

**MINUTES OF THE
SENATE COMMITTEE ON COMMERCE, LABOR AND ENERGY**

**Seventy-Eighth Session
March 25, 2015**

The Senate Committee on Commerce, Labor and Energy was called to order by Chair James A. Settelmeyer at 8:36 a.m. on Wednesday, March 25, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator James A. Settelmeyer, Chair
Senator Patricia Farley, Vice Chair
Senator Joe P. Hardy
Senator Becky Harris
Senator Mark A. Manendo
Senator Kelvin Atkinson
Senator Pat Spearman

GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senatorial District No. 7
Senator Tick Segerblom, Senatorial District No. 3

STAFF MEMBERS PRESENT:

Marji Paslov Thomas, Policy Analyst
Dan Yu, Counsel
Patricia Devereux, Committee Secretary

OTHERS PRESENT:

Tony Guerra, President, Wongu University of Oriental Medicine
Mendy Elliott, Chiropractic Physicians' Board of Nevada
George Ross, Astellas Pharma US, Inc.
Barry Gold, AARP Nevada
Stacy Woodbury, MPA, Executive Director, Nevada State Medical Association

Senate Committee on Commerce, Labor and Energy
March 25, 2015
Page 2

Tom McCoy, American Cancer Society Cancer Action Network
Kirby Consier, Leukemia and Lymphoma Society
Denise Selleck, Nevada Osteopathic Medical Association
Keith Lee, Nevada Association of Health Plans
Jim Wadhams, Anthem Insurance Company
Scott Kipper, Commissioner of Insurance, Division of Insurance, Department of
Business and Industry
Garrett Gordon, Nevada Association of Naturopathic Physicians
Robert Maki, ND, President, Nevada Association of Naturopathic Physicians
Joseph Pizzorno, ND
Charlene Hamilton
Linda Jacob
Angel DeFazio
Julie Coombs
Liz MacMenamin, Retail Association of Nevada
Yvonne L. Murphy, Board of Homeopathic Medical Examiners
Jay Parmer, America's Health Insurance Plans

Chair Settlemeyer:

We will open the hearing on Senate Bill (S.B.) 393.

SENATE BILL 393: Revises provisions related to Oriental medicine. (BDR 54-864)

Senator David R. Parks (Senatorial District No. 7):

Senate Bill 393 concerns the practice of Oriental medicine. Under the *Nevada Revised Statutes* (NRS), the State Board of Oriental Medicine regulates practitioners of such medicine, including acupuncturists. The bill will exempt from licensing acupuncturists licensed in another state who are employed by a Nevada school of Oriental medicine for teaching, supervising and demonstrating acupuncture methods in a clinical setting.

Senator Tick Segerblom (Senatorial District No. 3):

Senate Bill 393 deals with Wongu University of Oriental Medicine, an acupuncture and Oriental medicine university in Las Vegas. University officials want to bring in masters from around the Country and foreign nations, including China, to teach. However, NRS 634A.200 prohibits practitioners not licensed in Nevada from doing so. The bill would allow Wongu University to bring in unlicensed experts from around the world and Nation to teach there. Las Vegas

is primed to become the alternative medicine capital of the world. We have a perfect environment for medical tourism, with experimentation and education already occurring. Wongu University offers a fantastic educational opportunity for people from around the Country.

Tony Guerra (President, Wongu University of Oriental Medicine):

In the annals of Oriental medicine in the United States, Nevada's Legislature is a significant player. An article in the April 23, 1973, edition of *Time* magazine stated:

The Nevada state legislature last week became the first in the nation to declare traditional Chinese medicine "a learned profession." By nearly unanimous vote, the lawmakers legalized acupuncture, herbal medicine and other Chinese practices.

In 1973, acupuncturist Dr. Benjamin, whose Chinese name was Yee Kung Lok, became the first licensed U.S. doctor of Oriental medicine. Dr. Lok's grandson Henry Lok is studying at Wongu University, the State's first and only school of Oriental medicine. The school is in its third year, and has candidacy status from the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM), a federally recognized accreditation body that allows schools to apply for financial aid for students under Title IV of the Higher Education Act of 1965. The University gained that status in the fastest time in the history of ACAOM.

That said, we are perplexed by the slow growth of the profession of Oriental medicine in Nevada. Why are there only 57 licensed doctors of Oriental medicine in the State—one licensed practitioner for every 54,000 Nevadans? California has one licensed acupuncturist for every 3,000 residents, and Arizona has more than ten times the number of licensed acupuncturists than Nevada and one practitioner for every 11,000 residents, nearly five times Nevada's ratio.

In addition to 2,500 hours' worth of didactic instruction, the Wongu University master of science degree requires 1,000 hours of supervised clinical training. In 2014, the ACAOM accreditation team lauded the school as being better prepared to receive candidacy than any other institution it had reviewed over 20 years. The team also found only 50-plus licensed acupuncture practitioners in Nevada. It is challenging to recruit experienced practitioners to teach at Wongu University, especially clinical supervisors. In their action letter granting

candidacy status to the school, ACAOM commissioners reiterated that it is imperative to find a solution to the paucity of licensed practitioners to supervise students. Senate Bill 393 will solve that "Catch-22" situation in Nevada: we need to train more practitioners, but must have more experienced licensed practitioners to do so.

