

SENATE BILL NO. 217—SENATORS KIECKHEFER,  
HARDY AND ROBERSON

MARCH 5, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to policies of health insurance. (BDR 57-836)

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

CONTAINS UNFUNDED MANDATE (§11)  
(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 health care; prohibits policies of health insurance and health care plans from denying coverage for topical ophthalmic products under certain circumstances; requiring a pharmacist to dispense early refills of topical ophthalmic products under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires certain public and private policies of insurance and health  
2 care plans to provide coverage for certain procedures, including colorectal cancer  
3 screenings, cytological screening tests and mammograms, in certain circumstances.  
4 (NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374,  
5 695B.1907, 695B.1912, 695C.1731, 695C.1735, 695G.168) Existing law also  
6 requires employers to provide certain benefits to employees, including coverage for  
7 the procedures required to be covered by insurers, if the employer provides health  
8 benefits for its employees. (NRS 608.1555) **Sections 1, 3, 4, 6, 7, 10 and 11** of this  
9 bill prohibit certain public and private policies of insurance and health care plans  
10 from denying coverage for otherwise covered topical ophthalmic products,  
11 commonly known as eye drops, if refills are provided early. **Section 13** of this bill  
12 requires a pharmacist to provide early refills of topical ophthalmic products to a  
13 patient if: (1) the patient is experiencing inadvertent wastage of the product due to  
14 difficulty applying the product to the eye; (2) the patient requests the early refill;  
15 and (3) the early refill is dispensed pursuant to a valid prescription which bears  
16 specific authorization to refill.



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 who offers or issues a policy of health*  
4 *insurance which provides coverage for prescription drugs shall*  
5 *not deny coverage for a topical ophthalmic product which is*  
6 *otherwise approved for coverage by the insurer when the insured,*  
7 *pursuant to section 13 of this act, receives a refill of the product:*

8 *(a) After 21 days or more but before 30 days after receiving*  
9 *any 30-day supply of the product;*

10 *(b) After 42 days or more but before 60 days after receiving*  
11 *any 60-day supply of the product; or*

12 *(c) After 63 days or more but before 90 days after receiving*  
13 *any 90-day supply of the product.*

14 *2. The provisions of this section do not affect any deductibles,*  
15 *copayments or coinsurance authorized or required pursuant to the*  
16 *policy of health insurance.*

17 *3. A policy of health insurance subject to the provisions of*  
18 *this chapter which provides coverage for prescription drugs and*  
19 *that is delivered, issued for delivery or renewed on or after*  
20 *January 1, 2016, has the legal effect of including the coverage*  
21 *required by this section, and any provision of the policy or renewal*  
22 *which is in conflict with this section is void.*

23 *4. As used in this section, "topical ophthalmic product"*  
24 *means a liquid prescription drug which is applied directly to the*  
25 *eye from a bottle or by means of a dropper.*

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

27 689A.330 If any policy is issued by a domestic insurer for  
28 delivery to a person residing in another state, and if the insurance  
29 commissioner or corresponding public officer of that other state has  
30 informed the Commissioner that the policy is not subject to approval  
31 or disapproval by that officer, the Commissioner may by ruling  
32 require that the policy meet the standards set forth in NRS 689A.030  
33 to 689A.320, inclusive **H**, and section 1 of this act.

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

36 *1. An insurer who offers or issues a policy of group health*  
37 *insurance which provides coverage for prescription drugs shall*  
38 *not deny coverage for a topical ophthalmic product which is*  
39 *otherwise approved for coverage by the insurer when the insured,*  
40 *pursuant to section 13 of this act, receives a refill of the product:*

41 *(a) After 21 days or more but before 30 days after receiving*  
42 *any 30-day supply of the product;*



1 (b) After 42 days or more but before 60 days after receiving  
2 any 60-day supply of the product; or

3 (c) After 63 days or more but before 90 days after receiving  
4 any 90-day supply of the product.

5 2. The provisions of this section do not affect any deductibles,  
6 copayments or coinsurance authorized or required pursuant to the  
7 policy of group health insurance.

8 3. A policy of group health insurance subject to the  
9 provisions of this chapter which provides coverage for prescription  
10 drugs and that is delivered, issued for delivery or renewed on or  
11 after January 1, 2016, has the legal effect of including the  
12 coverage required by this section, and any provision of the policy  
13 or renewal which is in conflict with this section is void.

14 4. As used in this section, "topical ophthalmic product"  
15 means a liquid prescription drug which is applied directly to the  
16 eye from a bottle or by means of a dropper.

