

Amendment No. 240

Senate Amendment to Senate Bill No. 194	(BDR 57-885)
Proposed by: Senate Committee on Commerce and Labor	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

DAN/EWR



Date: 4/17/2023

S.B. No. 194—Revises provisions relating to step therapy protocols.
(BDR 57-885)



SENATE BILL NO. 194—SENATORS OHRENSCHALL, FLORES, KRASNER; AND LANGE

FEBRUARY 23, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to step therapy protocols. (BDR 57-885)

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

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

AN ACT relating to insurance; requiring certain insurers to use evidence-based guidelines when developing a step therapy protocol; requiring such insurers to create a process by which an attending practitioner and an insured are authorized to apply for an exemption from a step therapy protocol; requiring such insurers to grant such an exemption in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law establishes a process by which a person may request an exemption from a step therapy protocol established by his or her insurer for a prescription drug used to treat late stage cancer or an associated symptom. If such a request is granted, existing law requires the insurer to cover the prescription drug. (NRS 689A.04041, 689B.0305, 689C.1684, 695A.259, 695B.19085, 695C.17333, 695G.1675) **Sections 1, 3-8 and 11** of this bill require certain private-sector insurers to establish a process by which an insured and his or her attending practitioner may: (1) request an exemption from a step therapy protocol that applies to prescription drugs; and (2) appeal a decision concerning such a request. **Sections 1, 3-8 and 11** require an insurer to: (1) grant such a request if the attending practitioner submits certain information providing adequate justification for the exemption; and (2) make the process to request an exemption and submit an appeal accessible on an Internet website maintained by the insurer. **Sections 1, 3-8 and 11** additionally require certain private-sector insurers to use guidelines based on medical or scientific evidence, if available, when developing a step therapy protocol. **Section 2** of this bill makes a conforming change to indicate the proper placement of **section 1** in the Nevada Revised Statutes.

Section 10 of this bill authorizes the Commissioner of Insurance to suspend or revoke the certificate of a health maintenance organization that fails to comply with the requirements of **section 8**. The Commissioner is also authorized to take such action against other health insurers who fail to comply with the requirements of **sections 1, 3-7 and 11**. (NRS 680A.200)

Sections 9 and 12 of this bill provide that the provisions of **sections 8 and 11** do not apply to Medicaid managed care organizations. **Sections 9 and 12 of this bill additionally provide that the provisions of sections 8 and 11, respectively, do not apply to a health maintenance organization or managed care organization that provides services to members of the Public Employees’ Benefits Program.**

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 adding thereto a new
2 section to read as follows:

3 1. *When developing a step therapy protocol, an insurer shall use guidelines*
4 *based on medical or scientific evidence, if such guidelines are available.*

5 2. *An insurer that offers or issues a policy of health insurance which*
6 *includes coverage for a prescription drug for the treatment of any medical*
7 *condition that is part of a step therapy protocol shall:*

8 (a) *Establish a clear, convenient and readily accessible process by which an*
9 *insured and his or her attending practitioner may:*

10 (1) *Request an exemption from the insured from the step therapy protocol;*
11 *and*

12 (2) *Appeal a decision made by the insurer concerning a request for an*
13 *exemption from the step therapy protocol pursuant to subparagraph (1);*

14 (b) *Make the process described in paragraph (a) accessible through an*
15 *Internet website maintained by the insurer; and*

16 (c) *Except as otherwise provided in this paragraph, respond to a request*
17 *made or an appeal submitted pursuant to paragraph (a) not later than ~~72 hours~~*
18 *2 business days after the request is made or the appeal is submitted, as applicable.*
19 *If the attending practitioner indicates that exigent circumstances exist, the*
20 *insurer shall respond to the request or appeal within 24 hours after the request is*
21 *made or the appeal is submitted, as applicable.*

22 3. *An insurer shall grant a request to exempt an insured from a step therapy*
23 *protocol made in accordance with the process established pursuant to subsection*
24 *2 if the attending practitioner for the insured submits to the insurer a statement*
25 *which provides an adequate justification for the exemption and any*
26 *documentation necessary to support the statement. The insurer shall determine*
27 *~~that~~ whether such justification exists if the statement and documentation*
28 *demonstrate that:*

29 (a) *Each prescription drug that is required to be used earlier in the step*
30 *therapy protocol:*