Chair Settlemeyer:

Senate Bill 393 seems similar to other visiting licensed instructor issues with which the Legislature has dealt. Would the instructors be paid on a daily basis for doing acupuncture? Is the bill just about gaining instructors?

Mr. Guerra:

Correct, the supervisors would not practice for pay. The bill will allow practitioners licensed in other states to supervise interns in our clinic. The ACAOM team recommended a ratio of one supervisor per four interns.

Senator Hardy:

The bill's section 1, subsection 2, paragraph (a) exempts any practitioner "Who is employed by an accredited school of Oriental medicine located in this State." Obviously, school employees will do acupuncture on patients seeking treatment. Are they not seeing patients in the clinic on a regular basis?

Mr. Guerra:

As supervisors, practitioners would oversee interns actually administering the treatment. That is the supervisors' role in any medical clinical scenario.

Senator Hardy:

In medical clinics, interns, residents or medical students see patients regularly and assist with deliberative care as they learn. A physician sees a patient regularly, and the learner comes in before, during or afterwards. The physician may be the point of charging because the student does not have the "secret number" of the billing information, which goes through the physician of record. Is it true in Oriental medicine that students care for patients for free because they lack the billing codes?

Mr. Guerra:

There is a reduced charge when interns practice on patients. We are hiring practitioners within the State to serve the public. They will be paid a comparable rate to practitioners in neighboring states. Senate Bill 393 is specific

to overseeing interns. Since we require that practitioners be licensed in other states, they will oversee interns' treatments or potentially administer them as demonstrations.

Chair Settlemeyer:

I understand the concept of reciprocity with other states' licensing. I am concerned that other countries may not have the same rigorous training, standards or skill sets as in the United States. Section 1, subsection 2, paragraph (b) of S.B. 393 identifies a practitioner, "Who is licensed to practice acupuncture in another state or jurisdiction." Should we discuss or tighten up that language?

Mr. Guerra:

The origin of the discipline is East Asia. China has 15 universities with dual medicine schools: allopathic Western medicine and Oriental medicine. All of those schools do research. Expert practitioners from East Asia would enhance the quality of Womg University instruction. They would probably be licensed in and coming from schools in China. In East Asia, the status of education in the field is very advanced.

Oriental medicine is a relatively young profession in the United States, with the oldest U.S. school at just 40 years. The situation is analogous to if a school taught foreign languages, and native speakers of the languages were barred from coming here to teach. California allows a plentitude of teacher options. I foresee qualified experts from East Asia coming to Nevada to teach.

Senator Segerblom:

Perhaps the language should reflect that the credentials of foreigners could be reviewed by the State Board of Oriental Medicine, instead of specifying that teachers be from the United States. Having Chinese instructors would be fantastic.

Chair Settlemeyer:

I agree with the concept of allowing foreign practitioners to demonstrate techniques. I just want to ensure they have appropriate training to supervise the work of someone who is being paid.

Mendy Elliott (Chiropractic Physicians' Board of Nevada):

When out-of-state chiropractors come here to practice, a background check is required. Would such checks be required under S.B. 393?

Senator Hardy:

Are you suggesting that when practitioners come from outside our "jurisdiction"—aka China—we require a background check, like for the CIA and FBI?

Ms. Elliott:

Whether out-of-state doctors come here for 5 or 10 days, the Chiropractic Physicians' Board of Nevada requires background checks. I do not know if other health boards require that.

Senator Hardy:

We can try to figure out how many other boards or states require physician background checks.

Chair Settlemeyer:

We will close the hearing on S.B. 393. We will open the hearing on S.B. 328.

SENATE BILL 328: Revises provisions relating to policies of health insurance.
(BDR 57-794)

Senator Patricia Farley (Senatorial District No. 8):

Senate Bill 328 requires that health insurers issuing policies and plans that include drug coverage and the commissioner of insurance to make formularies and other information available online. A formulary is a list of drugs covered under insurance or health care plans.

I am an employer who provides health insurance for my workers. I pay a significant portion of their insurance, which includes pharmacy coverage. It is very upsetting to pay for a plan that meets an employee's needs then get a letter informing me that specific doctors, hospitals and drugs are no longer included in the plan. The letters never include a reduction in premium rates, so now the plan costs the same for me, but my employees and I are now paying more for a less-comprehensive or -inclusive plan.

My father is in end-stage cardiac disease. He takes several medications throughout the day, supervised by a nurse. As you can imagine, the insurance cost for my father is very high, and we pay for the best plan for his needs. His pharmacy coverage changes monthly, mostly through drugs being deleted. It is upsetting that we pay the same price for a reduced plan. Our out-of-pocket costs increase monthly, while the plan cost has not dropped.

