

Amendment No. 275

Senate Amendment to Senate Bill No. 378	(BDR 40-574)
Proposed by: Senate Committee on Health and Human Services	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will REMOVE the 2/3s majority vote requirement from S.B. 378.
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ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

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

EWR/RBL



Date: 4/22/2019

S.B. No. 378—Revises provisions relating to the pricing of prescription drugs.
(BDR 40-574)



SENATE BILL NO. 378--SENATOR CANCELA

MARCH 20, 2019

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to the pricing of prescription drugs. (BDR 40-574)

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

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

AN ACT relating to prescription drugs; establishing the Prescription Drug Affordability Board and the Prescription Drug Affordability Stakeholder Council; imposing certain requirements to prevent conflicts of interest involving a member of the Board; authorizing the Board to employ certain persons; ~~requiring the Board to impose an assessment on manufacturers of prescription drugs;~~ authorizing the Board to review the prices of certain prescription drugs; providing for the confidentiality of certain information ~~used in such a review;~~ **obtained by the Board;** authorizing the Board to prescribe an upper payment limit for **the purchase by a governmental entity of** a prescription drug that meets certain requirements after such a review; authorizing written appeals to the Board; requiring the Board to submit an annual report to the Legislature; revising provisions concerning coverage of prescription drugs under Medicaid and the Children's Health Insurance Program; **authorizing certain public and nonprofit insurers to use the preferred prescription drug list for Medicaid as their formulary;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires a manufacturer of prescription drugs to report certain information
2 relating to the prices of drugs determined by the Department of Health and Human Services to
3 be essential for treating diabetes in this State. (NRS 439B.635-439B.645) Existing law
4 requires the Department to annually analyze that information and compile a report concerning
5 the price of those drugs. (NRS 439B.650) **Section 12** of this bill establishes the Prescription
6 Drug Affordability Board and provides for the appointment of regular and alternate members
7 of the Board. **Section 12:** (1) requires each such member to have expertise in the economics of
8 health care or the practice of clinical medicine; and (2) prohibits a member of the board from
9 holding certain positions with a manufacturer **, pharmacy benefit manager, health carrier**
10 **or wholesaler** or a trade association of ~~manufacturers;~~ **such entities.** **Section 13** of this bill
11 prescribes requirements governing the procedure of the Board. **Section 13** additionally
12 requires a member of the Board to recuse himself or herself from certain decisions and
13 prohibits a member of the Board from accepting certain financial benefits, gifts or donations.
14 **Sections 12 and 13** require the disclosure and publication of certain information concerning a

15 conflict of interest involving a member of the Board. **Section 14** of this bill provides for the
16 appointment of an Executive Director, a General Counsel and other employees of the Board.
17 **Section 13** prohibits an employee of the Board from accepting certain gifts and donations.
18 **Section 15** of this bill establishes the Prescription Drug Affordability Stakeholder Council and
19 prescribes the qualifications of the members of the Council.

20 **Section 16** of this bill establishes the Prescription Drug Affordability Account to pay for
21 the expenses of the Board and the Council. ~~[Section 17 of this bill requires the Board to~~
22 ~~impose an assessment on manufacturers and requires the Board to deposit such assessments in~~
23 ~~the Account.]~~

24 **Section 18** of this bill requires the Board to identify prescription drugs that meet certain
25 criteria indicating that the price of the prescription drug may be creating significant challenges
26 for insurers and patients in this State. **Section 18** requires the Board, in consultation with the
27 Council, to determine whether to conduct a review to determine whether the price of a
28 prescription drug identified by the Board as meeting those criteria is creating significant
29 challenges for insurers and patients in this State. **Section 19** of this bill prescribes the criteria
30 the Board must consider when conducting such a review. **Section 20** of this bill authorizes the
31 Board to: (1) use certain information concerning the price of a prescription drug when
32 conducting such a review; and (2) take certain measures to acquire such information. **Sections**
33 **13, 20, 27 and 28** of this bill provide for the confidentiality of proprietary information
34 considered by the Board. **Section 24** of this bill requires the Department to provide to the
35 Board any information concerning the price of essential diabetes drugs and certain other
36 information upon request.

37 ~~[Section]~~ **Beginning on January 1, 2022, section 21** of this bill ~~[requires]~~ **authorizes** the
38 Board to prescribe ~~to a recommended~~ **an** upper payment limit for all purchases **by**
39 **governmental entities** of a prescription drug for which the Board determines that the price of
40 the drug is creating significant challenges for insurers and patients in this State. **Section 26** of
41 this bill exempts such upper payment limits from the requirements applicable to regulations of
42 state agencies generally. ~~[Sections 29, 30 and 32-36 of this bill make any upper payment~~
43 ~~limits prescribed by the Board after January 1, 2024, mandatory. Section 39 of this bill~~
44 ~~requires the Board to conduct an additional review of the price of a prescription drug for~~
45 ~~which a recommended upper payment limit was prescribed on or before December 31, 2023,~~
46 ~~and, if appropriate, to prescribe a mandatory upper payment limit for that drug.]~~ **Sections**
47 **29.6, 31.5 and 35.5 of this bill prohibit Medicaid, the Public Employees' Benefits**
48 **Program and insurance plans for local government employees from paying an amount**
49 **for a prescription drug that exceeds the prescribed upper payment limit.**

50 **Section 22** of this bill authorizes a person aggrieved by a decision of the Board to submit
51 a written appeal to the Board. **Section 23** of this bill: (1) authorizes the Board to adopt
52 regulations and enter into contracts; and (2) requires the Board to submit to the Legislature an
53 annual report concerning trends in prescription drug pricing and the reviews conducted by the
54 Board. **Sections 38.3-38.9 of this bill require the Board to study certain issues relating to**
55 **the pricing of prescription drugs.**

56 **Section** ~~[34]~~ **31.15** of this bill requires any contract between the Department of Health
57 and Human Services and a pharmacy benefit manager to provide services related to
58 prescription drug coverage under Medicaid or the Children's Health Insurance Program to
59 require the pharmacy benefit manager to provide to the Department any information
60 concerning such services provided pursuant to the contract. If the Department does not enter
61 into such a contract, **section** ~~[34]~~ **31.15** also requires the Department to directly manage and
62 coordinate such services. **Section 31.25 of this bill prohibits the Department from**
63 **contracting with a managed care organization for any services related to coverage of**
64 **prescription drugs for recipients of Medicaid.**

65 Existing law requires the Department to develop a list of preferred prescription drugs to
66 be used for the Medicaid program. (NRS 422.4025) ~~[Section 34 of this bill requires the list to~~
67 ~~be used as the formulary for any prescription drug coverage provided pursuant to Medicaid or~~
68 ~~the Children's Health Insurance Program through managed care.]~~ **Section 31.4 of this bill**
69 **requires the Children's Health Insurance Program to use the list of preferred**
70 **prescription drugs. Sections 28.5, 29.3, 31.4 and 33 of this bill authorize other public and**
71 **nonprofit insurance plans to use the list of preferred prescription drugs as the formulary**
72 **for such plans. Section 31.4 also requires the Department to negotiate and enter into**
73 **agreements to purchase prescription drugs included on the list of preferred prescription**

74 drugs on behalf of those health benefit plans or enter into a contract with an insurer or
 75 pharmacy benefit manager to negotiate and enter into such agreements.