31 (1) *Is contraindicated or will likely cause an adverse reaction or physical*
32 *or mental harm to the insured;*

33 (2) *Is expected to be ineffective based on the known clinical*
34 *characteristics of the insured and the known characteristics of the required*
35 *prescription drug;*

36 (3) *Has been tried by the insured, regardless of whether the insured was*
37 *covered by the current policy of health insurance at the time, and was*
38 *discontinued due to lack of efficacy or effectiveness, diminished effect or an*
39 *adverse event relating to the prescription drug; or*

40 (4) *Is not in the best interest of the insured, based on medical necessity;*
41 *or*

42 (b) *The insured is stable on a prescription drug selected by his or her*
43 *attending practitioner for the medical condition under consideration, regardless*
44 *of whether the insured was covered by his or her current policy of health*
45 *insurance at the time the attending practitioner selected the drug.*

46 4. *If an insurer does not respond to a request for an exemption from a step*
47 *therapy protocol or an appeal concerning a decision relating to such a request*
48 *within the time frame prescribed by paragraph (c) of subsection 2, the request*
49 *shall be deemed to have been granted.*

1 5. *If a request for an exemption from a step therapy protocol is granted*
2 *pursuant to subsection 3 or deemed granted pursuant to subsection 4, the insurer*
3 *shall immediately authorize coverage for and dispensing of the drug chosen by*
4 *the attending practitioner for the insured.*

5 6. *A policy of health insurance subject to the provisions of this chapter that*
6 *is delivered, issued for delivery or renewed on or after ~~October 1,~~ January 1,*
7 *~~2023,~~ 2024, has the legal effect of including the coverage by this section, and*
8 *any provisions of the policy that conflict with the provisions of this section is void.*

9 7. *The provisions of this section do not apply to any prescription drug to*
10 *which the provisions of NRS 689A.04041 apply.*

11 8. *As used in this section:*

12 (a) *“Attending practitioner” means the practitioner, as defined in NRS*
13 *639.0125, who has primary responsibility for the treatment of the medical*
14 *condition of an insured for which a prescription drug is prescribed.*

15 (b) *“Medical or scientific evidence” has the meaning ascribed to it in NRS*
16 *695G.053.*

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

18 689A.330 If any policy is issued by a domestic insurer for delivery to a
19 person residing in another state, and if the insurance commissioner or
20 corresponding public officer of that other state has informed the Commissioner that
21 the policy is not subject to approval or disapproval by that officer, the
22 Commissioner may by ruling require that the policy meet the standards set forth in
23 NRS 689A.030 to 689A.320, inclusive ~~+~~, *and section 1 of this act.*

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

26 1. *When developing a step therapy protocol, an insurer shall use guidelines*
27 *based on medical or scientific evidence, if such guidelines are available.*

28 2. *An insurer that offers or issues a policy of group health insurance which*
29 *includes coverage for a prescription drug for the treatment of any medical*
30 *condition that is part of a step therapy protocol shall:*

31 (a) *Establish a clear, convenient and readily accessible process by which an*
32 *insured and his or her attending practitioner may:*

33 (1) *Request an exemption for the insured from the step therapy protocol;*
34 *and*

35 (2) *Appeal a decision made by the insurer concerning a request for an*
36 *exemption from the step therapy protocol pursuant to subparagraph (1);*

37 (b) *Make the process described in paragraph (a) accessible through an*
38 *Internet website maintained by the insurer; and*

39 (c) *Except as otherwise provided in this paragraph, respond to a request*
40 *made or an appeal submitted pursuant to paragraph (a) not later than ~~(72 hours)~~*
41 *2 business days after the request is made or the appeal is submitted, as applicable.*

42 *If the attending practitioner indicates that exigent circumstances exist, the*
43 *insurer shall respond to the request or appeal within 24 hours after the request is*
44 *made or the appeal is submitted, as applicable.*

45 3. *An insurer shall grant a request to exempt an insured from a step therapy*
46 *protocol made in accordance with the process established pursuant to subsection*
47 *2 if the attending practitioner for the insured submits to the insurer a statement*
48 *which provides an adequate justification for the exemption and any*
49 *documentation necessary to support the statement. The insurer shall determine*
50 *~~(that)~~ whether such justification exists if the statement and documentation*
51 *demonstrate that:*

52 (a) *Each prescription drug that is required to be used earlier in the step*
53 *therapy protocol:*

