

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:**

1 Existing law establishes a process by which a person may request an exemption  
2 from a step therapy protocol established by his or her insurer for a prescription drug  
3 used to treat late stage cancer or an associated symptom. If such a request is  
4 granted, existing law requires the insurer to cover the prescription drug. (NRS  
5 689A.04041, 689B.0305, 689C.1684, 695A.259, 695B.19085, 695C.17333,  
6 695G.1675) **Sections 1, 3-8 and 11** of this bill require certain private-sector  
7 insurers to establish a process by which an insured and his or her attending  
8 practitioner may: (1) request an exemption from a step therapy protocol that applies  
9 to prescription drugs; and (2) appeal a decision concerning such a request. **Sections**  
10 **1, 3-8 and 11** require an insurer to: (1) grant such a request if the attending  
11 practitioner submits certain information providing adequate justification for the  
12 exemption; and (2) make the process to request an exemption and submit an appeal  
13 accessible on an Internet website maintained by the insurer. **Sections 1, 3-8 and 11**  
14 additionally require certain private-sector insurers to use guidelines based on  
15 medical or scientific evidence, if available, when developing a step therapy  
16 protocol. **Section 2** of this bill makes a conforming change to indicate the proper  
17 placement of **section 1** in the Nevada Revised Statutes.

18 **Section 10** of this bill authorizes the Commissioner of Insurance to suspend or  
19 revoke the certificate of a health maintenance organization that fails to comply with



20 the requirements of **section 8**. The Commissioner is also authorized to take such  
21 action against other health insurers who fail to comply with the requirements of  
22 **sections 1, 3-7 and 11**. (NRS 680A.200)

23 **Sections 9 and 12** of this bill provide that the provisions of **sections 8 and 11**  
24 do not apply to Medicaid managed care organizations.

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

1 **Section 1.** Chapter 689A of NRS is hereby amended by  
2 adding thereto a new section to read as follows:

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

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

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

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

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

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

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

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

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



1           (1) *Is contraindicated or will likely cause an adverse*  
2 *reaction or physical 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*  
5 *required prescription drug;*

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

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

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

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

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

28           6. *A policy of health insurance subject to the provisions of*  
29 *this chapter that is delivered, issued for delivery or renewed on or*  
30 *after October 1, 2023, has the legal effect of including the*  
31 *coverage by this section, and any provisions of the policy that*  
32 *conflict with the provisions of this section is void.*

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

36           8. *As used in this section:*

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

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

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

44           689A.330 If any policy is issued by a domestic insurer for  
45 delivery to a person residing in another state, and if the insurance



1 commissioner or corresponding public officer of that other state has  
2 informed the Commissioner that the policy is not subject to approval  
3 or disapproval by that officer, the Commissioner may by ruling  
4 require that the policy meet the standards set forth in NRS 689A.030  
5 to 689A.320, inclusive ~~§~~, and section 1 of this act.

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

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

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

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

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

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

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

24 *(c) Except as otherwise provided in this paragraph, respond to*  
25 *a request made or an appeal submitted pursuant to paragraph (a)*  
26 *not later than 72 hours after the request is made or the appeal is*  
27 *submitted, as applicable. If the attending practitioner indicates*  
28 *that exigent circumstances exist, the insurer shall respond to the*  
29 *request or appeal within 24 hours after the request is made or the*  
30 *appeal is submitted, as applicable.*

31 *3. An insurer shall grant a request to exempt an insured from*  
32 *a step therapy protocol made in accordance with the process*  
33 *established pursuant to subsection 2 if the attending practitioner*  
34 *for the insured submits to the insurer a statement which provides*  
35 *an adequate justification for the exemption and any*  
36 *documentation necessary to support the statement. The insurer*  
37 *shall determine that such justification exists if the statement and*  
38 *documentation demonstrate that:*

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

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

43 *(2) Is expected to be ineffective based on the known clinical*  
44 *characteristics of the insured and the known characteristics of the*  
45 *required prescription drug;*



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

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

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

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

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

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

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

31           8. *As used in this section:*

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

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

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

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

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



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

3 (1) Request an exemption for the insured from the step  
4 therapy protocol; and

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

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

10 (c) Except as otherwise provided in this paragraph, respond to  
11 a request made or an appeal submitted pursuant to paragraph (a)  
12 not later than 72 hours after the request is made or the appeal is  
13 submitted, as applicable. If the attending practitioner indicates  
14 that exigent circumstances exist, the carrier shall respond to the  
15 request or appeal within 24 hours after the request is made or the  
16 appeal is submitted, as applicable.

