

ASSEMBLY BILL NO. 245—ASSEMBLYWOMAN BENITEZ-THOMPSON

FEBRUARY 27, 2017

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JOINT SPONSORS: SENATORS KIECKHEFER AND PARKS

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Referred to Committee on Commerce and Labor

SUMMARY—Enacts provisions governing the dispensing of biological products and interchangeable biological products. (BDR 54-504)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.  
Effect on the State: Yes.

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

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AN ACT relating to pharmacy; requiring a pharmacist or his or her designee to make certain entries any time a biological product is dispensed under certain circumstances; requiring the dispensing of an interchangeable biological product in substitution for a prescribed biological product under certain circumstances; requiring the State Board of Pharmacy to maintain certain lists of approved interchangeable biological products, published by the United States Food and Drug Administration, on its Internet website; providing a penalty; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law provides that under certain circumstances, a pharmacist is required  
2 to dispense a generic drug in substitution for a prescribed brand name drug. (NRS  
3 639.2583) **Sections 3, 5 and 7-12** of this bill enact similar provisions to provide for  
4 the dispensing of an interchangeable biological product in substitution for a  
5 prescribed biological product. **Section 7** provides that under certain circumstances,  
6 a pharmacist is required to dispense an interchangeable biological product in  
7 substitution for a prescribed biological product if the interchangeable biological  
8 product is less expensive than the prescribed biological product. However, while  
9 existing law exempts from the substitution requirement a prescription drug  
10 dispensed to a person by mail or common carrier by a certified Internet pharmacy,



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11 **section 7** provides that the requirement to dispense an interchangeable biological  
12 product applies to a biological product dispensed to a person by mail or common  
13 carrier by a certified Internet pharmacy. **Section 3** provides that a biological  
14 product is interchangeable if the biological product has been found to be  
15 interchangeable in accordance with certain federal standards or has been listed as  
16 therapeutically equivalent in certain federal publications. (42 U.S.C. § 262) **Section**  
17 **5** requires the State Board of Pharmacy to maintain on its Internet website a link to  
18 the *Purple Book: Lists of Licensed Biological Products with Reference Product*  
19 *Exclusivity and Biosimilarity or Interchangeability Evaluations*, published by the  
20 United States Food and Drug Administration to be interchangeable.

21 **Section 4** of this bill provides that within 3 business days after dispensing a  
22 biological product, the dispensing pharmacist or his or her designee is required to  
23 make an entry of the specific product dispensed to the patient that includes, without  
24 limitation, the name and the manufacturer of the product. The record must be  
25 electronically accessible by the prescribing practitioner through certain systems. If  
26 an electronic record is not made, the dispensing pharmacist or his or her designee  
27 must provide the notice to the prescriber by certain other means. Under **section 4**, a  
28 record of the dispensing of a biological product is not required to be made if: (1)  
29 there is no interchangeable biological product for the biological product that has  
30 been prescribed; or (2) the dispensed biological product is a refill and is the same  
31 product that was dispensed for the prior filling of the prescription.

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

1 **Section 1.** Chapter 639 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this  
3 act.

4 **Sec. 2.** *“Biological product” has the meaning ascribed to it*  
5 *in 42 U.S.C. § 262.*

6 **Sec. 3.** *“Interchangeable biological product” means a*  
7 *biological product that the Food and Drug Administration has:*

8 *1. Licensed and determined meets the standards for*  
9 *interchangeability pursuant to 42 U.S.C. § 262(k)(4); or*

10 *2. Determined is therapeutically equivalent as set forth in the*  
11 *most recent edition or supplement of the Approved Drug Products*  
12 *with Therapeutic Equivalence Evaluations, published by the Food*  
13 *and Drug Administration.*

14 **Sec. 4. 1.** *Except as otherwise provided in subsections 3*  
15 *and 4, within 3 business days after dispensing a biological*  
16 *product, the dispensing pharmacist or his or her designee shall*  
17 *make an entry of the specific product provided to the patient that*  
18 *includes, without limitation, the name of the product and its*  
19 *manufacturer. The record must be electronically accessible by the*  
20 *prescribing practitioner through:*

