

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

MARCH 5, 2015

Referred to Committee on Commerce, Labor and Energy

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

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

CONTAINS UNFUNDED MANDATE (§ 11)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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

AN ACT relating to health care; prohibits policies of health insurance and health care plans from denying coverage for topical ophthalmic products under certain circumstances; authorizing a pharmacist to dispense multiple refills of topical ophthalmic products under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

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



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

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

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

8 (a) *Receives more than a 30-day supply of the product at one*
9 *time; or*

10 (b) *Receives a refill of the product:*

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

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

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

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

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

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

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

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

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

39 1. *An insurer who offers or issues a policy of group health*
40 *insurance which provides coverage for prescription drugs shall*
41 *not deny coverage for a topical ophthalmic product which is*



1 *otherwise approved for coverage by the insurer when the insured,*
2 *pursuant to section 13 of this act:*

3 *(a) Receives more than a 30-day supply of the product at one*
4 *time; or*

5 *(b) Receives a refill of the product:*

6 *(1) After 21 days or more but before 30 days after receiving*
7 *any 30-day supply of the product;*

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

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

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

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

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

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

26 *1. A carrier who offers or issues a health benefit plan which*
27 *provides coverage for prescription drugs shall not deny coverage*
28 *for a topical ophthalmic product which is otherwise approved for*
29 *coverage by the carrier when the insured, pursuant to section 13*
30 *of this act:*

31 *(a) Receives more than a 30-day supply of the product at one*
32 *time; or*

33 *(b) Receives a refill of the product:*

34 *(1) After 21 days or more but before 30 days after receiving*
35 *any 30-day supply of the product;*

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

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

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

42 *3. A health benefit plan subject to the provisions of this*
43 *chapter which provides coverage for prescription drugs and that is*
44 *delivered, issued for delivery or renewed on or after January 1,*
45 *2016, has the legal effect of including the coverage required by*



1 *this section, and any provision of the plan or renewal which is in*
2 *conflict with this section is void.*

3 *4. As used in this section, “topical ophthalmic product”*
4 *means a liquid prescription drug which is applied directly to the*
5 *eye from a bottle or by means of a dropper.*

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

7 689C.425 A voluntary purchasing group and any contract
8 issued to such a group pursuant to NRS 689C.360 to 689C.600,
9 inclusive, are subject to the provisions of NRS 689C.015 to
10 689C.355, inclusive, *and section 4 of this act* to the extent
11 applicable and not in conflict with the express provisions of NRS
12 687B.408 and 689C.360 to 689C.600, inclusive.

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

15 *1. A hospital or medical service corporation which offers or*
16 *issues a policy of health insurance that provides coverage for*
17 *prescription drugs shall not deny coverage for a topical*
18 *ophthalmic product which is otherwise approved for coverage by*
19 *the hospital or medical service corporation when the insured,*
20 *pursuant to section 13 of this act:*

21 *(a) Receives more than a 30-day supply of the product at one*
22 *time; or*

23 *(b) Receives a refill of the product:*

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

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

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

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

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

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

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

44 *1. A health maintenance organization which offers or issues*
45 *a health care plan that provides coverage for prescription drugs*



1 *shall not deny coverage for a topical ophthalmic product which is*
2 *otherwise approved for coverage by the health maintenance*
3 *organization when the enrollee, pursuant to section 13 of this act:*

4 *(a) Receives more than a 30-day supply of the product at one*
5 *time; or*

6 *(b) Receives a refill of the product:*

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

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

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

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

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

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

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

25 695C.050 1. Except as otherwise provided in this chapter or
26 in specific provisions of this title, the provisions of this title are not
27 applicable to any health maintenance organization granted a
28 certificate of authority under this chapter. This provision does not
29 apply to an insurer licensed and regulated pursuant to this title
30 except with respect to its activities as a health maintenance
31 organization authorized and regulated pursuant to this chapter.