17 3. A carrier shall grant a request to exempt an insured from a  
18 step therapy protocol made in accordance with the process  
19 established pursuant to subsection 2 if the attending practitioner  
20 for the insured submits to the carrier a statement which provides  
21 an adequate justification for the exemption and any  
22 documentation necessary to support the statement. The carrier  
23 shall determine that such justification exists if the statement and  
24 documentation demonstrate that:

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

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

29 (2) Is expected to be ineffective based on the known clinical  
30 characteristics of the insured and the known characteristics of the  
31 required prescription drug;

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

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

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

44 4. If a carrier does not respond to a request for an exemption  
45 from a step therapy protocol or an appeal concerning a decision



1 *relating to such a request within the time frame prescribed by*  
2 *paragraph (c) of subsection 2, the request shall be deemed to have*  
3 *been granted.*

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

9 *6. A health benefit plan subject to the provisions of this*  
10 *chapter that is delivered, issued for delivery or renewed on or after*  
11 *October 1, 2023, has the legal effect of including the coverage*  
12 *required by this section, and any provisions of the policy that*  
13 *conflict with the provisions of this section is void.*

14 *7. The provisions of this section do not apply to any*  
15 *prescription drug to which the provisions of NRS 689C.1684*  
16 *apply.*

17 *8. As used in this section:*

18 *(a) "Attending practitioner" means the practitioner, as defined*  
19 *in NRS 639.0125, who has primary responsibility for the treatment*  
20 *of the medical condition of an insured for which a prescription*  
21 *drug is prescribed.*

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

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

25 689C.425 A voluntary purchasing group and any contract  
26 issued to such a group pursuant to NRS 689C.360 to 689C.600,  
27 inclusive, are subject to the provisions of NRS 689C.015 to  
28 689C.355, inclusive, *and section 4 of this act* to the extent  
29 applicable and not in conflict with the express provisions of NRS  
30 687B.408 and 689C.360 to 689C.600, inclusive.

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

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

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

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

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

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



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

3 (c) Except as otherwise provided in this paragraph, respond to  
4 a request made or an appeal submitted pursuant to paragraph (a)  
5 not later than 72 hours after the request is made or the appeal is  
6 submitted, as applicable. If the attending practitioner indicates  
7 that exigent circumstances exist, the society shall respond to the  
8 request or appeal within 24 hours after the request is made or the  
9 appeal is submitted, as applicable.

10 3. A society shall grant a request to exempt an insured from a  
11 step therapy protocol made in accordance with the process  
12 established pursuant to subsection 2 if the attending practitioner  
13 for the insured submits to the society a statement which provides  
14 an adequate justification for the exemption and any  
15 documentation necessary to support the statement. The society  
16 shall determine that such justification exists if the statement and  
17 documentation demonstrate that:

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

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

22 (2) Is expected to be ineffective based on the known clinical  
23 characteristics of the insured and the known characteristics of the  
24 required prescription drug;

25 (3) Has been tried by the insured, regardless of whether the  
26 insured was covered by the current benefit contract at the time,  
27 and was discontinued due to lack of efficacy or effectiveness,  
28 diminished effect or an adverse event relating to the prescription  
29 drug; or

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

32 (b) The insured is stable on a prescription drug selected by his  
33 or her attending practitioner for the medical condition under  
34 consideration, regardless of whether the insured was covered by  
35 his or her current benefit contract at the time the attending  
36 practitioner selected the drug.