Senate Bill 328 will help remedy this situation as outlined in my information sheet ([Exhibit C](#)). It is important to people with serious or chronic health problems that their health plans cover the drugs they need. In Nevada, public and private health insurance policies and plans must inform customers which drug formularies are used and make them available upon request. However, drugs that are covered vary by plan. Because of increasingly complex drug formularies, many people with chronic conditions cannot easily obtain the information they need to confirm that their drugs are covered. Senate Bill 328 will create a one-stop Website for patients to search for insurance based on prescription drug coverage.

Insurance companies that list formulary information online do not use the same organizational structures, which makes it difficult to compare plans. A study published by the American Cancer Society Cancer Action Network found that patients find it difficult, if not impossible, to make apples-to-apples comparisons of drug prices across marketplace plans. The study noted that no insurance issuers provide a drug-by-drug list of copayments or coinsurance rates for each plan. Instead, patients must match formulary information to cost-sharing information to calculate potential costs.

Senate Bill 328 would require the commissioner of insurance to create a standard template for insurers and health plans to display drug formularies on the Website of the Division of Insurance. The template must include information about out-of-pocket costs, such as the amount of copayments, coinsurance or deductibles for each drug on the formulary; information about utilization review measures, such as prior authorization or step therapy for each drug on the formulary; information on any drugs that are preferred over others on the formulary; information that a previously prescribed and covered drug, which is no longer on the formulary, may be covered by the insurer or plan; and notification that there is no guarantee a particular drug on the formulary will be prescribed to the insured for a particular medical condition. In addition, the

Silver State Health Insurance Exchange must provide links to formularies on its Website listing qualified plans offered by the Exchange.

We have the technology that can easily translate drug coverage information into a format for consumers to make informed choices about insurance. The bill is especially important for patients who need a specific product to manage chronic medical conditions; this becomes a quality-of-life issue.

George Ross (Astellas Pharma US, Inc.):

I would not be here today without the drugs I take. Every time I get my pills package in the mail, I have to go through my insurance formularies to make sure it contains the pills I need at the right prices. This kind of information is incredibly important when trying to figure out which insurance to buy for people aged 50 and over and children with chronic conditions. That was the paramount objective in crafting S.B. 328.

Doctors prescribe specific drugs, and even though drugs may be in the same class, every patient's body and needs are different. We all need particular pills and to be able to find out if our insurance formularies include them. Then we have to figure out which pill is the cheapest, based on copayments, health savings accounts and deductible amounts. All of those factors must be balanced.

The average person is not good at going through all of the Websites and computer systems. The bill will allow anyone with access to a computer to compare plan formularies easily and quickly to make decisions based on fair, sensible and rational comparisons. Currently, consumers have to go through several Websites to get enough information. Although companies have worked hard to make formularies understandable, interpreting them is more like comparing apples to turnips, versus apples-to-apples. Out-of-pocket drug payments need to be clear.

Section 1, subsection 1, paragraph (d) of S.B. 328 requires that it be made clear which drugs are covered under plans' medical benefits or prescription benefits, depending on the drug and how the insurance is structured.

Senator Farley:

When doctors prescribe medications, S.B. 328 will make it easy for people to pull up their plans online, find those medicines and ascertain their out-of-pocket

costs. They can also see alternative drugs if the cost is too high, and that will trigger conversations with doctors about lower-tiered options or generics. The bill will put a lot of protection and power back into consumers' hands. The ability of someone like my father who takes an extreme number of medications to be able to manage that financially would be great, versus finding out from the pharmacy that what cost \$280 last month now costs more than \$400.

Senator Harris:

Can you clarify the bill's section 1, subsection 1, paragraph (d)? What is an example of a drug covered by a medical benefit, as opposed to a prescription benefit? Are you talking about insurance with add-on prescription benefit plans?

Mr. Ross:

If you obtain certain cancer drugs at the doctor's office or hospital, there are different costs than if you buy them at a pharmacy under a plan's medical benefit.

Barry Gold (AARP Nevada):

The health insurance industry is very complex for consumers trying to buy coverage. The implications of their purchases are very serious for health and financial reasons. Information is power, and S.B. 328 will give information to consumers, who can then make better-informed decisions. A standardized formulary format will help consumers better understand the incredibly complex formulary system. Medicare has a listing organized by state of plans' formularies as part of the State Health Insurance Assistance Program. For the rest of us, the bill's standardization provisions will help us financially and improve our health outcomes.

Stacy Woodbury, MPA (Executive Director, Nevada State Medical Association):

The Nevada State Medical Association supports S.B. 328 for the reasons stated by Mr. Gold.

Tom McCoy (American Cancer Society Cancer Action Network):

You have my written testimony ([Exhibit D](#)), to which I will add some comments. For anyone dealing with chronic illness or disability, finding a health insurance plan that covers your needs and is affordable directly impacts your ability to effectively fight your disease. When we shop for a health plan, we can figure out what our premiums will be, but the difficulty is determining the cost of prescriptions.