1 (1) *Is contraindicated or will likely cause an adverse reaction or physical*
2 *or mental harm to the insured;*

3 (2) *Is expected to be ineffective based on the known clinical*
4 *characteristics of the insured and the known characteristics of the required*
5 *prescription drug;*

6 (3) *Has been tried by the insured, regardless of whether the insured was*
7 *covered by the current policy of group health insurance at the time, and was*
8 *discontinued due to lack of efficacy or effectiveness, diminished effect or an*
9 *adverse event relating to the prescription drug; or*

10 (4) *Is not in the best interest of the insured, based on medical necessity;*
11 *or*

12 (b) *The insured is stable on a prescription drug selected by his or her*
13 *attending practitioner for the medical condition under consideration, regardless*
14 *of whether the insured was covered by his or her current policy of group health*
15 *insurance at the time the attending practitioner selected the drug.*

16 4. *If an insurer does not respond to a request for an exemption from a step*
17 *therapy protocol or an appeal concerning a decision relating to such a request*
18 *within the time frame prescribed by paragraph (c) of subsection 2, the request*
19 *shall be deemed to have been granted.*

20 5. *If a request for an exemption from a step therapy protocol is granted*
21 *pursuant to subsection 3 or deemed granted pursuant to subsection 4, the insurer*
22 *shall immediately authorize coverage for and dispensing of the drug chosen by*
23 *the attending practitioner for the insured.*

24 6. *A policy of group health insurance subject to the provisions of this*
25 *chapter that is delivered, issued for delivery or renewed on or after ~~October~~*
26 *January 1, ~~2023,~~ 2024, has the legal effect of including the coverage required*
27 *by this section, and any provisions of the policy that conflict with the provisions*
28 *of this section is void.*

29 7. *The provisions of this section do not apply to any prescription drug to*
30 *which the provisions of NRS 689B.0305 apply.*

31 8. *As used in this section:*

32 (a) *“Attending practitioner” means the practitioner, as defined in NRS*
33 *639.0125, who has primary responsibility for the treatment of the medical*
34 *condition of an insured for which a prescription drug is prescribed.*

35 (b) *“Medical or scientific evidence” has the meaning ascribed to it in NRS*
36 *695G.053.*

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

39 1. *When developing a step therapy protocol, a carrier shall use guidelines*
40 *based on medical or scientific evidence, if such guidelines are available.*

41 2. *A carrier that offers or issues a health benefit plan which includes*
42 *coverage for a prescription drug for the treatment of any medical condition that*
43 *is part of a step therapy protocol shall:*

44 (a) *Establish a clear, convenient and readily accessible process by which an*
45 *insured and his or her attending practitioner may:*

46 (1) *Request an exemption for the insured from the step therapy protocol;*
47 *and*

48 (2) *Appeal a decision made by the carrier concerning a request for an*
49 *exemption from the step therapy protocol pursuant to subparagraph (1);*

50 (b) *Make the process described in paragraph (a) accessible through an*
51 *Internet website maintained by the carrier; and*

52 (c) *Except as otherwise provided in this paragraph, respond to a request*
53 *made or an appeal submitted pursuant to paragraph (a) not later than ~~[72 hours]~~*

1 2 business days after the request is made or the appeal is submitted, as applicable.
2 If the attending practitioner indicates that exigent circumstances exist, the carrier
3 shall respond to the request or appeal within 24 hours after the request is made
4 or the appeal is submitted, as applicable.

5 3. A carrier shall grant a request to exempt an insured from a step therapy
6 protocol made in accordance with the process established pursuant to subsection
7 2 if the attending practitioner for the insured submits to the carrier a statement
8 which provides an adequate justification for the exemption and any
9 documentation necessary to support the statement. The carrier shall determine
10 ~~that~~ whether such justification exists if the statement and documentation
11 demonstrate that:

12 (a) Each prescription drug that is required to be used earlier in the step
13 therapy protocol:

14 (1) Is contraindicated or will likely cause an adverse reaction or physical
15 or mental harm to the insured;

16 (2) Is expected to be ineffective based on the known clinical
17 characteristics of the insured and the known characteristics of the required
18 prescription drug;

19 (3) Has been tried by the insured, regardless of whether the insured was
20 covered by the current health benefit plan at the time, and was discontinued due
21 to lack of efficacy or effectiveness, diminished effect or an adverse event relating
22 to the prescription drug; or

23 (4) Is not in the best interest of the insured, based on medical necessity;
24 or

25 (b) The insured is stable on a prescription drug selected by his or her
26 attending practitioner for the medical condition under consideration, regardless
27 of whether the insured was covered by his or her current health benefit plan at
28 the time the attending practitioner selected the drug.