76 Existing law requires the Director of the Department to create a Pharmacy and
 77 Therapeutics Committee within the Department, consisting of members appointed by
 78 the Governor based on recommendations of the Director. (NRS 422.4035) Existing law
 79 requires the Committee to identify: (1) prescription drugs for inclusion in the list of
 80 preferred prescription drugs for the Medicaid program; and (2) prescription drugs on
 81 that list which should be excluded from any restrictions imposed by the Medicaid
 82 program. (NRS 422.405) Sections 31.55-31.8 of this bill replace the Committee with the
 83 Silver State Scripts Board. Section 31.55 requires the Director to appoint the members
 84 of the Board, who must have the same qualifications as the members of the Committee.
 85 Section 8 of this bill requires the Board to: (1) identify prescription drugs for inclusion
 86 in the formulary developed for use by publicly funded and nonprofit health plans; and
 87 (2) assume the other duties of the Committee.

88 Existing law requires the Committee to make its decisions based on evidence of
 89 clinical efficacy and safety without consideration of cost. (NRS 422.405) Section 31.8 of
 90 this bill authorizes the Board to consider cost if there is no significant difference in the
 91 clinical efficacy, safety and patient outcomes of two or more drugs. Sections 28 and 31.8
 92 of this bill authorize the Board to close a portion of a meeting to the public in order to
 93 consider the cost of prescription drugs. Sections 25, 29.2, 31-31.1, 31.3, 31.35, 31.45 and
 94 31.9 of this bill make conforming changes.

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

1 **Section 1.** Chapter 439B of NRS is hereby amended by adding thereto the
 2 provisions set forth as sections 2 to 23, inclusive, of this act.

3 **Sec. 2.** *As used in sections 2 to 23, inclusive, of this act, unless the context*
 4 *otherwise requires, the words and terms defined in sections 3 to ~~11.5~~ 11.5,*
 5 *inclusive, of this act have the meanings ascribed to them in those sections.*

6 **Sec. 3.** *“Board” means the Prescription Drug Affordability Board*
 7 *established by section 12 of this act.*

8 **Sec. 4.** *“Brand name prescription drug” means a prescription drug that is*
 9 *produced or distributed in accordance with an original new drug application*
 10 *approved pursuant to 21 U.S.C. § 355(c). The term does not include an*
 11 *authorized generic drug, as defined in 42 C.F.R. § 447.502.*

12 **Sec. 5.** *“Council” means the Prescription Drug Affordability Stakeholder*
 13 *Council established by section 15 of this act.*

14 **Sec. 6.** *“Generic prescription drug” means:*

15 1. *A prescription drug that is marketed or distributed in accordance with an*
 16 *abbreviated new drug application that has been approved pursuant to 21 U.S.C. §*
 17 *355(j);*

18 2. *An authorized generic drug, as defined in 42 C.F.R. § 447.502; and*

19 3. *A prescription drug that entered the market before January 1, 1962, and*
 20 *was not originally marketed under a new drug application.*

21 **Sec. 7.** *“Health carrier” means an entity subject to the insurance laws and*
 22 *regulations of this State, or subject to the jurisdiction of the Commissioner of*
 23 *Insurance, that contracts or offers to contract to provide, deliver, arrange for, pay*
 24 *for or reimburse any of the costs of health care services, including, without*
 25 *limitation, a sickness and accident health insurance company, a health*
 26 *maintenance organization, a nonprofit hospital and health service corporation or*
 27 *any other entity providing a plan of health insurance, health benefits or health*
 28 *care services.*

1 Sec. 8. “Manufacturer” has the meaning ascribed to it in NRS 639.009.

2 Sec. 9. “Pharmacy benefit manager” has the meaning ascribed to it in NRS
3 683A.174.

4 Sec. 10. “Upper payment limit” means the maximum amount that the
5 ~~Board recommends that a health carrier or other person~~ State or an agency or
6 political subdivision thereof may pay for a dose of a prescription drug , as
7 prescribed by the Board pursuant to section 21 of this act.

8 Sec. 11. “Wholesale acquisition cost” has the meaning ascribed to it in
9 NRS 439B.620

10 Sec. 11.5. “Wholesaler” has the meaning ascribed to it in NRS 639.016.

11 Sec. 12. 1. The Prescription Drug Affordability Board is hereby
12 established. The Board consists of the following regular members:

13 (a) One member appointed by the Governor;

14 (b) One member appointed by the Majority Leader of the Senate;

15 (c) One member appointed by the Speaker of the Assembly;

16 (d) One member appointed by the Attorney General; and

17 (e) One member jointly appointed by the Majority Leader of the Senate and
18 the Speaker of the Assembly. The member appointed pursuant to this paragraph
19 shall serve as the Chair of the Board.

20 2. In addition to the regular members appointed to the Board pursuant to
21 subsection 1:

22 (a) The Governor shall appoint one alternate member;

23 (b) The Majority Leader of the Senate shall appoint one alternate member;
24 and

25 (c) The Speaker of the Assembly shall appoint one alternate member.

26 3. A regular member of the Board appointed pursuant to subsection 1 or an
27 alternate member of the Board appointed pursuant to subsection 2:

28 (a) Must have expertise in the economics of health care or the practice of
29 clinical medicine; and

30 (b) Must not be an employee, officer, member of the executive board or
31 consultant of a manufacturer , a pharmacy benefit manager, a health carrier or a
32 wholesaler or a trade association for ~~manufacturers,~~ any such entity.

33 4. Before being appointed as a regular or alternate member of the Board, a
34 person shall disclose to the authority considering the appointment any potential
35 conflict of interest, including, without limitation, a financial interest or personal
36 association, that may create bias or the appearance of bias in matters related to
37 the duties of the Board. An appointing authority shall disclose to the Chair of the
38 Board any conflict of interest reported to him or her not later than 5 days after
39 the identification of the conflict of interest. The Board shall post on an Internet
40 website maintained by the Board notification of the conflict of interest, including,
41 without limitation, the type and significance of the conflict of interest and the
42 name of the potential member involved.

43 5. In appointing the regular and alternate members of the Board described
44 in subsections 1 and 2, the appointing authorities shall coordinate the
45 appointments when practicable so that the regular and alternate members of the
46 Board reflect the ethnic and geographic diversity of this State.

47 6. After the initial terms, each regular and alternate member of the Board
48 serves for a term of 4 years. Each member of the Board continues in office until
49 his or her successor is appointed. Members may be reappointed for additional
50 terms of 4 years in the same manner as the original appointments. Any vacancy
51 occurring in the membership of the Board must be filled in the same manner as
52 the original appointment not later than 30 days after the vacancy occurs.

1 7. Each regular or alternate member of the Board who is not an officer or
2 employee of this State or a political subdivision of this State is entitled to receive a
3 salary of \$80 per day while engaged in the business of the Board.

4 8. While engaged in the business of the Board, each regular and alternate
5 member of the Board is entitled to receive the per diem allowance and travel
6 expenses provided for state officers and employees generally.

7 9. A majority of the members of the Board constitutes a quorum for the
8 transaction of business, and a majority of a quorum present at any meeting is
9 sufficient for any official action taken by the Board.

10 10. A regular or alternate member of the Board who is an officer or
11 employee of this State or a political subdivision of this State must be relieved from
12 his or her duties without loss of regular compensation to prepare for and attend
13 meetings of the Board and perform any work necessary to carry out the duties of
14 the Board in the most timely manner practicable. A state agency or political
15 subdivision of this State shall not require an officer or employee who is a member
16 of the Board to:

17 (a) Make up the time he or she is absent from work to carry out his or her
18 duties as a member of the Board; or

19 (b) Take annual leave or compensatory time for the absence.