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

42 5. If a request for an exemption from a step therapy protocol  
43 is granted pursuant to subsection 3 or deemed granted pursuant to  
44 subsection 4, the society shall immediately authorize coverage for





1 *and dispensing of the drug chosen by the attending practitioner*  
2 *for the insured.*

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

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

10 8. *As used in this section:*

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

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

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

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

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

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

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

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

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

36 (c) *Except as otherwise provided in this paragraph, respond to*  
37 *a request made or an appeal submitted pursuant to paragraph (a)*  
38 *not later than 72 hours after the request is made or the appeal is*  
39 *submitted, as applicable. If the attending practitioner indicates*  
40 *that exigent circumstances exist, the hospital or medical services*  
41 *corporation shall respond to the request or appeal within 24 hours*  
42 *after the request is made or the appeal is submitted, as applicable.*

43 3. *A hospital or medical services corporation shall grant a*  
44 *request to exempt an insured from a step therapy protocol made in*  
45 *accordance with the process established pursuant to subsection 2*



1 *if the attending practitioner for the insured submits to the hospital*  
2 *or medical services corporation a statement which provides an*  
3 *adequate justification for the exemption and any documentation*  
4 *necessary to support the statement. The hospital or medical*  
5 *services corporation shall determine that such justification exists*  
6 *if the statement and documentation demonstrate that:*

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

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

11 (2) *Is expected to be ineffective based on the known clinical*  
12 *characteristics of the insured and the known characteristics of the*  
13 *required prescription drug;*

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

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

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

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

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

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

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

44 8. *As used in this section:*



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

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

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

9 1. When developing a step therapy protocol, a health  
10 maintenance organization shall use guidelines based on medical  
11 or scientific evidence, if such guidelines are available.

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

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

18 (1) Request an exemption for the enrollee from the step  
19 therapy protocol; and

20 (2) Appeal a decision made by the health maintenance  
21 organization concerning a request for an exemption from the step  
22 therapy protocol pursuant to subparagraph (1);

23 (b) Make the process described in paragraph (a) accessible  
24 through an Internet website maintained by the health  
25 maintenance organization; and

26 (c) Except as otherwise provided in this paragraph, respond to  
27 a request made or an appeal submitted pursuant to paragraph (a)  
28 not later than 72 hours after the request is made or the appeal is  
29 submitted, as applicable. If the attending practitioner indicates  
30 that exigent circumstances exist, the health maintenance  
31 organization shall respond to the request or appeal within 24  
32 hours after the request is made or the appeal is submitted, as  
33 applicable.

34 3. A health maintenance organization shall grant a request to  
35 exempt an enrollee from a step therapy protocol made in  
36 accordance with the process established pursuant to subsection 2  
37 if the attending practitioner for the enrollee submits to the health  
38 maintenance organization a statement which provides an adequate  
39 justification for the exemption and any documentation necessary  
40 to support the statement. The health maintenance organization  
41 shall determine that such justification exists if the statement and  
42 documentation demonstrate that:

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



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

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

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

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

13          (b) *The enrollee is stable on a prescription drug selected by his*  
14 *or her attending practitioner for the medical condition under*  
15 *consideration, regardless of whether the enrollee was covered by*  
16 *his or her current health care plan at the time the attending*  
17 *practitioner selected the drug.*

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

23          5. *If a request for an exemption from a step therapy protocol*  
24 *is granted pursuant to subsection 3 or deemed granted pursuant to*  
25 *subsection 4, the health maintenance organization shall*  
26 *immediately authorize coverage for and dispensing of the drug*  
27 *chosen by the attending practitioner for the enrollee.*

28          6. *A health care plan subject to the provisions of this chapter*  
29 *that is delivered, issued for delivery or renewed on or after*  
30 *October 1, 2023, has the legal effect of including the coverage*  
31 *required by this section, and any provisions of the policy that*  
32 *conflict with the provisions of this section is void.*

33          7. *The provisions of this section do not apply to any*  
34 *prescription drug to which the provisions of NRS 695C.17333*  
35 *apply.*

36          8. *As used in this section:*

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

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

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

44          695C.050 1. Except as otherwise provided in this chapter or  
45 in specific provisions of this title, the provisions of this title are not



1 applicable to any health maintenance organization granted a  
2 certificate of authority under this chapter. This provision does not  
3 apply to an insurer licensed and regulated pursuant to this title  
4 except with respect to its activities as a health maintenance  
5 organization authorized and regulated pursuant to this chapter.

