

---

---

ASSEMBLY BILL NO. 384—ASSEMBLYMEN KOIVISTO, McCLAIN,  
OHRENSCHALL, PARKS, ANDERSON, CHRISTENSEN,  
CLABORN, LESLIE AND PIERCE

MARCH 17, 2003

---

Referred to Committee on Health and Human Services

SUMMARY—Makes various changes concerning provision of  
prescription drugs by Department of Human  
Resources. (BDR 38-775)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

~

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

---

---

AN ACT relating to public welfare; making in skeleton form  
various changes concerning the provision of prescription  
drugs by the Department of Human Resources; creating  
the Pharmacy and Therapeutics Committee within the  
Department; and providing other matters properly relating  
thereto.

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

- 1     **Section 1.** Title 38 of NRS is hereby amended by adding  
2     thereto a new chapter to consist of the provisions set forth as  
3     sections 2 to 12, inclusive, of this act.  
4     **Sec. 2.** *As used in this chapter, unless the context otherwise*  
5     *requires, the words and terms defined in sections 3 and 4 of this*  
6     *act have the meanings ascribed to them in those sections.*  
7     **Sec. 3.** *“Department” means the Department of Human*  
8     *Resources.*  
9     **Sec. 4.** *“Committee” means the Pharmacy and Therapeutics*  
10    *Committee established pursuant to section 6 of this act.*  
11    **Sec. 5.** *The Department shall include in each program*  
12    *administered by the Department that provides prescription drugs a*  
13    *requirement that any prescription drug provided by the program*



1 *must, unless exempted by the Department at the recommendation*  
2 *of the Committee pursuant to subsection 7 of section 9 of this act,*  
3 *either:*

4 *1. Be on the list of preferred prescription drugs created*  
5 *pursuant to section 11 of this act; or*

6 *2. Require prior authorization before the prescription drug*  
7 *may be provided.*

8 **Sec. 6.** *1. The Pharmacy and Therapeutics Committee,*  
9 *consisting of 11 members appointed by the Governor, is hereby*  
10 *created in the Department.*

11 *2. The Governor shall appoint to the Committee:*

12 *(a) Six members who are physicians licensed to practice*  
13 *medicine in this state;*

14 *(b) Four members who are pharmacists registered in this state,*  
15 *one who must have a doctoral degree in pharmacy and be*  
16 *employed by a hospital licensed in this state, and one who must*  
17 *have a doctoral degree in pharmacy and be employed by a retail*  
18 *pharmacy licensed in this state; and*

19 *(c) One member appointed from a list of three persons*  
20 *provided by the Department.*

21 *3. The Governor shall appoint to the Committee persons with*  
22 *a broad range of knowledge and expertise in issues concerning*  
23 *drug therapy.*

24 *4. A person must not be appointed to the Committee if he is*  
25 *employed by, compensated by in any manner, has a financial*  
26 *interest in, or is otherwise affiliated with a business or corporation*  
27 *that manufactures prescription drugs.*

28 *5. The term of a person appointed to the Committee pursuant*  
29 *to paragraph (a) or (b) of subsection 2 who fails to satisfy the*  
30 *requirements set forth in the paragraph pursuant to which he was*  
31 *appointed terminates immediately upon such failure.*

32 **Sec. 7.** *1. The Governor shall appoint the Chairman of the*  
33 *Committee from among its members.*

34 *2. After the initial terms, the term of each member of the*  
35 *Committee is 2 years. A member may be reappointed.*

36 *3. A vacancy occurring in the membership of the Committee*  
37 *must be filled for the remainder of the unexpired term in the same*  
38 *manner as the original appointment.*

39 *4. The Committee shall meet at least once every 6 months and*  
40 *at the times and places specified by a call of the Chairman of the*  
41 *Committee.*

42 *5. A majority of the members of the Committee constitutes a*  
43 *quorum for the transaction of business, and the affirmative vote of*  
44 *a majority of the members of the Committee is required to take*  
45 *action.*



1       **Sec. 8. 1. Members of the Committee serve without**  
2 *compensation, except that a member of the Committee is entitled,*  
3 *while engaged in the business of the Committee, to receive the per*  
4 *diem allowance and travel expenses provided for state officers and*  
5 *employees generally.*

6       **2. Each member of the Committee who is an officer or**  
7 *employee of the State of Nevada or a local government must be*  
8 *relieved from his duties without loss of his regular compensation*  
9 *so that he may prepare for and attend meetings of the Committee*  
10 *and perform any work necessary to carry out the duties of the*  
11 *Committee in the most timely manner practicable. A state agency*  
12 *or local governmental entity shall not require an officer or*  
13 *employee who is a member of the Committee to make up the time*  
14 *that he is absent from work to carry out his duties as a member of*  
15 *the Committee or to use annual vacation or compensatory time for*  
16 *the absence.*