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

19 1. A carrier who offers or issues a health benefit plan which  
20 provides coverage for prescription drugs shall not deny coverage  
21 for a topical ophthalmic product which is otherwise approved for  
22 coverage by the carrier when the insured, pursuant to section 13  
23 of this act, receives a refill of the product:

24 (a) After 21 days or more but before 30 days after receiving  
25 any 30-day supply of the product;

26 (b) After 42 days or more but before 60 days after receiving  
27 any 60-day supply of the product; or

28 (c) After 63 days or more but before 90 days after receiving  
29 any 90-day supply of the product.

30 2. The provisions of this section do not affect any deductibles,  
31 copayments or coinsurance established by the health benefit plan.

32 3. A health benefit plan subject to the provisions of this  
33 chapter which provides coverage for prescription drugs and that is  
34 delivered, issued for delivery or renewed on or after January 1,  
35 2016, has the legal effect of including the coverage required by  
36 this section, and any provision of the plan or renewal which is in  
37 conflict with this section is void.

38 4. As used in this section, "topical ophthalmic product"  
39 means a liquid prescription drug which is applied directly to the  
40 eye from a bottle or by means of a dropper.

41 **Sec. 5.** NRS 689C.425 is hereby amended to read as follows:  
42 689C.425 A voluntary purchasing group and any contract  
43 issued to such a group pursuant to NRS 689C.360 to 689C.600,  
44 inclusive, are subject to the provisions of NRS 689C.015 to  
45 689C.355, inclusive, *and section 4 of this act* to the extent



1 applicable and not in conflict with the express provisions of NRS  
2 687B.408 and 689C.360 to 689C.600, inclusive.

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

5 *1. A hospital or medical service corporation which offers or*  
6 *issues a policy of health insurance that provides coverage for*  
7 *prescription drugs shall not deny coverage for a topical*  
8 *ophthalmic product which is otherwise approved for coverage by*  
9 *the hospital or medical service corporation when the insured,*  
10 *pursuant to section 13 of this act, receives a refill of the product:*

11 *(a) After 21 days or more but before 30 days after receiving*  
12 *any 30-day supply of the product;*

13 *(b) After 42 days or more but before 60 days after receiving*  
14 *any 60-day supply of the product; or*

15 *(c) After 63 days or more but before 90 days after receiving*  
16 *any 90-day supply of the product.*

17 *2. The provisions of this section do not affect any deductibles,*  
18 *copayments or coinsurance authorized or required pursuant to the*  
19 *policy of health insurance.*

20 *3. A policy of health insurance subject to the provisions of*  
21 *this chapter which provides coverage for prescription drugs and*  
22 *that is delivered, issued for delivery or renewed on or after*  
23 *January 1, 2016, has the legal effect of including the coverage*  
24 *required by this section, and any provision of the policy or renewal*  
25 *which is in conflict with this section is void.*

26 *4. As used in this section, "topical ophthalmic product"*  
27 *means a liquid prescription drug which is applied directly to the*  
28 *eye from a bottle or by means of a dropper.*

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

31 *1. A health maintenance organization which offers or issues*  
32 *a health care plan that provides coverage for prescription drugs*  
33 *shall not deny coverage for a topical ophthalmic product which is*  
34 *otherwise approved for coverage by the health maintenance*  
35 *organization when the enrollee, pursuant to section 13 of this act,*  
36 *receives a refill of the product:*

37 *(a) After 21 days or more but before 30 days after receiving*  
38 *any 30-day supply of the product;*

39 *(b) After 42 days or more but before 60 days after receiving*  
40 *any 60-day supply of the product; or*

41 *(c) After 63 days or more but before 90 days after receiving*  
42 *any 90-day supply of the product.*

43 *2. The provisions of this section do not affect any deductibles,*  
44 *copayments or coinsurance established by the health care plan.*



1       3. *An evidence of coverage subject to the provisions of this*  
2 *chapter which provides coverage for prescription drugs and that is*  
3 *delivered, issued for delivery or renewed on or after January 1,*  
4 *2016, has the legal effect of including the coverage required by*  
5 *this section, and any provision of the evidence of coverage or*  
6 *renewal which is in conflict with this section is void.*

7       4. *As used in this section, "topical ophthalmic product"*  
8 *means a liquid prescription drug which is applied directly to the*  
9 *eye from a bottle or by means of a dropper.*

10       **Sec. 8.** NRS 695C.050 is hereby amended to read as follows:

11       695C.050 1. Except as otherwise provided in this chapter or  
12 in specific provisions of this title, the provisions of this title are not  
13 applicable to any health maintenance organization granted a  
14 certificate of authority under this chapter. This provision does not  
15 apply to an insurer licensed and regulated pursuant to this title  
16 except with respect to its activities as a health maintenance  
17 organization authorized and regulated pursuant to this chapter.

