payment of premiums or contributions
7 therefor.

8 **Sec. 7.** NRS 287.0402 is hereby amended to read as follows:

9 287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and*
10 *section 5 of this act*, unless the context otherwise requires, the
11 words and terms defined in NRS 287.0404 to 287.04064, inclusive,
12 have the meanings ascribed to them in those sections.

13 **Sec. 8.** Chapter 422 of NRS is hereby amended by adding
14 thereto a new section to read as follows:

15 *1. The Department, with respect to Medicaid and the*
16 *Children's Health Insurance Program, shall not:*

17 *(a) Utilize or employ an artificial intelligence system or*
18 *automated decision tool to:*

19 *(1) Deny a request for prior authorization for medical or*
20 *dental care;*

21 *(2) Modify a request for medical or dental care submitted*
22 *by a provider of health care;*

23 *(3) Reduce the scope of services or the amount of coverage*
24 *for medical or dental care included within a request for prior*
25 *authorization; or*

26 *(4) Terminate, reduce or modify coverage for previously*
27 *approved medical or dental care.*

28 *(b) Deny or modify a request for prior authorization submitted*
29 *by a recipient of Medicaid or insurance through the Children's*
30 *Health Insurance Program, or a provider of health care on behalf*
31 *of such a recipient, on the grounds that the care requested is not*
32 *medically necessary or is experimental or investigational, unless a*
33 *licensed health care professional who possesses the education,*
34 *training and expertise necessary to evaluate the specific clinical*
35 *issues relevant to the request for prior authorization first*
36 *determines that the care requested is not medically necessary or is*
37 *experimental or investigational after reviewing all available*
38 *medical documentation, notes of the participant's provider of*
39 *health care, test results and other relevant medical records of the*
40 *participant.*

41 *2. The provisions of subsection 1 do not prohibit the*
42 *Department from utilizing an artificial intelligence system or*
43 *automated decision tool to automatically approve a request for*
44 *prior authorization.*

45 *3. As used in this section:*



1 (a) "Artificial intelligence system" has the meaning ascribed to
2 it in NRS 687B.225.

3 (b) "Automated decision tool" has the meaning ascribed to it
4 in NRS 687B.225.

5 (c) "Licensed health care professional" has the meaning
6 ascribed to it in NRS 687B.225.

7 (d) "Medical or dental care" has the meaning ascribed to it in
8 NRS 687B.225.

9 (e) "Medically necessary" has the meaning ascribed to it in
10 NRS 695G.055.

11 (f) "Provider of health care" has the meaning ascribed to it in
12 NRS 695G.070.

13 **Sec. 9.** Chapter 630 of NRS is hereby amended by adding
14 thereto a new section to read as follows:

15 1. Upon diagnosing a patient with arthritis, osteoarthritis or
16 any other condition that is regularly treated using stem cell
17 therapy, a physician or physician assistant shall discuss with the
18 patient the potential use of stem cell therapy to treat the condition.

19 2. During the first encounter with a new patient, a provider of
20 primary care shall inform the patient of options that may be
21 available to the patient for donating, banking or storing stem cells
22 for future use by the patient or a donee.

23 3. As used in this section:

24 (a) "Provider of health care" has the meaning ascribed to it in
25 NRS 629.031.

26 (b) "Provider of primary care" means a physician, physician
27 assistant or group of providers of health care that includes a
28 physician or physician assistant which:

29 (1) Provides initial and primary health care services to a
30 patient; and

31 (2) Maintains the continuity of care for the patient.

32 (c) "Stem cell therapy" means therapy involving the use of
33 human cells, tissues or cellular or tissue-based products.

34 **Sec. 10.** Chapter 632 of NRS is hereby amended by adding
35 thereto a new section to read as follows:

36 1. Upon diagnosing a patient with arthritis, osteoarthritis or
37 any other condition that is regularly treated using stem cell
38 therapy, an advanced practice registered nurse shall discuss with
39 the patient the potential use of stem cell therapy to treat the
40 condition.

41 2. During the first encounter with a new patient, a provider of
42 primary care shall inform the patient of options that may be
43 available to the patient for donating, banking or storing stem cells
44 for future use by the patient or a donee.

45 3. As used in this section:



1 (a) "Provider of health care" has the meaning ascribed to it in
2 NRS 629.031.

3 (b) "Provider of primary care" means an advanced practice
4 registered nurse or a group of providers of health care that
5 includes an advanced practice registered nurse which:

6 (1) Provides initial and primary health care services to a
7 patient; and

8 (2) Maintains the continuity of care for the patient.

9 (c) "Stem cell therapy" means therapy involving the use of
10 human cells, tissues or cellular or tissue-based products.

11 **Sec. 11.** Chapter 633 of NRS is hereby amended by adding
12 thereto a new section to read as follows:

13 1. Upon diagnosing a patient with arthritis, osteoarthritis or
14 any other condition that is regularly treated using stem cell
15 therapy, an osteopathic physician or physician assistant shall
16 discuss with the patient the potential use of stem cell therapy to
17 treat the condition.

18 2. During the first encounter with a new patient, a provider of
19 primary care shall inform the patient of options that may be
20 available to the patient for donating, banking or storing stem cells
21 for future use by the patient or a donee.

22 3. As used in this section:

23 (a) "Provider of health care" has the meaning ascribed to it in
24 NRS 629.031.

25 (b) "Provider of primary care" means an osteopathic
26 physician, physician assistant or group of providers of health care
27 that includes an osteopathic physician or physician assistant
28 which:

29 (1) Provides initial and primary health care services to a
30 patient; and

31 (2) Maintains the continuity of care for the patient.

32 (c) "Stem cell therapy" means therapy involving the use of
33 human cells, tissues or cellular or tissue-based products.

34 **Sec. 12.** The provisions of NRS 354.599 do not apply to any
35 additional expenses of a local government that are related to the
36 provisions of this act.

37 **Sec. 13.** 1. This section becomes effective upon passage and
38 approval.

39 2. Sections 1 to 12, inclusive, of this act become effective:

40 (a) Upon passage and approval for the purpose of adopting any
41 regulations and performing any other preparatory administrative
42 tasks that are necessary to carry out the provisions of this act; and

43 (b) On January 1, 2026, for all other purposes.