- 21 (a) *An interoperable electronic health records system;*  
22 (b) *Electronic prescribing technology;*  
23 (c) *A pharmacy benefit management system; or*



1 (d) *A pharmacy record.*

2 2. *An electronic record of the dispensing of a biological*  
3 *product made pursuant to subsection 1 is presumed to provide*  
4 *notice to the prescriber of the dispensing of the product.*

5 3. *Except as otherwise provided in subsection 4, if an*  
6 *electronic record of the dispensing of a biological product is not*  
7 *made pursuant to subsection 1, the dispensing pharmacist or his*  
8 *or her designee shall, within 3 business days after dispensing the*  
9 *biological product, give notice of the biological product to the*  
10 *prescriber by facsimile, telephone, electronic transmission or other*  
11 *available means.*

12 4. *Notice of the dispensing of a biological product pursuant*  
13 *to subsection 1 or 3 is not required if:*

14 (a) *There is no interchangeable biological product for the*  
15 *biological product prescribed; or*

16 (b) *A prescription for a refill is not changed from the product*  
17 *dispensed on the prior filling of the prescription.*

18 5. *As used in this section, "electronic health record" has the*  
19 *meaning ascribed to it in 42 U.S.C. § 17921(5).*

20 **Sec. 5.** *The Board shall maintain a link on its Internet*  
21 *website to the Purple Book: Lists of Licensed Biological Products*  
22 *with Reference Product Exclusivity and Biosimilarity or*  
23 *Interchangeability Evaluations, published by the Food and Drug*  
24 *Administration.*

25 **Sec. 6.** NRS 639.001 is hereby amended to read as follows:

26 639.001 As used in this chapter, unless the context otherwise  
27 requires, the words and terms defined in NRS 639.0015 to 639.016,  
28 inclusive, *and sections 2 and 3 of this act* have the meanings  
29 ascribed to them in those sections.

30 **Sec. 7.** NRS 639.2583 is hereby amended to read as follows:

31 639.2583 1. Except as otherwise provided in this section, if a  
32 practitioner has prescribed a ~~{drug}~~ :

33 (a) **Drug** by brand name and the practitioner has not indicated,  
34 by a method set forth in subsection 5, that a substitution is  
35 prohibited, the pharmacist who fills or refills the prescription shall  
36 dispense, in substitution, another drug which is available to him or  
37 her if the other drug:

38 ~~{(a)}~~ (1) Is less expensive than the drug prescribed by brand  
39 name;

40 ~~{(b)}~~ (2) Is biologically equivalent to the drug prescribed by  
41 brand name;

42 ~~{(c)}~~ (3) Has the same active ingredient or ingredients of the  
43 same strength, quantity and form of dosage as the drug prescribed  
44 by brand name; and



1 ~~(4)~~ (4) Is of the same generic type as the drug prescribed by  
2 brand name.

3 (b) *Biological product and the practitioner has not indicated,*  
4 *by a method set forth in subsection 5, that a substitution is*  
5 *prohibited, the pharmacist who fills or refills the prescription shall*  
6 *dispense, in substitution, another biological product which is*  
7 *available to him or her if the other biological product:*

8 (1) *Is an interchangeable biological product for the*  
9 *biological product prescribed; and*

10 (2) *Is less expensive than the biological product prescribed*  
11 *by brand name.*

12 2. If the pharmacist has available to him or her more than one  
13 drug *or interchangeable biological product* that may be substituted  
14 for the drug prescribed by brand name ~~H~~ *or biological product*  
15 *prescribed*, the pharmacist shall dispense, in substitution, the least  
16 expensive of the drugs *or interchangeable biological products* that  
17 are available to him or her for substitution.