29 4. If a carrier does not respond to a request for an exemption from a step
30 therapy protocol or an appeal concerning a decision relating to such a request
31 within the time frame prescribed by paragraph (c) of subsection 2, the request
32 shall be deemed to have been granted.

33 5. If a request for an exemption from a step therapy protocol is granted
34 pursuant to subsection 3 or deemed granted pursuant to subsection 4, the carrier
35 shall immediately authorize coverage for and dispensing of the drug chosen by
36 the attending practitioner for the insured.

37 6. A health benefit plan subject to the provisions of this chapter that is
38 delivered, issued for delivery or renewed on or after ~~October 1, 2023,~~
39 January 1, 2024, has the legal effect of including the coverage required by this section, and
40 any provisions of the policy that conflict with the provisions of this section is void.

41 7. The provisions of this section do not apply to any prescription drug to
42 which the provisions of NRS 689C.1684 apply.

43 8. As used in this section:

44 (a) "Attending practitioner" means the practitioner, as defined in NRS
45 639.0125, who has primary responsibility for the treatment of the medical
46 condition of an insured for which a prescription drug is prescribed.

47 (b) "Medical or scientific evidence" has the meaning ascribed to it in NRS
48 695G.053.

49 **Sec. 5.** NRS 689C.425 is hereby amended to read as follows:

50 689C.425 A voluntary purchasing group and any contract issued to such a
51 group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the
52 provisions of NRS 689C.015 to 689C.355, inclusive, *and section 4 of this act* to the

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

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

5 *1. When developing a step therapy protocol, a society shall use guidelines
6 based on medical or scientific evidence, if such guidelines are available.*

7 *2. A society that offers or issues a benefit contract which includes coverage
8 for a prescription drug for the treatment of any medical condition that is part of a
9 step therapy protocol shall:*

10 *(a) Establish a clear, convenient and readily accessible process by which an
11 insured and his or her attending practitioner may:*

12 *(1) Request an exemption for the insured from the step therapy protocol;
13 and*

14 *(2) Appeal a decision made by the society concerning a request for an
15 exemption from the step therapy protocol pursuant to subparagraph (1);*

16 *(b) Make the process described in paragraph (a) accessible through an
17 Internet website maintained by the society; and*

18 *(c) Except as otherwise provided in this paragraph, respond to a request
19 made or an appeal submitted pursuant to paragraph (a) not later than ~~{72 hours}~~
20 2 business days after the request is made or the appeal is submitted, as applicable.
21 If the attending practitioner indicates that exigent circumstances exist, the society
22 shall respond to the request or appeal within 24 hours after the request is made
23 or the appeal is submitted, as applicable.*

24 *3. A society shall grant a request to exempt an insured from a step therapy
25 protocol made in accordance with the process established pursuant to subsection
26 2 if the attending practitioner for the insured submits to the society a statement
27 which provides an adequate justification for the exemption and any
28 documentation necessary to support the statement. The society shall determine
29 ~~{that}~~ whether such justification exists if the statement and documentation
30 demonstrate that:*

31 *(a) Each prescription drug that is required to be used earlier in the step
32 therapy protocol:*

33 *(1) Is contraindicated or will likely cause an adverse reaction or physical
34 or mental harm to the insured;*

35 *(2) Is expected to be ineffective based on the known clinical
36 characteristics of the insured and the known characteristics of the required
37 prescription drug;*

38 *(3) Has been tried by the insured, regardless of whether the insured was
39 covered by the current benefit contract at the time, and was discontinued due to
40 lack of efficacy or effectiveness, diminished effect or an adverse event relating to
41 the prescription drug; or*

42 *(4) Is not in the best interest of the insured, based on medical necessity;
43 or*

44 *(b) The insured is stable on a prescription drug selected by his or her
45 attending practitioner for the medical condition under consideration, regardless
46 of whether the insured was covered by his or her current benefit contract at the
47 time the attending practitioner selected the drug.*

48 *4. If a society does not respond to a request for an exemption from a step
49 therapy protocol or an appeal concerning a decision relating to such a request
50 within the time frame prescribed by paragraph (c) of subsection 2, the request
51 shall be deemed to have been granted.*

52 *5. If a request for an exemption from a step therapy protocol is granted
53 pursuant to subsection 3 or deemed granted pursuant to subsection 4, the society*

1 shall immediately authorize coverage for and dispensing of the drug chosen by
2 the attending practitioner for the insured.