On the old television show “The Price Is Right,” contestants viewed products and then bid on them, not knowing the true retail price. If their guess was close, they won a prize. The problem with drug formularies is we do not know exactly what is on them or which tiers drugs are on. There is also the coinsurance element, which is a percentage of an unknown. Senate Bill 328 will give Nevadans the opportunity to see if “The Price Is Right” for them. If my choice is between paying the mortgage or buying cancer drugs, I will opt for the latter. Senate Bill 328 will provide people shopping for health plans with the opportunity to access formularies of different companies, which is currently impossible.

Kirby Consier (Leukemia and Lymphoma Society):

The Leukemia and Lymphoma Society is the world’s largest volunteer organization dedicated to blood cancer patients’ needs. The Centers for Medicare and Medicaid Services (CMS) has increased the formularies information requirement for health plans on the Health Insurance Marketplace. However, CMS believes two major functions are still unaddressed for consumers shopping for prescription drugs on the Health Insurance Marketplace. A searchable prescription drug tool with information organized in a standard template is needed so that during the open enrollment period, when consumers are shopping for plans that meet their specific needs, they can easily see if their prescribed medications are covered. Now, CMS will require plans to post their formularies, including tier structures, in plan year 2016 and beyond. However, when consumers access formulary information on the Health Insurance Marketplace, they are taken to a pdf document. They have to sift through a list of drugs that varies from 6 to 100 pages—and that is just to determine whether their prescription drugs are covered by their plans. It is nearly impossible for consumers to determine their out-of-pocket costs for 30-day supplies.

Disclosure of the actual cost-sharing dollar amounts of medications is not required by the CMS. Many medications for cancer and other chronic-care conditions are on the highest-cost tier or are subject to coinsurance. The difference between a 20 percent and a 40 percent coinsurance payment can be hundreds of dollars in out-of-pocket expenses.

Senate Bill 328 will remedy issues unresolved by CMS by requiring prescription drugs to be searchable with information about them presented in a standardized template so consumers can compare plans in Affordable Care Act (ACA) metal tiers and from different insurance carriers. The bill will also give consumers

essential cost-sharing-range information for out-of-pocket expenses so they can determine which plans have the most appropriate coverage and cost sharing. Without knowing the full breadth of drug coverage and cost-sharing information of formularies, consumers cannot make truly informed decisions.

Denise Selleck (Nevada Osteopathic Medical Association):

The Nevada Osteopathic Medical Association supports S.B. 328 for patients' needs.

Senator Hardy:

A large portion of S.B. 328 deals with mental health issues. Do you also support that?

Ms. Selleck:

Yes, we do.

Keith Lee (Nevada Association of Health Plans):

The members of the Nevada Association of Health Plans insure approximately 35 percent of Nevadans who have health insurance. We oppose S.B. 328. We have had many conversations with the office of the commissioner of insurance, as it has a big stake in the debate. We have submitted a proposed amendment ([Exhibit E](#)). The Nevada Association of Health Plans knows consumers need more information on formularies, which are quite complex. There are four tiers containing different drugs and copayments, coinsurance and deductibles.

A good portion of S.B. 328 should be put into rule making with the Division of Insurance. We have heard that CMS has developed regulations regarding formularies that start in 2016; rule making will enhance them in 2017. The Division's regulatory scheme is more flexible. When the regulation process is in place, ultimately, the Legislative Commission will approve those regulations.

Jim Wadhams (Anthem Insurance Company):

Today's testimony reflects the well-deserved frustration with life under the ACA. Shopping for insurance under the ACA is not like using Travelocity, whereby you can just plug in your destination online and get the best price. There are endless variables in ACA health insurance products. Within the four metal tiers, each carrier may have four variations. The number of accommodations and permutations becomes exponential.

When the Silver State Health Insurance Exchange began in 2014, Xerox Corporation was going to create a Website that would make everything transparent and easy for insurance shoppers. It did not succeed in that goal, and now the Exchange Website is under federal auspices. You have the list of Anthem's 4 Tier Formulary Select Drug List ([Exhibit F](#)). Senate Bill 328 will enhance transparency and the ease with which consumers can fill their drug needs.

Senator Hardy:

Do you have any problems with the bill's mental health provisions?

Mr. Wadhams:

No. Networks serving mental health patients are posted in a drop-down menu on the Anthem Website.

Scott Kipper (Commissioner of Insurance, Division of Insurance, Department of Business and Industry):

Senate Bill 328 is in line with the Division of Insurance's mission of enhancing consumer education. The bill will have significant impacts on the Division's operations.

Senator Harris:

Would insurance plans' prescription drug programs also be impacted by S.B. 328? Would such plans be required to post the types of drugs they cover online so consumers can determine if they must purchase additional insurance for prescriptions?

Mr. Kipper:

I believe that you are talking about prescription drug card programs. Those are discount plans, rather than providing coverage for specific drugs. The bill would not affect prescription drug card programs.

Senator Harris:

Do prescription drug card programs discount all types of drugs?

Mr. Kipper:

All drugs are discounted from the retail price.