18 3. Before a pharmacist dispenses a drug *or biological product*  
19 in substitution for a drug prescribed by brand name ~~H~~ *or biological*  
20 *product prescribed*, the pharmacist shall:

21 (a) Advise the person who presents the prescription that the  
22 pharmacist intends to dispense a drug *or biological product* in  
23 substitution; and

24 (b) Advise the person that he or she may refuse to accept the  
25 drug *or biological product* that the pharmacist intends to dispense in  
26 substitution, unless the pharmacist is being paid for the drug by a  
27 governmental agency.

28 4. If a person refuses to accept the drug *or biological product*  
29 that the pharmacist intends to dispense in substitution, the  
30 pharmacist shall dispense the drug prescribed by brand name ~~H~~ *or*  
31 *biological product prescribed*, unless the pharmacist is being paid  
32 for the drug *or biological product* by a governmental agency, in  
33 which case the pharmacist shall dispense the drug *or biological*  
34 *product* in substitution.

35 5. A pharmacist shall not dispense a drug *or biological product*  
36 in substitution for a drug prescribed by brand name *or biological*  
37 *product prescribed* if the practitioner has indicated that a  
38 substitution is prohibited using one or more of the following  
39 methods:

40 (a) By oral communication to the pharmacist at any time before  
41 the drug *or biological product* is dispensed.

42 (b) By handwriting the words "Dispense as Written" on the form  
43 used for the prescription, including, without limitation, any form  
44 used for transmitting the prescription from a facsimile machine to  
45 another facsimile machine. The pharmacist shall disregard the words



1 “Dispense as Written” if they have been placed on the form used for  
2 the prescription by preprinting or other mechanical process or by  
3 any method other than handwriting.

4 (c) By including the words “Dispense as Written” in any  
5 prescription that is given to the pharmacist by electronic  
6 transmission pursuant to the regulations of the Board or in  
7 accordance with NRS 439.581 to 439.595, inclusive, and the  
8 regulations adopted pursuant thereto, including, without limitation,  
9 an electronic transmission from a computer equipped with a  
10 facsimile modem to a facsimile machine or from a computer to  
11 another computer pursuant to the regulations of the Board.

12 6. The provisions of this section also apply to a prescription  
13 issued to a person by a practitioner from outside this State if the  
14 practitioner has not indicated, by a method set forth in subsection 5,  
15 that a substitution is prohibited.

16 7. The provisions of this section do not apply to:

17 (a) A prescription drug *or biological product* that is dispensed to  
18 any inpatient of a hospital by an inpatient pharmacy which is  
19 associated with that hospital;

20 (b) A prescription drug that is dispensed to any person by mail  
21 order or other common carrier by an Internet pharmacy which is  
22 certified by the Board pursuant to NRS 639.23288 and authorized to  
23 provide service by mail order or other common carrier pursuant to  
24 the provisions of this chapter; or

25 (c) A prescription drug *or biological product* that is dispensed to  
26 any person by a pharmacist if the substitution:

27 (1) Would violate the terms of a health care plan that  
28 maintains a mandatory, exclusive or closed formulary for its  
29 coverage for prescription drugs *and biological products*; or

30 (2) Would otherwise make the transaction ineligible for  
31 reimbursement by a third party.

32 **Sec. 8.** NRS 639.2587 is hereby amended to read as follows:

33 639.2587 If a generic drug *or interchangeable biological*  
34 *product* is substituted for a drug prescribed by brand name *or*  
35 *biological product prescribed*, the pharmacist or practitioner shall:

36 1. Note the name of the manufacturer, packer or distributor of  
37 the drug *or biological product* actually dispensed on the  
38 prescription; and

39 2. Indicate the substitution by writing or typing on the label the  
40 words “substituted for,” or substantially similar language, following  
41 the generic name and preceding the brand name of the drug , *or*  
42 *following the name of the interchangeable biological product and*  
43 *preceding the brand name of the prescribed biological product, as*  
44 *applicable*, unless, at the time the initial substitution of the generic  
45 drug *or interchangeable biological product* for a drug prescribed by



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1 brand name *or biological product prescribed* is made, the person for  
2 whom the drug *or interchangeable biological product* is dispensed  
3 elects not to have such an indication written or typed on the label.  
4 An election to indicate or not to indicate a substitution on the label  
5 pursuant to this subsection applies to both the fill and each refill of  
6 the same prescription.