3 6. A benefit contract subject to the provisions of this chapter that is
4 delivered, issued for delivery or renewed on or after ~~October 1, 2023,~~
5 2024, has the legal effect of including the coverage required by this section, and
6 any provisions of the policy that conflict with the provisions of this section is void.

7 7. The provisions of this section do not apply to any prescription drug to
8 which the provisions of NRS 695A.259 apply.

9 8. As used in this section:

10 (a) "Attending practitioner" means the practitioner, as defined in NRS
11 639.0125, who has primary responsibility for the treatment of the medical
12 condition of an insured for which a prescription drug is prescribed.

13 (b) "Medical or scientific evidence" has the meaning ascribed to it in NRS
14 695G.053.

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

17 1. When developing a step therapy protocol, a hospital or medical services
18 corporation shall use guidelines based on medical or scientific evidence, if such
19 guidelines are available.

20 2. A hospital or medical services corporation that offers or issues a policy of
21 health insurance which includes coverage for a prescription drug for the
22 treatment of any medical condition that is part of a step therapy protocol shall:

23 (a) Establish a clear, convenient and readily accessible process by which an
24 insured and his or her attending practitioner may:

25 (1) Request an exemption for the insured from the step therapy protocol;
26 and

27 (2) Appeal a decision made by the hospital or medical services
28 corporation concerning a request for an exemption from the step therapy
29 protocol pursuant to subparagraph (1);

30 (b) Make the process described in paragraph (a) accessible through an
31 Internet website maintained by the hospital or medical services corporation; and

32 (c) Except as otherwise provided in this paragraph, respond to a request
33 made or an appeal submitted pursuant to paragraph (a) not later than ~~72 hours~~
34 2 business days after the request is made or the appeal is submitted, as applicable.
35 If the attending practitioner indicates that exigent circumstances exist, the
36 hospital or medical services corporation shall respond to the request or appeal
37 within 24 hours after the request is made or the appeal is submitted, as
38 applicable.

39 3. A hospital or medical services corporation shall grant a request to exempt
40 an insured from a step therapy protocol made in accordance with the process
41 established pursuant to subsection 2 if the attending practitioner for the insured
42 submits to the hospital or medical services corporation a statement which
43 provides an adequate justification for the exemption and any documentation
44 necessary to support the statement. The hospital or medical services corporation
45 shall determine ~~that~~ whether such justification exists if the statement and
46 documentation demonstrate that:

47 (a) Each prescription drug that is required to be used earlier in the step
48 therapy protocol:

49 (1) Is contraindicated or will likely cause an adverse reaction or physical
50 or mental harm to the insured;

51 (2) Is expected to be ineffective based on the known clinical
52 characteristics of the insured and the known characteristics of the required
53 prescription drug;

1 (3) *Has been tried by the insured, regardless of whether the insured was*
2 *covered by the current policy of health insurance at the time, and was*
3 *discontinued due to lack of efficacy or effectiveness, diminished effect or an*
4 *adverse event relating to the prescription drug; or*

5 (4) *Is not in the best interest of the insured, based on medical necessity;*
6 *or*

7 (b) *The insured is stable on a prescription drug selected by his or her*
8 *attending practitioner for the medical condition under consideration, regardless*
9 *of whether the insured was covered by his or her current policy of health*
10 *insurance at the time the attending practitioner selected the drug.*

11 4. *If a hospital or medical services corporation does not respond to a*
12 *request for an exemption from a step therapy protocol or an appeal concerning a*
13 *decision relating to such a request within the time frame prescribed by paragraph*
14 *(c) of subsection 2, the request shall be deemed to have been granted.*

15 5. *If a request for an exemption from a step therapy protocol is granted*
16 *pursuant to subsection 3 or deemed granted pursuant to subsection 4, the hospital*
17 *or medical services corporation shall immediately authorize coverage for and*
18 *dispensing of the drug chosen by the attending practitioner for the insured.*