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

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

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

36       5. The provisions of NRS 695C.1694, 695C.1695 and  
37 695C.1731 *and section 7 of this act* apply to a health maintenance  
38 organization that provides health care services through managed  
39 care to recipients of Medicaid under the State Plan for Medicaid.

40       **Sec. 9.** NRS 695C.330 is hereby amended to read as follows:

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



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

8 (b) The health maintenance organization issues evidence of  
9 coverage or uses a schedule of charges for health care services  
10 which do not comply with the requirements of NRS 695C.1691 to  
11 695C.200, inclusive, *and section 7 of this act* or 695C.207;

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

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

16 (1) Does not meet the requirements of subsection 1 of NRS  
17 695C.080; or

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

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

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

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

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

31 (2) Conducting external reviews of adverse determinations  
32 that comply with the provisions of NRS 695G.241 to 695G.310,  
33 inclusive;

34 (h) The health maintenance organization or any person on its  
35 behalf has advertised or merchandised its services in an untrue,  
36 misrepresentative, misleading, deceptive or unfair manner;

37 (i) The continued operation of the health maintenance  
38 organization would be hazardous to its enrollees;

39 (j) The health maintenance organization fails to provide the  
40 coverage required by NRS 695C.1691; or

41 (k) The health maintenance organization has otherwise failed to  
42 comply substantially with the provisions of this chapter.

43 2. A certificate of authority must be suspended or revoked only  
44 after compliance with the requirements of NRS 695C.340.



1 3. If the certificate of authority of a health maintenance  
2 organization is suspended, the health maintenance organization shall  
3 not, during the period of that suspension, enroll any additional  
4 groups or new individual contracts, unless those groups or persons  
5 were contracted for before the date of suspension.

6 4. If the certificate of authority of a health maintenance  
7 organization is revoked, the organization shall proceed, immediately  
8 following the effective date of the order of revocation, to wind up its  
9 affairs and shall conduct no further business except as may be  
10 essential to the orderly conclusion of the affairs of the organization.  
11 It shall engage in no further advertising or solicitation of any kind.  
12 The Commissioner may, by written order, permit such further  
13 operation of the organization as the Commissioner may find to be in  
14 the best interest of enrollees to the end that enrollees are afforded  
15 the greatest practical opportunity to obtain continuing coverage for  
16 health care.

17 **Sec. 10.** Chapter 695G of NRS is hereby amended by adding  
18 thereto a new section to read as follows:

19 *1. A managed care organization which offers or issues a*  
20 *health care plan that provides coverage for prescription drugs*  
21 *shall not deny coverage for a topical ophthalmic product which is*  
22 *otherwise approved for coverage by the managed care*  
23 *organization when the insured, pursuant to section 13 of this act,*  
24 *receives a refill of the product:*

25 *(a) After 21 days or more but before 30 days after receiving*  
26 *any 30-day supply of the product;*

27 *(b) After 42 days or more but before 60 days after receiving*  
28 *any 60-day supply of the product; or*

29 *(c) After 63 days or more but before 90 days after receiving*  
30 *any 90-day supply of the product.*

31 *2. The provisions of this section do not affect any deductibles,*  
32 *copayments or coinsurance authorized or required pursuant to the*  
33 *health care plan.*

34 *3. An evidence of coverage subject to the provisions of this*  
35 *chapter which provides coverage for prescription drugs and that is*  
36 *delivered, issued for delivery or renewed on or after January 1,*  
37 *2016, has the legal effect of including the coverage required by*  
38 *this section, and any provision of the evidence of coverage or*  
39 *renewal which is in conflict with this section is void.*

40 *4. As used in this section, "topical ophthalmic product"*  
41 *means a liquid prescription drug which is applied directly to the*  
42 *eye from a bottle or by means of a dropper.*

43 **Sec. 11.** NRS 287.010 is hereby amended to read as follows:  
44 287.010 1. The governing body of any county, school  
45 district, municipal corporation, political subdivision, public



1 corporation or other local governmental agency of the State of  
2 Nevada may:

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

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

18 (c) Provide group life, accident or health coverage through a  
19 self-insurance reserve fund and, where necessary, deduct  
20 contributions to the maintenance of the fund from the compensation  
21 of officers and employees and pay the deductions into the fund. The  
22 money accumulated for this purpose through deductions from the  
23 compensation of officers and employees and contributions of the  
24 governing body must be maintained as an internal service fund as  
25 defined by NRS 354.543. The money must be deposited in a state or  
26 national bank or credit union authorized to transact business in the  
27 State of Nevada. Any independent administrator of a fund created  
28 under this section is subject to the licensing requirements of  
29 chapter 683A of NRS, and must be a resident of this State. Any  
30 contract with an independent administrator must be approved by the  
31 Commissioner of Insurance as to the reasonableness of  
32 administrative charges in relation to contributions collected and  
33 benefits provided. The provisions of NRS 687B.408, 689B.030 to  
34 689B.050, inclusive, *and section 3 of this act* and 689B.287 apply  
35 to coverage provided pursuant to this paragraph.

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

42 2. If a school district offers group insurance to its officers and  
43 employees pursuant to this section, members of the board of trustees  
44 of the school district must not be excluded from participating in the  
45 group insurance. If the amount of the deductions from compensation





1 required to pay for the group insurance exceeds the compensation to  
2 which a trustee is entitled, the difference must be paid by the trustee.

3 3. In any county in which a legal services organization exists,  
4 the governing body of the county, or of any school district,  
5 municipal corporation, political subdivision, public corporation or  
6 other local governmental agency of the State of Nevada in the  
7 county, may enter into a contract with the legal services  
8 organization pursuant to which the officers and employees of the  
9 legal services organization, and the dependents of those officers and  
10 employees, are eligible for any life, accident or health insurance  
11 provided pursuant to this section to the officers and employees, and  
12 the dependents of the officers and employees, of the county, school  
13 district, municipal corporation, political subdivision, public  
14 corporation or other local governmental agency.

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

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

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

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

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

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

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

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

36 **Sec. 12.** NRS 287.04335 is hereby amended to read as  
37 follows:

38 287.04335 If the Board provides health insurance through a  
39 plan of self-insurance, it shall comply with the provisions of NRS  
40 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645, 695G.167,  
41 695G.170, 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230,  
42 inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, *and*  
43 *section 10 of this act*, in the same manner as an insurer that is  
44 licensed pursuant to title 57 of NRS is required to comply with those  
45 provisions.



1     **Sec. 13.** Chapter 639 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3     1. *Except as otherwise provided in subsection 2, a*  
4 *pharmacist, upon the request of a patient having difficulty with*  
5 *inadvertent wastage of a topical ophthalmic product, and pursuant*  
6 *to a valid prescription which bears specific authorization to refill,*  
7 *shall dispense a refill of the product:*

8     (a) *After 21 days or more but before 30 days after the patient*  
9 *has received any 30-day supply of the product;*

10    (b) *After 42 days or more but before 60 days after the patient*  
11 *has received any 60-day supply of the product; or*

12    (c) *After 63 days or more but before 90 days after the patient*  
13 *has received any 90-day supply of the product.*

14    2. *The provisions of subsection 1 do not:*

15    (a) *Apply to any controlled substance; or*

16    (b) *Authorize any refills in excess of the number of refills*  
17 *indicated on the prescription by the prescribing practitioner.*

18    3. *As used in this section:*

19    (a) *“Inadvertent wastage” means loss of a topical ophthalmic*  
20 *product due to difficulty applying the product to the eye as*  
21 *directed.*

22    (b) *“Topical ophthalmic product” means a liquid prescription*  
23 *drug which is applied directly to the eye from a bottle or by means*  
24 *of a dropper.*

25     **Sec. 14.** NRS 639.2397 is hereby amended to read as follows:

26     639.2397 Any authorization to refill a prescription issued  
27 pursuant to the provisions of NRS 639.2393 to 639.2397, inclusive,  
28 *and section 13 of this act* may be rescinded at any time after that  
29 authorization is given, by the original practitioner or by another  
30 practitioner acting in his or her behalf or by another practitioner who  
31 is caring for the patient for whom the original prescription was  
32 issued, by notifying the pharmacy in which the prescription was  
33 filled orally or in writing.

34     **Sec. 15.** 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. 16.** This act becomes effective:

38     1. Upon passage and approval for the purposes of adopting any  
39 regulations and performing any preparatory administrative tasks  
40 necessary to carry out the provisions of this act; and

41     2. On January 1, 2016, for all other purposes.