20 **Sec. 13.** 1. Except as otherwise provided in this subsection, the Board
21 shall meet at the call of the Chair of the Board or a majority of its regular
22 members and not less than once every 6 weeks. The Board may cancel or
23 postpone a meeting ~~[if there are no prescription drugs to review pursuant to~~
24 ~~section 19 of this act.] for any reason.~~

25 2. The Board may close any portion of a meeting during which it considers
26 trade secrets or other confidential or proprietary information concerning a
27 prescription drug. Any portion of a meeting that is closed pursuant to this
28 subsection is not subject to the provisions of chapter 241 of NRS. The Board shall
29 not vote on any matter during the closed portion of a meeting.

30 3. If any regular member of the Board informs the Chair that the member
31 will be unable to attend a scheduled meeting of the Board, the Chair must select
32 an alternate member to replace the regular member at that meeting only, with all
33 the duties, rights and privileges of the replaced member.

34 4. A regular or alternate member of the Board shall recuse himself or
35 herself from a decision of the Board if the member or a member of his or her
36 immediate family may receive a direct financial benefit, including, without
37 limitation, honoraria, fees, stock or an increase in the value of an investment,
38 deriving from the decision or any action taken pursuant to the decision.

39 5. A regular or alternate member of the Board shall not accept from a
40 manufacturer, pharmacy benefit manager, health carrier, wholesaler or other
41 person or entity who manufactures or distributes products or services related to
42 prescription drugs or a person who owns or invests in ~~[a manufacturer, or other]~~
43 such a person or entity financial benefits that, in aggregate, exceed \$5,000 in any
44 calendar year.

45 6. A regular or alternate member, independent contractor or employee of
46 the Board shall not accept any gift or donation of services or property that creates
47 a potential conflict of interest or has the appearance of creating bias concerning
48 the work of the Board.

49 7. A regular or alternate member of the Board shall disclose to the Chair of
50 the Board any conflict of interest that affects the member before the meeting of
51 the Board immediately following the identification of the conflict of interest or
52 not later than 5 days after the identification of the conflict of interest, whichever
53 is earlier. The Chair may recuse a member who discloses a conflict of interest

1 from any decision of the Board to which the conflict of interest is relevant. If a
 2 member who discloses a conflict of interest is not recused, the Board must post on
 3 an Internet website maintained by the Board notification of the conflict of
 4 interest, including, without limitation, a description of the type and significance
 5 of the conflict of interest and the name of the member involved.

6 **Sec. 14. 1.** Upon approval by a majority of the members of the Board, the
 7 Board shall appoint an Executive Director, General Counsel and such other
 8 employees as the Board deems necessary.

9 2. The Executive Director and General Counsel are in the unclassified
 10 service of the State and serve at the pleasure of the Board. Any other employees
 11 of the Board are in the classified service of the State.

12 3. The Board shall establish the qualifications, powers and duties of the
 13 Executive Director and General Counsel.

14 **Sec. 15. 1.** The Prescription Drug Affordability Stakeholder Council is
 15 hereby established.

16 2. The Speaker of the Assembly shall appoint to the Council:

17 (a) One member who is a representative of a statewide organization that
 18 advocates for consumers of health care;

19 (b) One member who is a representative of a statewide organization that
 20 advocates for senior citizens;

21 (c) One member who is a representative of a statewide organization that
 22 advocates for members of minority groups;

23 (d) One member who is a representative of an employee organization;

24 (e) ~~Two members~~ One member who ~~perform~~ performs scientific research
 25 concerning prescription drugs; ~~and~~

26 (f) One member who is a representative of the general public ~~and~~;

27 (g) One member who is a representative of manufacturers of generic
 28 prescription drugs; and

29 (h) One member who is a representative of nonprofit health carriers.

30 3. The Majority Leader of the Senate shall appoint to the Council:

31 (a) One member who is a representative of physicians;

32 (b) One member who is a representative of nurses;

33 (c) One member who is a representative of dentists;

34 (d) One member who is a representative of hospitals;

35 ~~(d)~~ (e) One member who is a representative of health ~~insurers;~~ carriers;

36 ~~(e)~~ (f) One member who is a representative of the Budget Division of the
 37 Office of Finance;

38 ~~(f)~~ (g) One member who is a representative of manufacturers of brand
 39 name prescription drugs;

40 (h) One member who performs clinical research concerning prescription
 41 drugs; and

42 ~~(g)~~ (i) One member who is a representative of the general public.

43 4. The Governor shall appoint to the Council:

44 (a) One member who is a representative of manufacturers of brand name
 45 prescription drugs;

46 (b) One member who is a representative of manufacturers of generic
 47 prescription drugs;

48 (c) One member who is a representative of biotechnology companies;

49 (d) One member who is a representative of employers;

50 ~~(d)~~ (e) One member who is a representative of pharmacy benefit
 51 managers;

52 ~~(e)~~ (f) One member who is a representative of for-profit health carriers;

53 (g) One member who is a representative of pharmacists;

~~1~~ ~~(f)~~ *(h) One pharmacologist; and*

~~2~~ ~~(g)~~ *(i) One member who is a representative of the general public.*

~~3~~ *5. In appointing the members of the Council described in subsections 2, 3*
~~4~~ *and 4, the appointing authorities shall coordinate the appointments when*
~~5~~ *practicable so that the members of the Council reflect the ethnic and geographic*
~~6~~ *diversity of this State.*

~~7~~ ~~Each member~~ *Collectively, the members of the Council must have*
~~8~~ *knowledge in ~~at least one of~~ the following subject areas:*

~~9~~ *(a) The business models of manufacturers.*

~~10~~ *(b) The supply chain for the production and distribution of prescription*
~~11~~ *drugs.*

~~12~~ *(c) The practice of medicine or clinical training.*

~~13~~ *(d) Perspectives of consumers of prescription drugs.*

~~14~~ *(e) Trends in and drivers of the cost of health care.*

~~15~~ *(f) Clinical research or other research concerning the provision of health*
~~16~~ *care.*

~~17~~ *(g) The Silver State Health Insurance Exchange established by NRS*
~~18~~ *695I.200.*

~~19~~ *7. After the initial terms, each member of the Council serves for a term of 3*
~~20~~ *years. Each member of the Council continues in office until his or her successor*
~~21~~ *is appointed. Members may be reappointed for additional terms of 3 years in the*
~~22~~ *same manner as the original appointments. Any vacancy occurring in the*
~~23~~ *membership of the Council must be filled in the same manner as the original*
~~24~~ *appointment not later than 30 days after the vacancy occurs.*

~~25~~ *8. The members of the Council serve without compensation but are entitled*
~~26~~ *to receive the per diem allowance and travel expenses provided for state officers*
~~27~~ *and employees generally.*

~~28~~ *9. At its first meeting and annually thereafter, the Council shall elect a*
~~29~~ *Chair from among its members. A majority of the members of the Council*
~~30~~ *constitutes a quorum for the transaction of business, and a majority of a quorum*
~~31~~ *present at any meeting is sufficient for any official action taken by the Council.*

~~32~~ *10. A member of the Council who is an officer or employee of this State or a*
~~33~~ *political subdivision of this State must be relieved from his or her duties without*
~~34~~ *loss of regular compensation to prepare for and attend meetings of the Council*
~~35~~ *and perform any work necessary to carry out the duties of the Council in the most*
~~36~~ *timely manner practicable. A state agency or political subdivision of this State*
~~37~~ *shall not require an officer or employee who is a member of the Council to:*

~~38~~ *(a) Make up the time he or she is absent from work to carry out his or her*
~~39~~ *duties as a member of the Council; or*

~~40~~ *(b) Take annual leave or compensatory time for the absence.*

~~41~~ **Sec. 16. 1. The Prescription Drug Affordability Account is hereby created**
~~42~~ **in the State General Fund. The Account must be administered by the Board.**