7 **Sec. 9.** NRS 639.2589 is hereby amended to read as follows:

8 639.2589 1. The form used for any prescription which is  
9 issued or intended to be filled in this state must contain a line for the  
10 signature of the practitioner.

11 2. Substitutions may be made in filling prescriptions contained  
12 in the orders of a physician, or of an advanced practice registered  
13 nurse who is a practitioner, in a facility for skilled nursing or facility  
14 for intermediate care.

15 3. Substitutions may be made in filling prescriptions *for drugs*  
16 ordered on a patient's chart in a hospital if the hospital's medical  
17 staff has approved a formulary for specific generic substitutions.

18 *4. Substitutions may be made in filling prescriptions for*  
19 *biological products ordered on a patient's chart in a hospital if the*  
20 *hospital's medical staff has approved a formulary for specific*  
21 *interchangeable biological products.*

22 **Sec. 10.** NRS 639.259 is hereby amended to read as follows:

23 639.259 No employer of a pharmacist may require the  
24 pharmacist to dispense any specific generic drug *or interchangeable*  
25 *biological product* in substitution for another drug *or biological*  
26 *product* if the:

27 1. Substitution is not permitted by the prescription as signed by  
28 a practitioner;

29 2. Substitution would be against the professional judgment of  
30 the pharmacist; or

31 3. Substitution would violate any provision of NRS 639.2583  
32 to 639.2597, inclusive **H**, *and sections 4 and 5 of this act.*

33 **Sec. 11.** NRS 639.2595 is hereby amended to read as follows:

34 639.2595 A pharmacist or practitioner who selects a drug *or*  
35 *interchangeable biological product* for substitution assumes no  
36 greater civil liability than he or she assumes by filling the  
37 prescription with the drug under its brand name **H** *or the prescribed*  
38 *biological product.*

39 **Sec. 12.** NRS 639.2597 is hereby amended to read as follows:

40 639.2597 A pharmacist or practitioner who proposes to make  
41 any substitution must have made use of a list of biologically  
42 equivalent drugs *or interchangeable biological products* approved  
43 by the United States Food and Drug Administration.



1     **Sec. 13.** NRS 689A.04045 is hereby amended to read as  
2 follows:

3     689A.04045 1. Except as otherwise provided in this section,  
4 a policy of health insurance which provides coverage for  
5 prescription drugs must not limit or exclude coverage for a drug if  
6 the drug:

7     (a) Had previously been approved for coverage by the insurer  
8 for a medical condition of an insured and the insured's provider of  
9 health care determines, after conducting a reasonable investigation,  
10 that none of the drugs which are otherwise currently approved for  
11 coverage are medically appropriate for the insured; and

12     (b) Is appropriately prescribed and considered safe and effective  
13 for treating the medical condition of the insured.

14     2. The provisions of subsection 1 do not:

15     (a) Apply to coverage for any drug that is prescribed for a use  
16 that is different from the use for which that drug has been approved  
17 for marketing by the Food and Drug Administration;

18     (b) Prohibit:

19     (1) The insurer from charging a deductible, copayment or  
20 coinsurance for the provision of benefits for prescription drugs to  
21 the insured or from establishing, by contract, limitations on the  
22 maximum coverage for prescription drugs;

23     (2) A provider of health care from prescribing another drug  
24 covered by the policy that is medically appropriate for the insured;  
25 or

26     (3) The substitution of another drug pursuant to NRS  
27 639.23286 or 639.2583 to 639.2597, inclusive **§**, *and sections 4*  
28 *and 5 of this act*; or

29     (c) Require any coverage for a drug after the term of the policy.