17       **Sec. 9. The Committee shall:**

18       **1. Advise the Department on issues relating to the provision**  
19 *of prescription drugs by programs administered by the*  
20 *Department;*

21       **2. Recommend guidelines to the Department for prescription**  
22 *drugs that are provided by programs administered by the*  
23 *Department;*

24       **3. Identify the prescription drugs which should be included**  
25 *on the list of preferred prescription drugs developed by the*  
26 *Department pursuant to section 11 of this act;*

27       **4. Identify classes of therapeutic prescription drugs for its**  
28 *review and perform a clinical analysis of each drug included in*  
29 *each class that is identified for review;*

30       **5. Advise the Department concerning the negotiation of**  
31 *supplemental rebates and other program benefits with*  
32 *manufacturers of prescription drugs pursuant to section 12 of this*  
33 *act;*

34       **6. Ensure that a manufacturer of prescription drugs who**  
35 *agrees to provide a supplemental rebate or other program benefit*  
36 *to the Department pursuant to section 12 of this act has an*  
37 *opportunity to present evidence which supports the inclusion of its*  
38 *prescription drugs on the list of preferred prescription drugs*  
39 *developed by the Department pursuant to section 11 of this act;*  
40 *and*

41       **7. Identify prescription drugs which should be exempt from**  
42 *the requirements of section 5 of this act because a change of a*  
43 *prescription of a patient might be detrimental to the patient,*  
44 *including, without limitation, prescription drugs, equipment and*  
45 *supplies for the treatment of diabetes, antiretroviral prescription*



1 *drugs that are prescribed for a person infected with the human*  
2 *immunodeficiency virus, prescription drugs that are prescribed for*  
3 *a person with a mental illness, and prescription drugs for family*  
4 *planning and birth control.*

5 **Sec. 10.** *The Committee may:*

6 *1. Apply for and accept any gift, donation, bequest, grant or*  
7 *other source of money to aid the Committee in carrying out its*  
8 *duties;*

9 *2. With the approval of the Director of the Department, enter*  
10 *into contracts for any services necessary to carry out its duties;*

11 *3. Establish subcommittees to investigate and analyze specific*  
12 *issues that arise as the Committee carries out its duties;*

13 *4. Conduct investigations and hold hearings in connection*  
14 *with its review and analysis; and*

15 *5. Direct the Department to assist in its research,*  
16 *investigations, review and analysis.*

17 **Sec. 11.** *The Department shall develop a list of preferred*  
18 *prescription drugs to be used by each program administered by the*  
19 *Department that provides prescription drugs. The list must*  
20 *include:*

21 *1. Prescription drugs identified by the Committee pursuant to*  
22 *subsection 3 of section 9 of this act;*

23 *2. Prescription drugs which are prescribed for the treatment*  
24 *of the same condition or disease as, but are less expensive than,*  
25 *the prescription drugs identified by the Committee pursuant to*  
26 *subsection 3 of section 9 of this act; and*

27 *3. Certain prescription drugs which are included in the*  
28 *supplemental rebate program operated by the Department*  
29 *pursuant to section 12 of this act.*

30 **Sec. 12.** *The Department shall:*

31 *1. Negotiate supplemental rebates with manufacturers of*  
32 *prescription drugs, including, without limitation, cash rebates;*

33 *2. Negotiate other program benefits with manufacturers of*  
34 *prescription drugs, including, without limitation, programs for the*  
35 *management of disease, programs for the donation of prescription*  
36 *drugs, drug utilization control programs, programs to educate and*  
37 *counsel prescribers and beneficiaries of prescription drugs, and*  
38 *programs for the prevention of fraud and abuse involving*  
39 *prescription drugs; and*

40 *3. Consider the placement of each prescription drug*  
41 *manufactured by a manufacturer who agrees to provide a*  
42 *supplemental rebate or other program benefit to the Department*  
43 *on the list of preferred prescription drugs developed by the*  
44 *Department pursuant to section 11 of this act.*



- 1     **Sec. 13.** As soon as practicable after July 1, 2003, the  
2 Governor shall appoint to the Pharmacy and Therapeutics  
3 Committee:  
4     1. Three physicians licensed to practice medicine in this state  
5 and two pharmacists registered in this state to serve initial terms of 1  
6 year;  
7     2. Three physicians licensed to practice medicine in this state  
8 and two pharmacists registered in this state to serve initial terms of 2  
9 years; and  
10    3. One member appointed from the list provided by the  
11 Department of Human Resources to serve an initial term of 2 years.  
12     **Sec. 14.** This act becomes effective on July 1, 2003.