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

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

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

26 5. The provisions of NRS 695C.1694 to 695C.1698, inclusive,  
27 695C.1701, 695C.1708, 695C.1728, 695C.1731, 695C.17333,  
28 695C.17345, 695C.17347, 695C.1735, 695C.1737, 695C.1743,  
29 695C.1745 and 695C.1757 apply to a health maintenance  
30 organization that provides health care services through managed  
31 care to recipients of Medicaid under the State Plan for Medicaid.

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

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

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

44 (b) The health maintenance organization issues evidence of  
45 coverage or uses a schedule of charges for health care services



1 which do not comply with the requirements of NRS 695C.1691 to  
2 695C.200, inclusive, *and section 8 of this act* or 695C.207;

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

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

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

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

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

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

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

20 (1) Resolving complaints in a manner reasonably to dispose  
21 of valid complaints; and

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

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

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

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

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

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

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

42 4. If the certificate of authority of a health maintenance  
43 organization is revoked, the organization shall proceed, immediately  
44 following the effective date of the order of revocation, to wind up its  
45 affairs and shall conduct no further business except as may be



1 essential to the orderly conclusion of the affairs of the organization.  
2 It shall engage in no further advertising or solicitation of any kind.  
3 The Commissioner may, by written order, permit such further  
4 operation of the organization as the Commissioner may find to be in  
5 the best interest of enrollees to the end that enrollees are afforded  
6 the greatest practical opportunity to obtain continuing coverage for  
7 health care.

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

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

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

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

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

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

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

27 *(c) Except as otherwise provided in this paragraph, respond to*  
28 *a request made or an appeal submitted pursuant to paragraph (a)*  
29 *not later than 72 hours after the request is made or the appeal is*  
30 *submitted, as applicable. If the attending practitioner indicates*  
31 *that exigent circumstances exist, the managed care organization*  
32 *shall respond to the request or appeal within 24 hours after the*  
33 *request is made or the appeal is submitted, as applicable.*

34 *3. A managed care organization shall grant a request to*  
35 *exempt an insured from a step therapy protocol made in*  
36 *accordance with the process established pursuant to subsection 2*  
37 *if the attending practitioner for the insured submits to the*  
38 *managed care organization a statement which provides an*  
39 *adequate justification for the exemption and any documentation*  
40 *necessary to support the statement. The managed care*  
41 *organization shall determine that such justification exists if the*  
42 *statement and documentation demonstrate that:*

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



1           (1) *Is contraindicated or will likely cause an adverse*  
2 *reaction or physical 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*  
5 *required prescription drug;*

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

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

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

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

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

28           6. *A health care plan subject to the provisions of this chapter*  
29 *that is delivered, issued for delivery or renewed on or after*  
30 *October 1, 2023, has the legal effect of including the coverage*  
31 *required by this section, and any provisions of the policy that*  
32 *conflict with the provisions of this section is void.*

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

36           8. *As used in this section:*

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

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

43           **Sec. 12.** NRS 695G.090 is hereby amended to read as follows:  
44           695G.090 1. Except as otherwise provided in subsection 3,  
45 the provisions of this chapter apply to each organization and insurer





1 that operates as a managed care organization and may include,  
2 without limitation, an insurer that issues a policy of health  
3 insurance, an insurer that issues a policy of individual or group  
4 health insurance, a carrier serving small employers, a fraternal  
5 benefit society, a hospital or medical service corporation and a  
6 health maintenance organization.

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

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

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

12 3. The provisions of NRS 695G.127, 695G.164, 695G.1645,  
13 695G.167 , *section 11 of this act* and 695G.200 to 695G.230,  
14 inclusive, do not apply to a managed care organization that provides  
15 health care services to recipients of Medicaid under the State Plan  
16 for Medicaid or insurance pursuant to the Children's Health  
17 Insurance Program pursuant to a contract with the Division of  
18 Health Care Financing and Policy of the Department of Health and  
19 Human Services. This subsection does not exempt a managed care  
20 organization from any provision of this chapter for services  
21 provided pursuant to any other contract.

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

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

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

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