19 6. *A policy of health insurance subject to the provisions of this chapter that*
20 *is delivered, issued for delivery or renewed on or after ~~October~~ January 1,*
21 *~~2023,~~ 2024, has the legal effect of including the coverage required by this*
22 *section, and any provisions of the policy that conflict with the provisions of this*
23 *section is void.*

24 7. *The provisions of this section do not apply to any prescription drug to*
25 *which the provisions of NRS 695B.19085 apply.*

26 8. *As used in this section:*

27 (a) *“Attending practitioner” means the practitioner, as defined in NRS*
28 *639.0125, who has primary responsibility for the treatment of the medical*
29 *condition of an insured for which a prescription drug is prescribed.*

30 (b) *“Medical or scientific evidence” has the meaning ascribed to it in NRS*
31 *695G.053.*

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

34 1. *When developing a step therapy protocol, a health maintenance*
35 *organization shall use guidelines based on medical or scientific evidence, if such*
36 *guidelines are available.*

37 2. *A health maintenance organization that offers or issues a health care*
38 *plan which includes coverage for a prescription drug for the treatment of any*
39 *medical condition that is part of a step therapy protocol shall:*

40 (a) *Establish a clear, convenient and readily accessible process by which an*
41 *enrollee and his or her attending practitioner may:*

42 (1) *Request an exemption for the enrollee from the step therapy protocol;*
43 *and*

44 (2) *Appeal a decision made by the health maintenance organization*
45 *concerning a request for an exemption from the step therapy protocol pursuant to*
46 *subparagraph (1);*

47 (b) *Make the process described in paragraph (a) accessible through an*
48 *Internet website maintained by the health maintenance organization; and*

49 (c) *Except as otherwise provided in this paragraph, respond to a request*
50 *made or an appeal submitted pursuant to paragraph (a) not later than ~~[72 hours]~~*
51 *2 business days after the request is made or the appeal is submitted, as applicable.*
52 *If the attending practitioner indicates that exigent circumstances exist, the health*

1 maintenance organization shall respond to the request or appeal within 24 hours
2 after the request is made or the appeal is submitted, as applicable.

3 3. A health maintenance organization shall grant a request to exempt an
4 enrollee from a step therapy protocol made in accordance with the process
5 established pursuant to subsection 2 if the attending practitioner for the enrollee
6 submits to the health maintenance organization a statement which provides an
7 adequate justification for the exemption and any documentation necessary to
8 support the statement. The health maintenance organization shall determine
9 ~~that~~ whether such justification exists if the statement and documentation
10 demonstrate that:

11 (a) Each prescription drug that is required to be used earlier in the step
12 therapy protocol:

13 (1) Is contraindicated or will likely cause an adverse reaction or physical
14 or mental harm to the enrollee;

15 (2) Is expected to be ineffective based on the known clinical
16 characteristics of the enrollee and the known characteristics of the required
17 prescription drug;

18 (3) Has been tried by the enrollee, regardless of whether the enrollee was
19 covered by the current health care plan at the time, and was discontinued due to
20 lack of efficacy or effectiveness, diminished effect or an adverse event relating to
21 the prescription drug; or

22 (4) Is not in the best interest of the enrollee, based on medical necessity;
23 or

24 (b) The enrollee is stable on a prescription drug selected by his or her
25 attending practitioner for the medical condition under consideration, regardless
26 of whether the enrollee was covered by his or her current health care plan at the
27 time the attending practitioner selected the drug.

28 4. If a health maintenance organization does not respond to a request for
29 an exemption from a step therapy protocol or an appeal concerning a decision
30 relating to such a request within the time frame prescribed by paragraph (c) of
31 subsection 2, the request shall be deemed to have been granted.

32 5. If a request for an exemption from a step therapy protocol is granted
33 pursuant to subsection 3 or deemed granted pursuant to subsection 4, the health
34 maintenance organization shall immediately authorize coverage for and
35 dispensing of the drug chosen by the attending practitioner for the enrollee.

36 6. A health care plan subject to the provisions of this chapter that is
37 delivered, issued for delivery or renewed on or after ~~October~~ January 1, 2023,
38 2024, has the legal effect of including the coverage required by this section, and
39 any provisions of the policy that conflict with the provisions of this section is void.

40 7. The provisions of this section do not apply to any prescription drug to
41 which the provisions of NRS 695C.17333 apply.