~~43~~ **2. The interest and income earned on:**

~~44~~ *(a) The money in the Account, after deducting any applicable charges; and*

~~45~~ *(b) Unexpended appropriations made to the Account from the State General*
~~46~~ *Fund,*

~~47~~ *↪ must be credited to the Account.*

~~48~~ *3. Any money remaining in the Account at the end of a fiscal year*
~~49~~ *including, without limitation, any unexpended appropriations made to the*
~~50~~ *Account from the State General Fund, does not revert to the State General Fund,*
~~51~~ *and the balance in the Account must be carried forward to the next fiscal year.*

~~52~~ *4. The Board may accept gifts and grants of money from any source for*
~~53~~ *deposit in the Account.*

1 5. *The money in the Account may only be used to pay the expenses incurred*
2 *by the Board and the Council to perform the duties prescribed in sections 2 to 23,*
3 *inclusive, of this act.*

4 Sec. 17. ~~*The Board shall:*~~

5 ~~*1. Impose on each manufacturer that sells prescription drugs for*~~
6 ~~*distribution in this State an annual assessment equal to the percentage of the*~~
7 ~~*total sales of prescription drugs in this State that are attributable to the*~~
8 ~~*manufacturer multiplied by the total estimated costs of the Board and Council to*~~
9 ~~*perform the duties prescribed by sections 2 to 23, inclusive, of this act during the*~~
10 ~~*immediately preceding fiscal year.*~~

11 ~~*2. Deposit the assessments collected pursuant to subsection 1 in the*~~
12 ~~*Prescription Drug Affordability Account created by section 16 of this act.*~~
13 ~~*(Deleted by amendment.)*~~

14 Sec. 18. *1. Using information available to the Board, including,*
15 *without limitation, information obtained through a memorandum of*
16 *understanding entered into pursuant to section 20 of this act, the Board shall*
17 *identify:*

18 (a) *Each brand name prescription drug for which:*

19 (1) *If the prescription drug is a new drug, the wholesale acquisition cost*
20 *is \$30,000 or more per year or for a course of treatment; or*

21 (2) *The wholesale acquisition cost has increased by \$3,000 or more in*
22 *any 12-month period or, if a course of treatment using the prescription drug is*
23 *less than 12 months, during the time period of a course of treatment.*

24 (b) *Each new biosimilar prescription drug that has a wholesale acquisition*
25 *cost that is not at least 15 percent lower than the brand name prescription drug to*
26 *which the new prescription drug is biosimilar;*

27 (c) *Each generic prescription drug for which the wholesale acquisition cost:*

28 (1) *Is \$100 or more for:*

29 (I) *A supply of the drug for 30 days or less, as calculated using the*
30 *recommended dosage approved by the United States Food and Drug*
31 *Administration; or*

32 (II) *If no such recommended dosage has been approved, for one unit*
33 *of the drug; or*

34 (2) *Increased by 200 percent or more during the immediately preceding*
35 *calendar year; and*

36 (d) *Any other prescription drug for which the Board determines, in*
37 *consultation with the Council, that the price of the drug may be creating*
38 *significant challenges for insurers and patients in this State.*

39 2. *For each prescription drug identified pursuant to subsection 1, the Board*
40 *shall, in consultation with the Council, determine whether to conduct a review of*
41 *price of the drug pursuant to section 19 of this act. When determining whether to*
42 *conduct such a review, the Board shall consider, without limitation, the average*
43 *copayment or coinsurance required for the prescription drug in this State.*

44 3. *The dollar amounts set forth in this section must be adjusted by the*
45 *Board every year by an amount equal to the percentage increase in the Consumer*
46 *Price Index, Medical, for the immediately preceding year.*

47 4. *As used in this section, “biosimilar” means a prescription drug that is*
48 *produced or distributed in accordance with a biologics license application*
49 *approved pursuant to 42 U.S.C. § 262(k)(3).*

50 Sec. 19. *1. The Board may review the price of any prescription drug*
51 *identified as meeting the criteria prescribed by section 18 of this act to determine*
52 *whether the price of the prescription drug is creating significant challenges for*
53 *insurers and patients in this State.*

1 2. In making a determination pursuant to subsection 1, the Board shall
2 consider, to the extent that such information is available:

3 (a) The wholesale acquisition cost of the prescription drug;

4 (b) The average discount or rebate that the manufacturer of the prescription
5 drug provides to health carriers in connection with the sale of the prescription
6 drug in this State and the percentage of the wholesale acquisition cost of the
7 prescription drug that is covered by that average discount or rebate;

8 (c) The average discount or rebate that the manufacturer of the prescription
9 drug provides to pharmacy benefit managers in connection with the sale of the
10 prescription drug in this State and the percentage of the wholesale acquisition
11 cost of the prescription drug that is covered by that average discount or rebate;

12 (d) The prices at which comparable alternative prescription drugs are sold in
13 this State;

14 (e) The average discount or rebate that the manufacturers of comparable
15 alternative prescription drugs provide to health carriers and pharmacy benefit
16 managers in connection with the sale of those alternative prescription drugs in
17 this State;

18 (f) The cost to health carriers to provide covered persons with access to the
19 prescription drug in this State;

20 (g) The impact of the price of the prescription drug on access to the
21 prescription drug in this State;

22 (h) The current or expected monetary value in this State of patient access
23 programs that are specific to the prescription drug and supported by the
24 manufacturer of the prescription drug;

25 (i) The impact of the price of the prescription drug on the cost of public
26 health services, medical services and social services in this State relative to the
27 impact of the prices of comparable alternative prescription drugs on such
28 services;

29 (j) The average copayment or coinsurance paid by patients for the
30 prescription drug in this State; and

31 (k) Any other factors prescribed by regulation of the Board.

32 3. If the Board is unable to make a determination pursuant to subsection 1
33 after considering the factors prescribed by subsection 2, the Board may consider:

34 (a) The research and development costs of the manufacturer, as indicated in
35 publicly available tax documents or information filed with the Securities and
36 Exchange Commission for the most recent tax year, in proportion to the sales of
37 the manufacturer in this State;

38 (b) The percentage of the amount spent by the manufacturer for marketing
39 prescription drugs directly to consumers that is:

40 (1) Eligible for favorable treatment with respect to federal taxes; and

41 (2) Attributable to the prescription drug;

42 (c) Gross and net revenues of the manufacturer for the most recent tax year;

43 (d) Any additional relevant factor recommended by the manufacturer; and

44 (e) Any other factor prescribed by regulation of the Board.

45 **Sec. 20. 1.** In conducting a review pursuant to this section 19 of this act,
46 the Board may use any information relating to the selection of the price of the
47 prescription drug by the manufacturer, including, without limitation, publicly
48 available information, information disclosed to the Department pursuant to NRS
49 439B.600 to 439B.695, inclusive, information obtained through a memorandum
50 of understanding entered into pursuant to subsection 2 and information
51 requested and obtained from ~~the~~ a manufacturer ~~or~~ , wholesaler, pharmacy
52 benefit manager or health carrier.