30     3. Any provision of a policy subject to the provisions of this  
31 chapter that is delivered, issued for delivery or renewed on or after  
32 October 1, 2001, which is in conflict with this section is void.

33     **Sec. 14.** NRS 689B.0368 is hereby amended to read as  
34 follows:

35     689B.0368 1. Except as otherwise provided in this section, a  
36 policy of group health insurance which provides coverage for  
37 prescription drugs must not limit or exclude coverage for a drug if  
38 the drug:

39     (a) Had previously been approved for coverage by the insurer  
40 for a medical condition of an insured and the insured's provider of  
41 health care determines, after conducting a reasonable investigation,  
42 that none of the drugs which are otherwise currently approved for  
43 coverage are medically appropriate for the insured; and

44     (b) Is appropriately prescribed and considered safe and effective  
45 for treating the medical condition of the insured.



2. The provisions of subsection 1 do not:

(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;

(b) Prohibit:

(1) The insurer from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the insured or from establishing, by contract, limitations on the maximum coverage for prescription drugs;

(2) A provider of health care from prescribing another drug covered by the policy that is medically appropriate for the insured; or

(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2583 to 639.2597, inclusive **§**, *and sections 4 and 5 of this act*; or

(c) Require any coverage for a drug after the term of the policy.

3. Any provision of a policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after October 1, 2001, which is in conflict with this section is void.

**Sec. 15.** NRS 689C.168 is hereby amended to read as follows:

689C.168 1. Except as otherwise provided in this section, a health benefit plan which provides coverage for prescription drugs must not limit or exclude coverage for a drug if the drug:

(a) Had previously been approved for coverage by the carrier for a medical condition of an insured and the insured's provider of health care determines, after conducting a reasonable investigation, that none of the drugs which are otherwise currently approved for coverage are medically appropriate for the insured; and

(b) Is appropriately prescribed and considered safe and effective for treating the medical condition of the insured.

2. The provisions of subsection 1 do not:

(a) Apply to coverage for any drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the Food and Drug Administration;

(b) Prohibit:

(1) The carrier from charging a deductible, copayment or coinsurance for the provision of benefits for prescription drugs to the insured or from establishing, by contract, limitations on the maximum coverage for prescription drugs;

(2) A provider of health care from prescribing another drug covered by the plan that is medically appropriate for the insured; or

(3) The substitution of another drug pursuant to NRS 639.23286 or 639.2583 to 639.2597, inclusive **§**, *and sections 4 and 5 of this act*; or

(c) Require any coverage for a drug after the term of the plan.





1 3. Any provision of a health benefit plan subject to the  
2 provisions of this chapter that is delivered, issued for delivery or  
3 renewed on or after October 1, 2001, which is in conflict with this  
4 section is void.

5 **Sec. 16.** NRS 695A.184 is hereby amended to read as follows:

6 695A.184 1. Except as otherwise provided in this section, a  
7 benefit contract which provides coverage for prescription drugs  
8 must not limit or exclude coverage for a drug if the drug:

9 (a) Had previously been approved for coverage by the society  
10 for a medical condition of an insured and the insured's provider of  
11 health care determines, after conducting a reasonable investigation,  
12 that none of the drugs which are otherwise currently approved for  
13 coverage are medically appropriate for the insured; and

14 (b) Is appropriately prescribed and considered safe and effective  
15 for treating the medical condition of the insured.

16 2. The provisions of subsection 1 do not:

17 (a) Apply to coverage for any drug that is prescribed for a use  
18 that is different from the use for which that drug has been approved  
19 for marketing by the Food and Drug Administration;

20 (b) Prohibit:

21 (1) The society from charging a deductible, copayment or  
22 coinsurance for the provision of benefits for prescription drugs to  
23 the insured or from establishing, by contract, limitations on the  
24 maximum coverage for prescription drugs;

25 (2) A provider of health care from prescribing another drug  
26 covered by the benefit contract that is medically appropriate for the  
27 insured; or

28 (3) The substitution of another drug pursuant to NRS  
29 639.23286 or 639.2583 to 639.2597, inclusive **§**, *and sections 4*  
30 *and 5 of this act*; or

31 (c) Require any coverage for a drug after the term of the benefit  
32 contract.