Chair Settlemeyer:

We will close the hearing on S.B. 328 and open the hearing on S.B. 408.

SENATE BILL 408: Revises provisions relating to naturopathic medicine.
(BDR 54-663)

Senator Pat Spearman (Senatorial District No. 1):

Senate Bill 408 will regulate naturopathic medicine and establish a Board of Naturopathic Medicine. Naturopathic physicians combine the wisdom of nature with the rigors of modern science. Naturopathic medicine uses traditional healing methods and principles, focusing on holistic, proactive prevention and comprehensive diagnosis and treatment. Naturopathic doctors (NDs) help facilitate the body's inherent ability to restore and maintain optimal health.

Naturopathic practitioners work in private practices, hospitals, clinics and community health centers throughout the Nation and Canada. People undergo rigorous training before they become licensed NDs. They treat medical conditions such as allergies, chronic pain, digestive issues, hormonal imbalances, obesity, respiratory conditions, cancer, fibromyalgia and chronic fatigue syndrome. Naturopathic doctors also perform minor surgeries, such as removing cysts and suturing superficial wounds; however, they do not perform major surgeries. They are trained in the use of prescription drugs, although the emphasis is on the use of natural healing agents.

Seventeen states, the District of Columbia and the U.S. territories of Puerto Rico and the U.S. Virgin Islands have laws that license and regulate NDs. In order to be licensed, NDs are required to obtain degrees from accredited, 4-year residential naturopathic medical schools and pass extensive post-doctoral board examinations.

Senate Bill 408 would impose similar licensing requirements. It will establish, provide for the organization of and set forth the powers and duties of the Board of Naturopathic Medicine. The Board's powers and duties will include determining applicants' qualifications for various licenses and certificates, certification of NDs as specialists, certification of naturopathic assistants and regulation of medical students participating in clinical training programs and of graduates of approved schools of naturopathic medicine who wish to participate in internships, preceptorships and fellowship-training programs.

Sections 40 through 42 of S.B. 408 set forth NDs' scope of practice, provide for authorized methods to administer natural substances, identify requirements to be met before intravenous therapy may be administered and authorize NDs to dispense natural and certain controlled substances, drugs and medical devices. The bill also establishes grounds for disciplinary actions against NDs or naturopathic assistants and the procedures for addressing complaints and imposing disciplinary action. The bill also provides for injunctive relief and civil penalties for certain violations.

Senate Bill 408 will amend provisions of NRS to ensure that NDs and the Board are licensed and regulated in the same manner as are other physicians and State medical boards that license health care providers.

Garrett Gordon (Nevada Association of Naturopathic Physicians):

Section 17 of S.B. 408 outlines the purpose of licensing NDs and certifying naturopathic assistants is to protect public health and general welfare of State residents. The bill creates a licensing structure with strict education and experience requirements, a clear and concise scope of practice to diagnose and treat patients, and disciplinary measures to take action against unlicensed NDs.

The states, District of Columbia and U.S. territories with licensing regulations include Nevada's neighbors: California, Oregon, Idaho, Utah and Arizona. Senate Bill 408 was modeled after Arizona's law. It will provide another health care option for State consumers, who can be confident that licensed NDs are competent, educated and experienced.

Rather than creating a new medical board or commission—and the ensuing fiscal impact that has on the State—the bill would create something similar to the licensing of dietitians. Assembly Bill No. 289 of the 76th Session established a licensing scheme for dietitians into NRS under the State Board of Health. We are working on a conceptual amendment to S.B. 408 that would make its provisions fee-based with fees collected from licensing and disciplinary actions. This would negate the fiscal impact on the State Board of Health, much like the dietitians' statutory scheme.

There was concern by chiropractors about the scope of "musculoskeletal manipulation" in S.B. 408 section 40, subsection 1, paragraph (c), subparagraph (9). Our proposed amendment would delete those words from the bill. Discussions have looked into how to designate NDs. Many people object to

“physician,” so we propose to remove that term from the bill. Prescription rights have also been discussed. Naturopathic doctors prescribe hormonal drugs. We are willing to remove prescription rights from the bill. We have 35 letters of support ([Exhibit G](#)) for S.B. 408.

Robert Maki, ND (President, Nevada Association of Naturopathic Physicians):

Naturopathic doctors are good for the State. They help protect residents’ health and safety, increase access to health care and can increase the cost-effectiveness of prevention and treatment of chronic diseases. Nevada is the only western state that does not license NDs. This creates a void in the marketplace that prevents Nevadans from differentiating between untrained and trained NDs. Unlicensed practitioners from neighboring states could potentially come here to practice, which could jeopardize public health.

A goal of the Nevada Association of Naturopathic Physicians is to educate the public so it has a clear distinction between different types of naturopathic practitioners. Nevada has a doctor shortage, and licensing NDs would alleviate that. Nevada NDs practicing outside of the State might return if they could be licensed here.