1 2. *The Board may enter into a memorandum of understanding with any*
 2 *agency of another State for the sharing of information concerning the prices of*
 3 *prescription drugs, including, without limitation, information reported to the*
 4 *Department pursuant to NRS 439B.600 to 439B.695, inclusive.*

5 3. *Except as otherwise provided in this subsection, any proprietary*
 6 *information disclosed to or otherwise obtained by the Board pursuant to ~~this~~*
 7 *~~section~~ sections 2 to 23, inclusive, of this act, except for information previously*
 8 *made public, is confidential and is not a public record. Such information may be*
 9 *disclosed to an agency of another state pursuant to a memorandum of*
 10 *understanding entered into under the provisions of subsection 2 if the agency has*
 11 *requirements concerning the confidentiality of such information similar to those*
 12 *prescribed by this subsection.*

13 4. *Failure of a manufacturer, wholesaler, pharmacy benefit manager or*
 14 *health carrier to provide information requested by the Board pursuant to*
 15 *subsection 1 does not affect the authority of the Board to ~~conduct a review~~*
 16 *~~pursuant to section 19 of this act or to prescribe an upper payment limit pursuant~~*
 17 *~~to section 21~~ take any action authorized by sections 2 to 23, inclusive, of this act.*

18 Sec. 21. *1. If ~~the~~ the Board determines that it is in the best interest of this*
 19 *State to impose upper payment limits for purchases of prescription drugs by this*
 20 *State or any political subdivision thereof, the Board, in consultation with the*
 21 *Council, may adopt regulations prescribing:*

22 (a) A process for imposing such upper payment limits; and

23 (b) The criteria, in addition to those prescribed by subsection 3, for imposing
 24 *upper payment limits.*

25 2. *If the Board adopts regulations pursuant to subsection 1, the Board may,*
 26 *after conducting a review pursuant to section 19 of this act ~~the Board~~*
 27 *~~determines~~ and determining that the price of a prescription drug is creating*
 28 *significant challenges for insurers and patients in this State, ~~the Board shall~~*
 29 *~~prescribe a recommended~~ set an upper payment limit for purchases of the*
 30 *prescription drug ~~in~~ by this State ~~the~~ or any agency or political subdivision*
 31 *thereof, including, without limitation:*

32 (a) The state prison, any county jail and any other detention facility for
 33 *adults or children operated by this State or a political subdivision thereof;*

34 (b) Any medical facility, as defined in NRS 449.0151, operated by this State
 35 *or a political subdivision thereof;*

36 (c) Any health clinic or other facility that provides health care at a college or
 37 *university within the Nevada System of Higher Education; and*

38 (d) The Medicaid program, the Public Employees' Benefits Program,
 39 *coverage of prescription drugs provided by a local governmental agency pursuant*
 40 *to NRS 287.010 and any other coverage of prescription drugs provided by this*
 41 *State or a political subdivision thereof.*

42 3. *When establishing ~~a recommended~~ an upper payment limit for a*
 43 *prescription drug, the Board shall consider, to the extent that such information is*
 44 *available and relevant:*

45 (a) *The cost of administering the prescription drug;*

46 (b) *The cost of delivering the prescription drug to consumers;*

47 (c) *Any other relevant administrative costs related to the prescription drug;*
 48 *~~and~~*

49 (d) The information described in section 19 of this act ~~the~~
 50 *2. ; and*

51 (e) Any other criteria prescribed by regulation of the Board.

1 4. The Board shall not impose an upper payment limit pursuant to this
 2 section for any prescription drug for which the United States Food and Drug
 3 Administration has determined that a shortage exists.

4 5. The Board ~~may~~:

5 (a) Shall monitor the availability of any drug for which an upper payment
 6 limit has been prescribed pursuant to this section; and

7 (b) May revise, suspend or rescind ~~to~~ ~~recommended~~ an upper payment limit
 8 imposed pursuant to this section if ~~it~~ ~~after conducting a review pursuant to~~
 9 ~~section 19 of this act,~~ it determines that there is a shortage of the prescription
 10 drug in this State or conditions otherwise warrant the revision, suspension or
 11 rescinding of the upper payment limit, as applicable.

12 ~~3.~~ 6. The Board shall collaborate with the Council, manufacturers,
 13 pharmacy benefit managers, health carriers, wholesalers, consumers of
 14 prescription drugs and other interested persons to:

15 (a) Establish and refine a methodology ~~to~~ for prescribing upper payment
 16 limits pursuant to this section; ~~and~~

17 (b) Improve the quality and quantity of information received by the Board
 18 pursuant to section 20 of this act ~~to~~; and

19 (c) Study purchasing strategies to lower the price of any drug for which an
 20 upper payment limit is imposed pursuant to this section, including, without
 21 limitation, such a drug for which the upper payment limit is revised, suspended or
 22 rescinded pursuant to subsection 5.

23 **Sec. 22. 1.** Any person aggrieved by a decision of the Board may submit a
 24 written appeal to the Board not later than 30 days after the date of the decision.
 25 The Board shall rule on the appeal not later than 60 days after receiving the
 26 appeal.

27 **2.** A decision of the Board concerning an appeal pursuant to subsection 1 is
 28 a final decision for purposes of judicial review.

29 **Sec. 23. 1.** The Board may:

30 (a) Adopt any regulations necessary to carry out the provisions of sections 2
 31 to 23, inclusive, of this act.

32 (b) Enter into any contract necessary to carry out the provisions of sections 2
 33 to 23, inclusive, of this act.

34 **2.** On or before December 31 of each year, the Board shall submit to the
 35 Director of the Legislative Counsel Bureau for transmittal to the Legislature a
 36 report that includes, without limitation:

37 (a) Information concerning trends in the price of prescription drugs;

38 (b) The number of prescription drugs that were reviewed pursuant to section
 39 19 of this act and the outcomes of such reviews, any appeals submitted pursuant
 40 to section 22 of this act and any judicial review of such appeals; and

41 (c) Any recommendations of the Board to increase the affordability of
 42 prescription drugs in this State.

43 **Sec. 24.** NRS 439B.670 is hereby amended to read as follows:

44 439B.670 1. Except as otherwise provided in subsection 2 and subsection 3
 45 of NRS 439B.660, the Department shall:

46 (a) Place or cause to be placed on the Internet website maintained by the
 47 Department:

48 (1) The information provided by each pharmacy pursuant to NRS
 49 439B.655;

50 (2) The information compiled by a nonprofit organization pursuant to NRS
 51 439B.665 if such a report is submitted pursuant to paragraph (b) of subsection 1 of
 52 that section;

1 (3) The lists of prescription drugs compiled by the Department pursuant to
2 NRS 439B.630;

3 (4) The wholesale acquisition cost of each prescription drug reported
4 pursuant to NRS 439B.635; and

5 (5) The reports compiled by the Department pursuant to NRS 439B.650
6 and 439B.660.

7 (b) Ensure that the information placed on the Internet website maintained by
8 the Department pursuant to paragraph (a) is organized so that each individual
9 pharmacy, manufacturer and nonprofit organization has its own separate entry on
10 that website; and

11 (c) Ensure that the usual and customary price that each pharmacy charges for
12 each prescription drug that is on the list prepared pursuant to NRS 439B.625 and
13 that is stocked by the pharmacy:

14 (1) Is presented on the Internet website maintained by the Department in a
15 manner which complies with the requirements of NRS 439B.675; and

16 (2) Is updated not less frequently than once each calendar quarter.

17 ➤ Nothing in this subsection prohibits the Department from determining the usual
18 and customary price that a pharmacy charges for a prescription drug by extracting
19 or otherwise obtaining such information from claims reported by pharmacies to the
20 Medicaid program.

21 2. If a pharmacy is part of a larger company or corporation or a chain of
22 pharmacies or retail stores, the Department may present the pricing information
23 pertaining to such a pharmacy in such a manner that the pricing information is
24 combined with the pricing information relative to other pharmacies that are part of
25 the same company, corporation or chain, to the extent that the pricing information
26 does not differ among those pharmacies.