42 8. As used in this section:

43 (a) "Attending practitioner" means the practitioner, as defined in NRS
44 639.0125, who has primary responsibility for the treatment of the medical
45 condition of an insured for which a prescription drug is prescribed.

46 (b) "Medical or scientific evidence" has the meaning ascribed to it in NRS
47 695G.053.

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

49 695C.050 1. Except as otherwise provided in this chapter or in specific
50 provisions of this title, the provisions of this title are not applicable to any health
51 maintenance organization granted a certificate of authority under this chapter. This
52 provision does not apply to an insurer licensed and regulated pursuant to this title

1 except with respect to its activities as a health maintenance organization authorized
2 and regulated pursuant to this chapter.

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

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

10 4. The provisions of NRS 695C.110, 695C.125, 695C.1691, 695C.1693,
11 695C.170, 695C.1703, 695C.1705, 695C.1709 to 695C.173, inclusive, **and section**
12 **8 of this act**, 695C.1733, 695C.17335, 695C.1734, 695C.1751, 695C.1755,
13 695C.1759, 695C.176 to 695C.200, inclusive, and 695C.265 do not apply to a
14 health maintenance organization that provides health care services through
15 managed care to recipients of Medicaid under the State Plan for Medicaid or
16 insurance pursuant to the Children's Health Insurance Program pursuant to a
17 contract with the Division of Health Care Financing and Policy of the Department
18 of Health and Human Services. This subsection does not exempt a health
19 maintenance organization from any provision of this chapter for services provided
20 pursuant to any other contract.

21 5. The provisions of NRS 695C.1694 to 695C.1698, inclusive, 695C.1701,
22 695C.1708, 695C.1728, 695C.1731, 695C.17333, 695C.17345, 695C.17347,
23 695C.1735, 695C.1737, 695C.1743, 695C.1745 and 695C.1757 apply to a health
24 maintenance organization that provides health care services through managed care
25 to recipients of Medicaid under the State Plan for Medicaid.

26 **6. The provisions of section 8 of this act do not apply to a health**
27 **maintenance organization that provides health care services to members of the**
28 **Public Employees' Benefits Program. This subsection does not exempt a health**
29 **maintenance organization from any provision of this chapter for services**
30 **provided pursuant to any other contract.**

31 **Sec. 10.** NRS 695C.330 is hereby amended to read as follows:

32 695C.330 1. The Commissioner may suspend or revoke any certificate of
33 authority issued to a health maintenance organization pursuant to the provisions of
34 this chapter if the Commissioner finds that any of the following conditions exist:

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

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

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

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

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

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

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

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

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

6 (1) Resolving complaints in a manner reasonably to dispose of valid
7 complaints; and

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

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

13 (i) The continued operation of the health maintenance organization would be
14 hazardous to its enrollees or creditors or to the general public;

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

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

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

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

25 4. If the certificate of authority of a health maintenance organization is
26 revoked, the organization shall proceed, immediately following the effective date of
27 the order of revocation, to wind up its affairs and shall conduct no further business
28 except as may be essential to the orderly conclusion of the affairs of the
29 organization. It shall engage in no further advertising or solicitation of any kind.
30 The Commissioner may, by written order, permit such further operation of the
31 organization as the Commissioner may find to be in the best interest of enrollees to
32 the end that enrollees are afforded the greatest practical opportunity to obtain
33 continuing coverage for health care.

34 **Sec. 11.** Chapter 695G of NRS is hereby amended by adding thereto a new
35 section to read as follows:

36 *1. When developing a step therapy protocol, a managed care organization*
37 *shall use guidelines based on medical or scientific evidence, if such guidelines*
38 *are available.*

39 *2. A managed care organization that offers or issues a health care plan*
40 *which includes coverage for a prescription drug for the treatment of any medical*
41 *condition that is part of a step therapy protocol shall:*

42 *(a) Establish a clear, convenient and readily accessible process by which an*
43 *insured and his or her attending practitioner may:*

44 *(1) Request an exemption from the insured from the step therapy protocol;*
45 *and*

46 *(2) Appeal a decision made by the managed care organization*
47 *concerning a request for an exemption from the step therapy protocol pursuant to*
48 *subparagraph (1);*

49 *(b) Make the process described in paragraph (a) accessible through an*
50 *Internet website maintained by the managed care organization; and*