Naturopathic doctors specialize in treating and preventing chronic disease. According to “The Burden of Chronic Disease” report ([Exhibit H](#)) from the Department of Health and Human Services, Chronic Disease Section, in 2013, heart disease, arthritis, chronic obstructive pulmonary disease, diabetes and cancer cost the State more than \$4 billion in direct costs annually. That is projected to increase to more than \$9 billion by 2023, while the indirect cost of chronic disease is projected to be more than \$36 billion by 2023.

Through lifestyle counseling and other modalities, naturopathic medicine is very good at treating and managing chronic conditions. If only a pharmaceutical or drug approach is used, as diseases progress, treatment becomes more expensive. Medical costs are escalating out of control, and naturopathy can help limit them.

Joseph Pizzorno, ND:

I have been a licensed ND in the state of Washington since 1975. I am the president emeritus of Bastyr University. Prospective NDs must study premed courses then attend a 4-year graduate program in naturopathic medicine. Candidates must then appear before naturopathic and clinical sciences boards

before becoming licensed in the aforementioned 17 states, the District of Columbia and U.S. territories. The education is extensive, and it counts. Candidates' license applications are reviewed by a national medical group because they take the same courses as do other medical students, including diagnosis training; however, ND diagnoses focus more on nutritional deficiencies, environmental toxins, lifestyles and behavioral factors. Our greatest divergence from conventional medicine is in treatment. We also teach pharmacology, primarily about acute medicine. Many Bastyr University graduates practice in rural underserved areas where acute medicine is unavailable. The education patterns are good and solid. Our malpractice rate is very low because NDs give people the benefit of maximum education for the services we provide. People wonder about the quality of our national naturopathic exams. The Oregon Health and Sciences University compared the basic sciences in naturopathic medicine to conventional medicine and found them comparable. We have high-quality standards, practices and unique qualifications. Nationally, there has been a remarkable resurgence of the ND profession in the last few years. When I graduated in 1975, only six states licensed NDs. Now, we are up to 20. Nationally, we are seeing more licenses and also getting coverage.

Senator Harris:

Under the minor health care provisions of S.B. 408, types of naturopathic practitioners are listed. What do those practitioners do? What is an intern or preceptee allowed to do?

Dr. Maki:

An intern has recently graduated from an accredited naturopathy school and has been practicing either prior to or after graduation. Preceptees are usually still in school. As part of the graduation process, students "preceptor" with practicing NDs in a variety of community settings. A fellow usually has post-doctoral training in a specialty, such as oncology.

Senator Harris:

Do preceptees typically practice with NDs, or do they also shadow or work with conventional medical doctors?

Dr. Maki:

That would depend on their state or community. Preceptees are usually students, so they cannot actually practice but can do some things under the

supervision of on-site physicians. After graduation, fellows and interns can perform all duties of a newly graduated doctor.

Dr. Pizzorno:

I hate the term "alternative medicine" because it suggests just one way or the other method of practice. Cooperative, integrative or complementary medicine are better terms to describe naturopathy. Naturopathy is gaining credence. The Washington Osteopathic Medical Association has long supported licensing NDs. In 1985, the Association opposed such licensing. It then adopted a neutral stance and is now working within our discipline.

Senator Hardy:

Do naturopathic assistants have formalized training of a specific number of months, as do physicians assistants, who receive 20 months of training?

Dr. Maki:

There are no specific naturopathic assistant training programs. Their training is done by supervising NDs, similar to chiropractic assistants' training.

Senator Hardy:

Do naturopathic interns receive formalized training? Is there a test after the internship is completed, after which a certificate is granted by a national board?

Dr. Maki:

Yes. Upon graduation, state licenses are issued. Interns must then take the national Naturopathic Physicians Licensing Examinations (NPLEX), which equals any licensing board exam across the Country.

Senator Hardy:

After receiving their doctors' certificate, are NDs not allowed to practice until they have done yearlong residencies?

Dr. Maki:

The ND licensing process has a weakness: residencies are not generally required. Utah requires a 1-year residency before an ND can practice there. After they graduate, the majority of NDs work for another physician, so there is some supervision, and they are not practicing alone.

Senator Hardy:

Is there a similar situation for preceptees or fellows? After 3 years of residency, is there an official residency followed by fellowship?

Dr. Maki:

There is no official residency program. Nationally, the ND profession is fairly small, compared to chiropractors and medical doctors. As more states issue licenses, residency opportunities are increasing. We have a relationship with Cancer Treatment Centers of America, which agrees with our goal of integrating naturopathic medicine into cancer treatments. Many patients go the Centers because they have a balance between traditional and naturopathic approaches. Residencies are steadily increasing, but are not actually required in most states that license NDs.

Senator Hardy:

What are the requirements for continuing medical education?

Dr. Maki:

They are different in every state. I am licensed and practice in California as a ND, even though I have lived in Nevada since 2004. I prescribe medications in California, which I cannot do here. I am required to complete 60 hours of continuing education credit—40 hours of general education and 20 hours of pharmacy education—every 2 years. That is true for almost every state with licensing, whether that is accomplished annually or biannually.

Senator Hardy:

Is there a board exam for certification that must be taken again in 7 to 10 years?