27 3. The Department may establish additional or alternative procedures by
28 which a consumer who is unable to access the Internet or is otherwise unable to
29 receive the information described in subsection 1 in the manner in which it is
30 presented by the Department may obtain that information:

31 (a) In the form of paper records;

32 (b) Through the use of a telephonic system; or

33 (c) Using other methods or technologies designed specifically to assist
34 consumers who are hearing impaired or visually impaired.

35 4. *The Department shall provide to the Prescription Drug Affordability*
36 *Board established pursuant to section 12 of this act any information submitted to*
37 *the Department pursuant to NRS 439B.600 to 439B.695, inclusive, upon the*
38 *request of the Board.*

39 5. As used in this section, “usual and customary price” means the usual and
40 customary charges that a pharmacy charges to the general public for a drug, as
41 described in 42 C.F.R. § 447.512.

42 **Sec. 25.** NRS 232.320 is hereby amended to read as follows:

43 232.320 1. The Director:

44 (a) Shall appoint, with the consent of the Governor, administrators of the
45 divisions of the Department, who are respectively designated as follows:

46 (1) The Administrator of the Aging and Disability Services Division;

47 (2) The Administrator of the Division of Welfare and Supportive Services;

48 (3) The Administrator of the Division of Child and Family Services;

49 (4) The Administrator of the Division of Health Care Financing and
50 Policy; and

51 (5) The Administrator of the Division of Public and Behavioral Health.

52 (b) Shall administer, through the divisions of the Department, the provisions of
53 chapters 63, 424, 425, 427A, 432A to 442, inclusive, 446 to 450, inclusive, 458A

1 and 656A of NRS, NRS 127.220 to 127.310, inclusive, 422.001 to 422.410,
2 inclusive, ~~and section 311~~ sections 31.05 to 31.2, inclusive, of this act, 422.580,
3 432.010 to 432.133, inclusive, 432B.621 to 432B.626, inclusive, 444.002 to
4 444.430, inclusive, and 445A.010 to 445A.055, inclusive, and all other provisions
5 of law relating to the functions of the divisions of the Department, but is not
6 responsible for the clinical activities of the Division of Public and Behavioral
7 Health or the professional line activities of the other divisions.

8 (c) Shall administer any state program for persons with developmental
9 disabilities established pursuant to the Developmental Disabilities Assistance and
10 Bill of Rights Act of 2000, 42 U.S.C. §§ 15001 et seq.

11 (d) Shall, after considering advice from agencies of local governments and
12 nonprofit organizations which provide social services, adopt a master plan for the
13 provision of human services in this State. The Director shall revise the plan
14 biennially and deliver a copy of the plan to the Governor and the Legislature at the
15 beginning of each regular session. The plan must:

16 (1) Identify and assess the plans and programs of the Department for the
17 provision of human services, and any duplication of those services by federal, state
18 and local agencies;

19 (2) Set forth priorities for the provision of those services;

20 (3) Provide for communication and the coordination of those services
21 among nonprofit organizations, agencies of local government, the State and the
22 Federal Government;

23 (4) Identify the sources of funding for services provided by the Department
24 and the allocation of that funding;

25 (5) Set forth sufficient information to assist the Department in providing
26 those services and in the planning and budgeting for the future provision of those
27 services; and

28 (6) Contain any other information necessary for the Department to
29 communicate effectively with the Federal Government concerning demographic
30 trends, formulas for the distribution of federal money and any need for the
31 modification of programs administered by the Department.

32 (e) May, by regulation, require nonprofit organizations and state and local
33 governmental agencies to provide information regarding the programs of those
34 organizations and agencies, excluding detailed information relating to their budgets
35 and payrolls, which the Director deems necessary for the performance of the duties
36 imposed upon him or her pursuant to this section.

37 (f) Has such other powers and duties as are provided by law.

38 2. Notwithstanding any other provision of law, the Director, or the Director's
39 designee, is responsible for appointing and removing subordinate officers and
40 employees of the Department, other than the State Public Defender of the Office of
41 State Public Defender who is appointed pursuant to NRS 180.010.

42 **Sec. 26.** NRS 233B.039 is hereby amended to read as follows:

43 233B.039 1. The following agencies are entirely exempted from the
44 requirements of this chapter:

45 (a) The Governor.

46 (b) Except as otherwise provided in NRS 209.221, the Department of
47 Corrections.

48 (c) The Nevada System of Higher Education.

49 (d) The Office of the Military.

50 (e) The Nevada Gaming Control Board.

51 (f) Except as otherwise provided in NRS 368A.140 and 463.765, the Nevada
52 Gaming Commission.

1 (g) Except as otherwise provided in NRS 425.620, the Division of Welfare and
2 Supportive Services of the Department of Health and Human Services.

3 (h) Except as otherwise provided in NRS 422.390, the Division of Health Care
4 Financing and Policy of the Department of Health and Human Services.

5 (i) The State Board of Examiners acting pursuant to chapter 217 of NRS.

6 (j) Except as otherwise provided in NRS 533.365, the Office of the State
7 Engineer.

8 (k) The Division of Industrial Relations of the Department of Business and
9 Industry acting to enforce the provisions of NRS 618.375.

10 (l) The Administrator of the Division of Industrial Relations of the Department
11 of Business and Industry in establishing and adjusting the schedule of fees and
12 charges for accident benefits pursuant to subsection 2 of NRS 616C.260.

13 (m) The Board to Review Claims in adopting resolutions to carry out its duties
14 pursuant to NRS 445C.310.

15 (n) The Silver State Health Insurance Exchange.

16 2. Except as otherwise provided in subsection 5 and NRS 391.323, the
17 Department of Education, the Board of the Public Employees' Benefits Program
18 and the Commission on Professional Standards in Education are subject to the
19 provisions of this chapter for the purpose of adopting regulations but not with
20 respect to any contested case.

21 3. The special provisions of:

22 (a) Chapter 612 of NRS for the distribution of regulations by and the judicial
23 review of decisions of the Employment Security Division of the Department of
24 Employment, Training and Rehabilitation;

25 (b) Chapters 616A to 617, inclusive, of NRS for the determination of contested
26 claims;

27 (c) Chapter 91 of NRS for the judicial review of decisions of the Administrator
28 of the Securities Division of the Office of the Secretary of State; and

29 (d) NRS 90.800 for the use of summary orders in contested cases,

30 ↪ prevail over the general provisions of this chapter.

31 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do
32 not apply to the Department of Health and Human Services in the adjudication of
33 contested cases involving the issuance of letters of approval for health facilities and
34 agencies.

35 5. The provisions of this chapter do not apply to:

36 (a) Any order for immediate action, including, but not limited to, quarantine
37 and the treatment or cleansing of infected or infested animals, objects or premises,
38 made under the authority of the State Board of Agriculture, the State Board of
39 Health, or any other agency of this State in the discharge of a responsibility for the
40 preservation of human or animal health or for insect or pest control;

41 (b) An extraordinary regulation of the State Board of Pharmacy adopted
42 pursuant to NRS 453.2184;

43 (c) A regulation adopted by the State Board of Education pursuant to NRS
44 388.255 or 394.1694;

45 (d) The judicial review of decisions of the Public Utilities Commission of
46 Nevada; or

47 (e) The adoption, amendment or repeal of policies by the Rehabilitation
48 Division of the Department of Employment, Training and Rehabilitation pursuant
49 to NRS 426.561 or 615.178.

50 ***(f) An upper payment limit prescribed by the Prescription Drug Affordability***
51 ***Board pursuant to section 21 of this act.***

1 6. The State Board of Parole Commissioners is subject to the provisions of
2 this chapter for the purpose of adopting regulations but not with respect to any
3 contested case.