51 *(c) Except as otherwise provided in this paragraph, respond to a request*
52 *made or an appeal submitted pursuant to paragraph (a) not later than ~~(72 hours)~~*
53 *2 business days after the request is made or the appeal is submitted, as applicable.*

1 *If the attending practitioner indicates that exigent circumstances exist, the*
2 *managed care organization shall respond to the request or appeal within 24*
3 *hours after the request is made or the appeal is submitted, as applicable.*

4 3. *A managed care organization shall grant a request to exempt an insured*
5 *from a step therapy protocol made in accordance with the process established*
6 *pursuant to subsection 2 if the attending practitioner for the insured submits to*
7 *the managed care organization a statement which provides an adequate*
8 *justification for the exemption and any documentation necessary to support the*
9 *statement. The managed care organization shall determine ~~that~~ whether such*
10 *justification exists if the statement and documentation demonstrate that:*

11 (a) *Each prescription drug that is required to be used earlier in the step*
12 *therapy protocol:*

13 (1) *Is contraindicated or will likely cause an adverse reaction or physical*
14 *or mental harm to the insured;*

15 (2) *Is expected to be ineffective based on the known clinical*
16 *characteristics of the insured and the known characteristics of the required*
17 *prescription drug;*

18 (3) *Has been tried by the insured, regardless of whether the insured was*
19 *covered by the current health care plan at the time, and was discontinued due to*
20 *lack of efficacy or effectiveness, diminished effect or an adverse event relating to*
21 *the prescription drug; or*

22 (4) *Is not in the best interest of the insured, based on medical necessity;*
23 *or*

24 (b) *The insured is stable on a prescription drug selected by his or her*
25 *attending practitioner for the medical condition under consideration, regardless*
26 *of whether the insured was covered by his or her current health care plan at the*
27 *time the attending practitioner selected the drug.*

28 4. *If a managed care organization does not respond to a request for an*
29 *exemption from a step therapy protocol or an appeal concerning a decision*
30 *relating to such a request within the time frame prescribed by paragraph (c) of*
31 *subsection 2, the request shall be deemed to have been granted.*

32 5. *If a request for an exemption from a step therapy protocol is granted*
33 *pursuant to subsection 3 or deemed granted pursuant to subsection 4, the*
34 *managed care organization shall immediately authorize coverage for and*
35 *dispensing of the drug chosen by the attending practitioner for the insured.*

36 6. *A health care plan subject to the provisions of this chapter that is*
37 *delivered, issued for delivery or renewed on or after ~~October~~ January 1, ~~[2023,~~*
38 *2024,* *has the legal effect of including the coverage required by this section, and*
39 *any provisions of the policy that conflict with the provisions of this section is void.*

40 7. *The provisions of this section do not apply to any prescription drug to*
41 *which the provisions of NRS 695G.1675 apply.*

42 8. *As used in this section:*

43 (a) *“Attending practitioner” means the practitioner, as defined in NRS*
44 *639.0125, who has primary responsibility for the treatment of the medical*
45 *condition of an insured for which a prescription drug is prescribed.*

46 (b) *“Medical or scientific evidence” has the meaning ascribed to it in NRS*
47 *695G.053.*

48 **Sec. 12.** NRS 695G.090 is hereby amended to read as follows:

49 695G.090 1. Except as otherwise provided in subsection 3, the provisions of
50 this chapter apply to each organization and insurer that operates as a managed care
51 organization and may include, without limitation, an insurer that issues a policy of
52 health insurance, an insurer that issues a policy of individual or group health

1 insurance, a carrier serving small employers, a fraternal benefit society, a hospital
2 or medical service corporation and a health maintenance organization.

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

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

7 (b) Any other applicable provision of this title.

8 3. The provisions of NRS 695G.127, 695G.164, 695G.1645, 695G.167 ,
9 *section 11 of this act* and 695G.200 to 695G.230, inclusive, do not apply to a
10 managed care organization that provides health care services to recipients of
11 Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's
12 Health Insurance Program pursuant to a contract with the Division of Health Care
13 Financing and Policy of the Department of Health and Human Services. ~~[This~~
14 ~~subsection does]~~

15 4. The provisions of section 11 of this act do not apply to a managed care
16 organization that provides health care services to members of the Public
17 Employees' Benefits Program.

18 5. Subsections 3 and 4 do not exempt a managed care organization from any
19 provision of this chapter for services provided pursuant to any other contract.

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

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

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

25 (b) On January 1, 2024, for all other purposes.