Dr. Maki:

No. The NPLEX is taken upon graduation to receive a state medical license. The NPLEX is a federally recognized board exam covering basic and clinical sciences.

Senator Hardy:

Is that requirement outlined in the bill?

Dr. Pizzorno:

The continuing education program credits oncology, residency programs and other vocations, such as the Centers. Voluntary residencies are available for

about one-quarter of graduates. Although all states except Utah do not require residencies, they do encourage students to do them. If you look at NDs' record of safety, efficacy and malpractice rate, it is clear that their training is sufficient and appreciated by patients.

Charlene Hamilton:

You have a copy of my written testimony ([Exhibit I](#)). I moved to Nevada 17 years ago while in poor health. Many traditional doctors had told me I tested "within normal limits," so was fine. I read about a different kind of medicine—naturopathy—so, in desperation, made an appointment with a Reno ND.

My health began to improve; however, I felt more could be done. I began reading about women's hormones and learned about natural hormone replacement therapy (HRT). There were no qualified Reno-area NDs who understood natural HRT, so I began driving 4 hours to see a California ND. After a year, in August 2010, I began receiving natural HRT from Valorie Davidson of the Renaissance Health Center in Las Vegas. Now, my life is back on track with improvements in my weight, cholesterol level and stamina, without the use of prescription drugs. My health insurance company does not recognize NDs as health care professionals.

Our society creates its own ills with unavoidable toxins and processed foods. My problems were solved not with drugs that cause more harm than good, but by ridding my body of toxins and taking nutritional supplements. Naturopathic doctors need to be accredited in this State so they are recognized by their traditional-medicine peers and their treatments are available to all Nevadans.

Linda Jacob:

I am a 40-year Nevada resident who is a registered nurse. I am a retired employee of University Medical Center of Southern Nevada, but I now live in Reno. I was a patient of Dr. Davidson, who treated my Hashimoto's disease, an immune system thyroid ailment. I was treated in Las Vegas by two endocrinologists, who put me on medications. However, I still had symptoms for several years.

Dr. Davidson was highly recommended. At my first appointment, she did a thorough exam and blood work. After monitoring, she prescribed bioidentical medications to those given to me by the endocrinologists, which I receive from

a compounding pharmacy. The new drugs are T3/T4 thyroid hormone treatment, and within a month, I was feeling much better. I was asymptomatic within 6 months.

I understand that the results by one ND do not speak for all of them in Nevada. That is why it is important for a Board of Naturopathic Medicine to be established for oversight of NDs. Another patient concern is out-of-pocket treatment and drug costs. I pay 100 percent for all of my doctor visits and medications as my insurance denied reimbursement. Senate Bill 408 will be the first step toward private insurers' reimbursements so more Nevadans can have access to naturopathy treatment without it being a financial burden.

Angel DeFazio:

I support naturopathy, under its original, founding criteria; however, I oppose S.B. 408. I began studying at Arizona's Southwest College of Naturopathic Medicine in August 1996. Within 3 weeks, I was ill because of the facility's lack of indoor air quality. I am now permanently disabled with lung damage after being prescribed an ozone generator, an unapproved medical device. The prescribing physician was ND Michael Cronin, then-president of the College. I developed pulmonary edema for almost 2 months.

At the College, I was shocked that training for NDs was simply a bastardized version of that for medical and osteopathic doctors and physician assistants. There were too many invasive components, rather than natural concentrations. As a result of my experience, I founded the National Toxic Encephalopathy Foundation, which deals with environmental illnesses. People go to NDs for environmentally mediated health issues, but NDs lack the training to understand they may need to use allopathic protocols. There needs to be an interrelationship between naturopathy and allopathy.

Arizona's licensing requirements for NDs include a formulary with minerals, vitamins, vaccines, oral contraception drugs, antibiotics, anabolic steroids and controlled substances such as morphine and cocaine. The U.S. Drug Enforcement Administration allows Arizona NDs to prescribe controlled substances from that formulary. There are many problems associated with anabolic steroids, yet NDs want to be able to prescribe them. While I believe NDs are necessary, their scope of practice needs to be constrained if they claim their treatments are "natural" and perform surgery.

Julie Coombs:

I have lived in Nevada for more than 40 years. By definition, naturopathy is practiced naturally, is noninvasive and does not include minor surgery or prescription drugs. This is the public perception of naturopathy. It is not a threat to the public; therefore, S.B. 408 is not required to protect the public or needs to mandate regulation. Most states do not license NDs as long as they practice according to the aforementioned definition.

Senator Harris:

Given the provisions of S.B. 408, how would you propose to limit NDs' scope of practice in Nevada, not as they practice in other states?

Ms. DeFazio:

Everything outside of natural treatments should be removed from the bill. This includes suturing and prescribing of drugs.