4 **Sec. 27.** NRS 239.010 is hereby amended to read as follows:

5 239.010 1. Except as otherwise provided in this section and NRS 1.4683,
6 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516,
7 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150,
8 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413,
9 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345,
10 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260,
11 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690,
12 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057,
13 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044,
14 159A.044, 172.075, 172.245, 176.01249, 176.015, 176.0625, 176.09129, 176.156,
15 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165,
16 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392,
17 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.050, 213.131,
18 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130,
19 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473,
20 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140,
21 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039,
22 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140,
23 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281.805, 281A.350,
24 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 286.110,
25 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.513,
26 293.504, 293.558, 293.906, 293.908, 293.910, 293B.135, 293D.510, 331.110,
27 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725,
28 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100,
29 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138,
30 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.008,
31 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501,
32 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.035, 391.120, 391.925,
33 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335,
34 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405,
35 396.525, 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484,
36 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236,
37 427A.872, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.407,
38 432B.430, 432B.560, 432B.5902, 433.534, 433A.360, 437.145, 439.840, 439B.420,
39 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 445A.665,
40 445B.570, 449.209, 449.245, 449A.112, 450.140, 453.164, 453.720, 453A.610,
41 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846,
42 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.365,
43 480.940, 481.063, 481.091, 481.093, 482.170, 482.5536, 483.340, 483.363,
44 483.575, 483.659, 483.800, 484E.070, 485.316, 501.344, 503.452, 522.040,
45 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110,
46 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015,
47 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110,
48 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047,
49 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125,
50 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158,
51 636.107, 637.085, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075,
52 640A.220, 640B.730, 640C.400, 640C.600, 640C.620, 640C.745, 640C.760,
53 640D.190, 640E.340, 641.090, 641.325, 641A.191, 641A.289, 641B.170,

1 641B.460, 641C.760, 641C.800, 642.524, 643.189, 644A.870, 645.180, 645.625,
2 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130,
3 645D.135, 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945,
4 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105,
5 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450,
6 673.480, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159,
7 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410,
8 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110,
9 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117,
10 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480,
11 693A.615, 696B.550, 696C.120, 703.196, 704B.320, 704B.325, 706.1725,
12 706A.230, 710.159, 711.600, *and section 20 of this act*, sections 35, 38 and 41 of
13 chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of
14 Nevada 2013 and unless otherwise declared by law to be confidential, all public
15 books and public records of a governmental entity must be open at all times during
16 office hours to inspection by any person, and may be fully copied or an abstract or
17 memorandum may be prepared from those public books and public records. Any
18 such copies, abstracts or memoranda may be used to supply the general public with
19 copies, abstracts or memoranda of the records or may be used in any other way to
20 the advantage of the governmental entity or of the general public. This section does
21 not supersede or in any manner affect the federal laws governing copyrights or
22 enlarge, diminish or affect in any other manner the rights of a person in any written
23 book or record which is copyrighted pursuant to federal law.

24 2. A governmental entity may not reject a book or record which is
25 copyrighted solely because it is copyrighted.

26 3. A governmental entity that has legal custody or control of a public book or
27 record shall not deny a request made pursuant to subsection 1 to inspect or copy or
28 receive a copy of a public book or record on the basis that the requested public
29 book or record contains information that is confidential if the governmental entity
30 can redact, delete, conceal or separate the confidential information from the
31 information included in the public book or record that is not otherwise confidential.

32 4. A person may request a copy of a public record in any medium in which
33 the public record is readily available. An officer, employee or agent of a
34 governmental entity who has legal custody or control of a public record:

35 (a) Shall not refuse to provide a copy of that public record in a readily
36 available medium because the officer, employee or agent has already prepared or
37 would prefer to provide the copy in a different medium.

38 (b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare
39 the copy of the public record and shall not require the person who has requested the
40 copy to prepare the copy himself or herself.

41 **Sec. 28.** NRS 241.016 is hereby amended to read as follows:

42 241.016 1. The meetings of a public body that are quasi-judicial in nature
43 are subject to the provisions of this chapter.

44 2. The following are exempt from the requirements of this chapter:

45 (a) The Legislature of the State of Nevada.

46 (b) Judicial proceedings, including, without limitation, proceedings before the
47 Commission on Judicial Selection and, except as otherwise provided in NRS
48 1.4687, the Commission on Judicial Discipline.

49 (c) Meetings of the State Board of Parole Commissioners when acting to grant,
50 deny, continue or revoke the parole of a prisoner or to establish or modify the terms
51 of the parole of a prisoner.

52 3. Any provision of law, including, without limitation, NRS 91.270,
53 219A.210, 228.495, 239C.140, 281A.350, 281A.690, 281A.735, 281A.760,

1 284.3629, 286.150, 287.0415, 287.04345, 287.338, 288.220, 289.387, 295.121,
 2 360.247, 388.261, 388A.495, 388C.150, 388G.710, 388G.730, 392.147, 392.467,
 3 394.1699, 396.3295, 422.405, 433.534, 435.610, 463.110, 622.320, 622.340,
 4 630.311, 630.336, 631.3635, 639.050, 642.518, 642.557, 686B.170, 696B.550,
 5 703.196 and 706.1725 ~~(H)~~ and section 13 of this act, which:

6 (a) Provides that any meeting, hearing or other proceeding is not subject to the
 7 provisions of this chapter; or

8 (b) Otherwise authorizes or requires a closed meeting, hearing or proceeding,
 9 ~~▼~~ prevails over the general provisions of this chapter.

10 4. The exceptions provided to this chapter, and electronic communication,
 11 must not be used to circumvent the spirit or letter of this chapter to deliberate or act,
 12 outside of an open and public meeting, upon a matter over which the public body
 13 has supervision, control, jurisdiction or advisory powers.

14 **Sec. 28.5. Chapter 287 of NRS is hereby amended by adding thereto a**
 15 **new section to read as follows:**

16 *A governing body of a county, school district, municipal corporation, political*
 17 *subdivision, public corporation or other local governmental agency of the State of*
 18 *Nevada that provides coverage of prescription drugs pursuant to NRS 287.010 or*
 19 *any issuer of a policy of health insurance purchased pursuant to NRS 287.010*
 20 *may use the list of preferred prescription drugs developed by the Department of*
 21 *Health and Human Services pursuant to subsection 1 of NRS 422.4025 as its*
 22 *formulary and obtain prescription drugs through the purchasing agreements*
 23 *negotiated by the Department pursuant to that section by notifying the*
 24 *Department in the form prescribed by the Department.*

25 **Sec. 29. ~~[NRS 287.010 is hereby amended to read as follows:~~**

26 ~~— 287.010 1. The governing body of any county, school district, municipal~~
 27 ~~corporation, political subdivision, public corporation or other local governmental~~
 28 ~~agency of the State of Nevada may:~~

29 ~~— (a) Adopt and carry into effect a system of group life, accident or health~~
 30 ~~insurance, or any combination thereof, for the benefit of its officers and employees,~~
 31 ~~and the dependents of officers and employees who elect to accept the insurance and~~
 32 ~~who, where necessary, have authorized the governing body to make deductions~~
 33 ~~from their compensation for the payment of premiums on the insurance.~~

34 ~~— (b) Purchase group policies of life, accident or health insurance, or any~~
 35 ~~combination thereof, for the benefit of such officers and employees, and the~~
 36 ~~dependents of such officers and employees, as have authorized the purchase, from~~
 37 ~~insurance companies authorized to transact the business of such insurance in the~~
 38 ~~State of Nevada, and, where necessary, deduct from the compensation of officers~~
 39 ~~and employees the premiums upon insurance and pay the deductions upon the~~
 40 ~~premiums.~~