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

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

39 4. The provisions of NRS 695C.110, 695C.125, 695C.1691,
40 695C.1693, 695C.170 to 695C.173, inclusive, 695C.1733 to
41 695C.200, inclusive, and 695C.265 do not apply to a health
42 maintenance organization that provides health care services through
43 managed care to recipients of Medicaid under the State Plan for
44 Medicaid or insurance pursuant to the Children's Health Insurance
45 Program pursuant to a contract with the Division of Health Care



1 Financing and Policy of the Department of Health and Human
2 Services. This subsection does not exempt a health maintenance
3 organization from any provision of this chapter for services
4 provided pursuant to any other contract.

5 5. The provisions of NRS 695C.1694, 695C.1695 and
6 695C.1731 *and section 7 of this act* apply to a health maintenance
7 organization that provides health care services through managed
8 care to recipients of Medicaid under the State Plan for Medicaid.

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

10 695C.330 1. The Commissioner may suspend or revoke any
11 certificate of authority issued to a health maintenance organization
12 pursuant to the provisions of this chapter if the Commissioner finds
13 that any of the following conditions exist:

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

21 (b) The health maintenance organization issues evidence of
22 coverage or uses a schedule of charges for health care services
23 which do not comply with the requirements of NRS 695C.1691 to
24 695C.200, inclusive, *and section 7 of this act* or 695C.207;

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

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

29 (1) Does not meet the requirements of subsection 1 of NRS
30 695C.080; or

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

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

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

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

42 (1) Resolving complaints in a manner reasonably to dispose
43 of valid complaints; and



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

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

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

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

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

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

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

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

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

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

38 *(a) Receives more than a 30-day supply of the product at one*
39 *time; or*

40 *(b) Receives a refill of the product:*

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

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



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

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

6 3. *An evidence of coverage subject to the provisions of this*
7 *chapter which provides coverage for prescription drugs and that is*
8 *delivered, issued for delivery or renewed on or after January 1,*
9 *2016, has the legal effect of including the coverage required by*
10 *this section, and any provision of the evidence of coverage or*
11 *renewal which is in conflict with this section is void.*

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

15 **Sec. 11.** NRS 287.010 is hereby amended to read as follows:

16 287.010 1. The governing body of any county, school
17 district, municipal corporation, political subdivision, public
18 corporation or other local governmental agency of the State of
19 Nevada may:

20 (a) Adopt and carry into effect a system of group life, accident
21 or health insurance, or any combination thereof, for the benefit of its
22 officers and employees, and the dependents of officers and
23 employees who elect to accept the insurance and who, where
24 necessary, have authorized the governing body to make deductions
25 from their compensation for the payment of premiums on the
26 insurance.

27 (b) Purchase group policies of life, accident or health insurance,
28 or any combination thereof, for the benefit of such officers and
29 employees, and the dependents of such officers and employees, as
30 have authorized the purchase, from insurance companies authorized
31 to transact the business of such insurance in the State of Nevada,
32 and, where necessary, deduct from the compensation of officers and
33 employees the premiums upon insurance and pay the deductions
34 upon the premiums.

35 (c) Provide group life, accident or health coverage through a
36 self-insurance reserve fund and, where necessary, deduct
37 contributions to the maintenance of the fund from the compensation
38 of officers and employees and pay the deductions into the fund. The
39 money accumulated for this purpose through deductions from the
40 compensation of officers and employees and contributions of the
41 governing body must be maintained as an internal service fund as
42 defined by NRS 354.543. The money must be deposited in a state or
43 national bank or credit union authorized to transact business in the
44 State of Nevada. Any independent administrator of a fund created
45 under this section is subject to the licensing requirements of



1 chapter 683A of NRS, and must be a resident of this State. Any
2 contract with an independent administrator must be approved by the
3 Commissioner of Insurance as to the reasonableness of
4 administrative charges in relation to contributions collected and
5 benefits provided. The provisions of NRS 687B.408, 689B.030 to
6 689B.050, inclusive, *and section 3 of this act* and 689B.287 apply
7 to coverage provided pursuant to this paragraph.