Stacy Woodbury, MPA (Executive Director, Nevada State Medical Association):

Nevada had a board of naturopathic healing from 1981 to 1987. If reestablishment of a board is being reconsidered, we need to look at why it was repealed. The Nevada State Medical Association has concerns about NDs' prescriptive authority and the nomenclature "physician." When A.B. No. 456 of the 77th Legislative Session was enacted, truth-in-advertising and disclosure provisions for health care professionals required NDs to wear name tags identifying their titles and disciplines. Many disciplines whose practitioners are not physicians require a doctorate-level education.

Ms. Selleck:

Osteopathy embraces patient choice and involvement; one of its tenets is patients are partners in their own health care. There is a strong emphasis in training osteopathic physicians on prevention and wellness. The Nevada Osteopathic Medical Association's concerns about S.B. 408 includes transparency and use of the word "physician." That gives patients the idea that a fully trained person capable of using multiple modalities is treating them.

We believe NDs should receive a post-undergraduate, 4-year medical education and then do 3 to 5 years of post-doctorate training and residency. Some traditional medicine doctors have trained for more than 15 years after college graduation. There is a significant difference in training levels between traditional

doctors and NDs, so using the term "physician" for both is wrong. The Nevada Osteopathic Medical Association is also concerned about the bill's pharmaceutical provisions, which the bill's proponents have assured us will be removed. We are also concerned about the manipulation provision because osteopathic manipulative training is part of our basic tenets.

Liz MacMenamin (Retail Association of Nevada):

The Retail Association of Nevada (RAN) is also concerned about the pharmaceutical provisions of S.B. 408 and NDs' ability to practice it. The pharmaceutical industry is highly regulated in Nevada, and physicians can only become dispensing practitioners through being licensed by the State Board of Pharmacy. The bill would remove that requirement for NDs. The RAN is also concerned about NDs being allowed to dispense medical devices and durable medical equipment, which are also highly regulated areas that require expertise and licensing by the Board. Mr. Gordon told us he would remove that language in an amendment.

Yvonne L. Murphy (State Board of Homeopathic Medical Examiners):

The State Board of Homeopathic Medical Examiners opposes S.B. 408. I have a list of concerns ([Exhibit J](#)) to discuss with Mr. Gordon and Senator Spearman.

Senator Spearman:

This is the first I have heard about these concerns.

Jay Parmer (America's Health Insurance Plans):

America's Health Insurance Plans' understanding of S.B. 408 is that it does not contain an insurance mandate. It recognizes NDs as a profession of health care providers, and that has implications. Therefore, America's Health Insurance Plans is neutral on the bill.

Ms. Elliott:

The Chiropractic Physicians' Board of Nevada is concerned about the use of the word "adjustment" in S.B. 408 section 8 and the discussion in section 40, subsection 1, paragraph (c), subparagraph (9) of "musculoskeletal manipulation."

Senator Hardy:

In the definition of "provider of health care" in the bill's section 116, subsection 1, paragraph (c), there are providers, like naturopathic assistants, who are not

listed in other sections. Would all of those providers be paid through insurance policies, independently from NDs?

Mr. Parmer:

That provision contains many types of providers. I do not know the answer to your question.

Senator Hardy:

Would a naturopathic assistant be paid directly?

Mr. Parmer:

I do believe so, but I will let you know.

Senator Spearman:

I know that this bill is controversial. I have military veteran friends, one of whom is a former Special Forces commander. The military has mandated that holistic medicine be part of pain treatment. One reason for that is pain management mostly entails drugs that put soldiers to sleep. My friend said, "If the soldier's sleeping on the couch, they're not of any use to us." Sometimes, the adverse effects of prescription medicines are worse than the ailments they are being used to cure. My friend said that about 35 percent of soldiers who are wounded in action become addicted to pain medications.

Any new medical treatment is always controversial. I hope the Committee can recognize that active-duty military personnel need access to NDs' care. Instead of looking at naturopathy as something that supplants existing health care options, we need to look at it as complementing traditional care. On this front, the military is leading the way.

Ms. DeFazio:

The National Toxic Encephalopathy Foundation has worked with veterans on treating health issues holistically.

Senate Committee on Commerce, Labor and Energy
March 25, 2015
Page 24

Chair Settlemeyer:

We will close the hearing on S.B. 408. Seeing no more business before the Senate Committee on Commerce, Labor and Energy, we are adjourned at 10:29 a.m.

RESPECTFULLY SUBMITTED:

Patricia Devereux,
Committee Secretary

APPROVED BY:

Senator James A. Settlemeyer, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A			Agenda
	B	4		Attendance Roster
S.B. 328	C	1	Senator Patricia Farley	Fact sheet on health insurance formulary transparency
S.B. 328	D	2	Tom McCoy	Written testimony
S.B. 328	E	2	Keith L. Lee	Proposed amendment
S.B. 328	F	8	Jim Wadhams	Anthem 4 Tier formulary drug list
S.B. 408	G	38	Garret Gordon	Letters of support
S.B. 408	H	143	Robert Maki	"The Burden of Chronic Disease" report
S.B. 408	I	1	Charlene Hamilton	Written testimony
S.B. 408	J	3	Yvonne L. Murphy	List of concerns by the Board of Homeopathic Medical Examiners