33 3. Any provision of a benefit contract subject to the provisions  
34 of this chapter that is delivered, issued for delivery or renewed on or  
35 after October 1, 2001, which is in conflict with this section is void.

36 **Sec. 17.** NRS 695B.1905 is hereby amended to read as  
37 follows:

38 695B.1905 1. Except as otherwise provided in this section, a  
39 contract for hospital or medical services which provides coverage  
40 for prescription drugs must not limit or exclude coverage for a drug  
41 if the drug:

42 (a) Had previously been approved for coverage by the insurer  
43 for a medical condition of an insured and the insured's provider of  
44 health care determines, after conducting a reasonable investigation,



1 that none of the drugs which are otherwise currently approved for  
2 coverage are medically appropriate for the insured; and

3 (b) Is appropriately prescribed and considered safe and effective  
4 for treating the medical condition of the insured.

5 2. The provisions of subsection 1 do not:

6 (a) Apply to coverage for any drug that is prescribed for a use  
7 that is different from the use for which that drug has been approved  
8 for marketing by the Food and Drug Administration;

9 (b) Prohibit:

10 (1) The insurer from charging a deductible, copayment or  
11 coinsurance for the provision of benefits for prescription drugs to  
12 the insured or from establishing, by contract, limitations on the  
13 maximum coverage for prescription drugs;

14 (2) A provider of health care from prescribing another drug  
15 covered by the contract that is medically appropriate for the insured;  
16 or

17 (3) The substitution of another drug pursuant to NRS  
18 639.23286 or 639.2583 to 639.2597, inclusive ~~§~~, *and sections 4*  
19 *and 5 of this act*; or

20 (c) Require any coverage for a drug after the term of the  
21 contract.

22 3. Any provision of a contract for hospital or medical services  
23 subject to the provisions of this chapter that is delivered, issued for  
24 delivery or renewed on or after October 1, 2001, which is in conflict  
25 with this section is void.

26 **Sec. 18.** NRS 695C.1734 is hereby amended to read as  
27 follows:

28 695C.1734 1. Except as otherwise provided in this section,  
29 evidence of coverage which provides coverage for prescription  
30 drugs must not limit or exclude coverage for a drug if the drug:

31 (a) Had previously been approved for coverage by the health  
32 maintenance organization or insurer for a medical condition of an  
33 enrollee and the enrollee's provider of health care determines, after  
34 conducting a reasonable investigation, that none of the drugs which  
35 are otherwise currently approved for coverage are medically  
36 appropriate for the enrollee; and

37 (b) Is appropriately prescribed and considered safe and effective  
38 for treating the medical condition of the enrollee.

39 2. The provisions of subsection 1 do not:

40 (a) Apply to coverage for any drug that is prescribed for a use  
41 that is different from the use for which that drug has been approved  
42 for marketing by the Food and Drug Administration;

43 (b) Prohibit:

44 (1) The health maintenance organization or insurer from  
45 charging a deductible, copayment or coinsurance for the provision



1 of benefits for prescription drugs to the enrollee or from  
2 establishing, by contract, limitations on the maximum coverage for  
3 prescription drugs;

4 (2) A provider of health care from prescribing another drug  
5 covered by the evidence of coverage that is medically appropriate  
6 for the enrollee; or

7 (3) The substitution of another drug pursuant to NRS  
8 639.23286 or 639.2583 to 639.2597, inclusive **H**, *and sections 4*  
9 *and 5 of this act*; or

10 (c) Require any coverage for a drug after the term of the  
11 evidence of coverage.