8 (d) Defray part or all of the cost of maintenance of a self-
9 insurance fund or of the premiums upon insurance. The money for
10 contributions must be budgeted for in accordance with the laws
11 governing the county, school district, municipal corporation,
12 political subdivision, public corporation or other local governmental
13 agency of the State of Nevada.

14 2. If a school district offers group insurance to its officers and
15 employees pursuant to this section, members of the board of trustees
16 of the school district must not be excluded from participating in the
17 group insurance. If the amount of the deductions from compensation
18 required to pay for the group insurance exceeds the compensation to
19 which a trustee is entitled, the difference must be paid by the trustee.

20 3. In any county in which a legal services organization exists,
21 the governing body of the county, or of any school district,
22 municipal corporation, political subdivision, public corporation or
23 other local governmental agency of the State of Nevada in the
24 county, may enter into a contract with the legal services
25 organization pursuant to which the officers and employees of the
26 legal services organization, and the dependents of those officers and
27 employees, are eligible for any life, accident or health insurance
28 provided pursuant to this section to the officers and employees, and
29 the dependents of the officers and employees, of the county, school
30 district, municipal corporation, political subdivision, public
31 corporation or other local governmental agency.

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

34 (a) Shall be deemed, solely for the purposes of this section, to be
35 officers and employees of the county, school district, municipal
36 corporation, political subdivision, public corporation or other local
37 governmental agency with which the legal services organization has
38 contracted; and

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

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

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



1 (b) Does not become effective unless approved by the
2 Commissioner.

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

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

8 **Sec. 12.** NRS 287.04335 is hereby amended to read as
9 follows:

10 287.04335 If the Board provides health insurance through a
11 plan of self-insurance, it shall comply with the provisions of NRS
12 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645, 695G.167,
13 695G.170, 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230,
14 inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, *and*
15 *section 10 of this act*, in the same manner as an insurer that is
16 licensed pursuant to title 57 of NRS is required to comply with those
17 provisions.

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

20 *1. Except as otherwise provided in subsection 2, if a*
21 *pharmacist, in his or her professional judgment, believes a patient*
22 *is having or may have difficulty with inadvertent wastage of a*
23 *topical ophthalmic product, he or she may, pursuant to a valid*
24 *prescription for a topical ophthalmic product which bears specific*
25 *authorization to refill:*

26 *(a) Dispense one or more refills at the time the product is*
27 *dispensed, not to exceed a 90-day supply; or*

28 *(b) Dispense a refill of the product:*

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

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

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

35 *2. The provisions of subsection 1 do not apply to:*

36 *(a) A controlled substance; or*

37 *(b) A prescription which includes a notation from the*
38 *prescribing practitioner requiring that only the quantity written be*
39 *dispensed.*

40 *3. As used in this section:*

41 *(a) "Inadvertent wastage" means loss of a topical ophthalmic*
42 *product due to difficulty applying the product to the eye as*
43 *directed.*



1 ***(b) "Topical ophthalmic product" means a liquid prescription***
2 ***drug which is applied directly to the eye from a bottle or by means***
3 ***of a dropper.***

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

5 639.2397 Any authorization to refill a prescription issued
6 pursuant to the provisions of NRS 639.2393 to 639.2397, inclusive,
7 ***and section 13 of this act*** may be rescinded at any time after that
8 authorization is given, by the original practitioner or by another
9 practitioner acting in his or her behalf or by another practitioner who
10 is caring for the patient for whom the original prescription was
11 issued, by notifying the pharmacy in which the prescription was
12 filled orally or in writing.

13 **Sec. 15.** The provisions of NRS 354.599 do not apply to any
14 additional expenses of a local government that are related to the
15 provisions of this act.

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

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

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