12 3. Any provision of an evidence of coverage subject to the  
13 provisions of this chapter that is delivered, issued for delivery or  
14 renewed on or after October 1, 2001, which is in conflict with this  
15 section is void.

16 **Sec. 19.** NRS 695F.156 is hereby amended to read as follows:

17 695F.156 1. Except as otherwise provided in this section,  
18 evidence of coverage which provides coverage for prescription  
19 drugs must not limit or exclude coverage for a drug if the drug:

20 (a) Had previously been approved for coverage by the prepaid  
21 limited health service organization for a medical condition of an  
22 enrollee and the enrollee's provider of health care determines, after  
23 conducting a reasonable investigation, that none of the drugs which  
24 are otherwise currently approved for coverage are medically  
25 appropriate for the enrollee; and

26 (b) Is appropriately prescribed and considered safe and effective  
27 for treating the medical condition of the enrollee.

28 2. The provisions of subsection 1 do not:

29 (a) Apply to coverage for any drug that is prescribed for a use  
30 that is different from the use for which that drug has been approved  
31 for marketing by the Food and Drug Administration;

32 (b) Prohibit:

33 (1) The organization from charging a deductible, copayment  
34 or coinsurance for the provision of benefits for prescription drugs to  
35 the enrollee or from establishing, by contract, limitations on the  
36 maximum coverage for prescription drugs;

37 (2) A provider of health care from prescribing another drug  
38 covered by the evidence of coverage that is medically appropriate  
39 for the enrollee; or

40 (3) The substitution of another drug pursuant to NRS  
41 639.23286 or 639.2583 to 639.2597, inclusive **H**, *and sections 4*  
42 *and 5 of this act*; or

43 (c) Require any coverage for a drug after the term of the  
44 evidence of coverage.



1 3. Any provision of an evidence of coverage subject to the  
2 provisions of this chapter that is delivered, issued for delivery or  
3 renewed on or after October 1, 2001, which is in conflict with this  
4 section is void.

5 **Sec. 20.** NRS 695G.166 is hereby amended to read as follows:

6 695G.166 1. Except as otherwise provided in this section, a  
7 health care plan which provides coverage for prescription drugs  
8 must not limit or exclude coverage for a drug if the drug:

9 (a) Had previously been approved for coverage by the managed  
10 care organization for a medical condition of an insured and the  
11 insured's provider of health care determines, after conducting a  
12 reasonable investigation, that none of the drugs which are otherwise  
13 currently approved for coverage are medically appropriate for the  
14 insured; and

15 (b) Is appropriately prescribed and considered safe and effective  
16 for treating the medical condition of the insured.

17 2. The provisions of subsection 1 do not:

18 (a) Apply to coverage for any drug that is prescribed for a use  
19 that is different from the use for which that drug has been approved  
20 for marketing by the Food and Drug Administration;

21 (b) Prohibit:

22 (1) The organization from charging a deductible, copayment  
23 or coinsurance for the provision of benefits for prescription drugs to  
24 the insured or from establishing, by contract, limitations on the  
25 maximum coverage for prescription drugs;

26 (2) A provider of health care from prescribing another drug  
27 covered by the plan that is medically appropriate for the insured; or

28 (3) The substitution of another drug pursuant to NRS  
29 639.23286 or 639.2583 to 639.2597, inclusive **§ 4**, *and sections 4*  
30 *and 5 of this act*; or

31 (c) Require any coverage for a drug after the term of the plan.

32 3. Any provision of a health care plan subject to the provisions  
33 of this chapter that is delivered, issued for delivery or renewed on or  
34 after October 1, 2001, which is in conflict with this section is void.

35 **Sec. 21.** This act becomes effective:

36 1. Upon passage and approval for the purpose of adopting any  
37 regulations and performing any preparatory administrative tasks  
38 necessary to carry out the provisions of this act; and

39 2. On January 1, 2018, for all other purposes.