41 ~~— (c) Provide group life, accident or health coverage through a self insurance~~
 42 ~~reserve fund and, where necessary, deduct contributions to the maintenance of the~~
 43 ~~fund from the compensation of officers and employees and pay the deductions into~~
 44 ~~the fund. The money accumulated for this purpose through deductions from the~~
 45 ~~compensation of officers and employees and contributions of the governing body~~
 46 ~~must be maintained as an internal service fund as defined by NRS 354.543. The~~
 47 ~~money must be deposited in a state or national bank or credit union authorized to~~
 48 ~~transact business in the State of Nevada. Any independent administrator of a fund~~
 49 ~~created under this section is subject to the licensing requirements of chapter 683A~~
 50 ~~of NRS, and must be a resident of this State. Any contract with an independent~~
 51 ~~administrator must be approved by the Commissioner of Insurance as to the~~
 52 ~~reasonableness of administrative charges in relation to contributions collected and~~
 53 ~~benefits provided. The provisions of NRS 687B.408, 689B.030 to 689B.050,~~

1 ~~inclusive, and 689B.287 and section 32 of this act~~ apply to coverage provided
2 ~~pursuant to this paragraph, except that the provisions of NRS 689B.0378 and~~
3 ~~689B.03785 only apply to coverage for active officers and employees of the~~
4 ~~governing body, or the dependents of such officers and employees.~~

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

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

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

26 ~~— 4. If a contract is entered into pursuant to subsection 3, the officers and~~
27 ~~employees of the legal services organization:~~

28 ~~— (a) Shall be deemed, solely for the purposes of this section, to be officers and~~
29 ~~employees of the county, school district, municipal corporation, political~~
30 ~~subdivision, public corporation or other local governmental agency with which the~~
31 ~~legal services organization has contracted; and~~

32 ~~— (b) Must be required by the contract to pay the premiums or contributions for~~
33 ~~all insurance which they elect to accept or of which they authorize the purchase.~~

34 ~~— 5. A contract that is entered into pursuant to subsection 3:~~

35 ~~— (a) Must be submitted to the Commissioner of Insurance for approval not less~~
36 ~~than 30 days before the date on which the contract is to become effective.~~

37 ~~— (b) Does not become effective unless approved by the Commissioner.~~

38 ~~— (c) Shall be deemed to be approved if not disapproved by the Commissioner~~
39 ~~within 30 days after its submission.~~

40 ~~— 6. As used in this section, “legal services organization” means an organization~~
41 ~~that operates a program for legal aid and receives money pursuant to NRS 19.031.]~~

42 ~~(Deleted by amendment.)~~

43 **Sec. 29.2. NRS 287.040 is hereby amended to read as follows:**

44 287.040 The provisions of NRS 287.010 to 287.040, inclusive, **and section**
45 **28.5 of this act** do not make it compulsory upon any governing body of any county,
46 school district, municipal corporation, political subdivision, public corporation or
47 other local governmental agency of the State of Nevada, except as otherwise
48 provided in NRS 287.021 or subsection 4 of NRS 287.023 or in an agreement
49 entered into pursuant to subsection 3 of NRS 287.015, to pay any premiums,
50 contributions or other costs for group insurance, a plan of benefits or medical or
51 hospital services established pursuant to NRS 287.010, 287.015, 287.020 or
52 paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, for coverage under the
53 Public Employees’ Benefits Program, or to make any contributions to a trust fund

1 established pursuant to NRS 287.017, or upon any officer or employee of any
2 county, school district, municipal corporation, political subdivision, public
3 corporation or other local governmental agency of this State to accept any such
4 coverage or to assign his or her wages or salary in payment of premiums or
5 contributions therefor.

6 **Sec. 29.3. NRS 287.0433 is hereby amended to read as follows:**

7 287.0433 1. The Board may establish a plan of life, accident or health
8 insurance and provide for the payment of contributions into the Program Fund, a
9 schedule of benefits and the disbursement of benefits from the Program Fund. The
10 Board may reinsure any risk or any part of such a risk.

11 2. If the Board provides coverage of prescription drugs pursuant to this
12 section, the Board or any entity with which the Board enters into a contract to
13 provide such coverage may use the list of preferred prescription drugs developed
14 by the Department of Health and Human Services pursuant to subsection 1 of
15 NRS 422.4025 as its formulary and obtain prescription drugs through the
16 purchasing agreements negotiated by the Department pursuant to that section by
17 notifying the Department in the form prescribed by the Department.

18 **Sec. 29.6. NRS 287.0433 is hereby amended to read as follows:**

19 287.0433 1. The Board may establish a plan of life, accident or health
20 insurance and provide for the payment of contributions into the Program Fund, a
21 schedule of benefits and the disbursement of benefits from the Program Fund. The
22 Board may reinsure any risk or any part of such a risk.

23 2. If the Board provides coverage of prescription drugs pursuant to this
24 section, the Board or any entity with which the Board enters into a contract to
25 provide such coverage ~~may~~ :

26 (a) May use the list of preferred prescription drugs developed by the
27 Department of Health and Human Services pursuant to subsection 1 of NRS
28 422.4025 as its formulary and obtain prescription drugs through the purchasing
29 agreements negotiated by the Department pursuant to that section by notifying the
30 Department in the form prescribed by the Department.

31 (b) Shall not pay an amount for the prescription drug that exceeds any upper
32 payment limit prescribed for that drug pursuant to section 21 of this act. For the
33 purposes of this paragraph, the amount paid for a prescription drug means the
34 price paid for the drug, less any rebates received by the Board or other entity.

35 **Sec. 30. ~~[NRS 287.04335 is hereby amended to read as follows:~~**

36 ~~287.04335 If the Board provides health insurance through a plan of self-~~
37 ~~insurance, it shall comply with the provisions of NRS 687B.409, 689B.255,~~
38 ~~695C.150, 695C.160, 695C.162, 695C.164, 695C.1645, 695C.1665, 695C.167,~~
39 ~~695C.170 to 695C.173, inclusive, 695C.177, 695C.200 to 695C.230, inclusive,~~
40 ~~695C.241 to 695C.310, inclusive, and 695C.405 [] and section 33 of this act, in~~
41 ~~the same manner as an insurer that is licensed pursuant to title 57 of NRS is~~
42 ~~required to comply with those provisions.] (Deleted by amendment.)~~

43 **Sec. 31. Chapter 422 of NRS is hereby amended by adding thereto ~~a new~~**
44 **section to read as follows:** the provisions set forth as sections 31.05 to 31.2,
45 **inclusive, of this act.**

46 **Sec. 31.05. "Health benefit plan" means a policy, contract, certificate or**
47 **agreement offered to provide, deliver, arrange for, pay for or reimburse any of**
48 **the costs of health care services.**

49 **Sec. 31.1. "Pharmacy benefit manager" has the meaning ascribed to it in**
50 **NRS 683A.174.**

51 **Sec. 31.15. 1. Except as otherwise provided in subsection 2, the**
52 **Department shall directly manage, direct and coordinate all payments and**
53 **rebates for prescription drugs and all other services and payments relating to the**

1 *provision of prescription drugs under the State Plan for Medicaid and the*
 2 *Children's Health Insurance Program.*

3 *2. The Department may enter into a contract with a private insurer or*
 4 *pharmacy benefit manager pursuant to paragraph (b) of subsection 1 of NRS*
 5 *422.4025 for the provision of any services described in subsection 1. Such a*
 6 *contract ~~must require~~:*

7 *(a) Must include the provisions required by section 31.2 of this act;*

8 *(b) Must require the insurer or pharmacy benefit manager to disclose to the*
 9 *Department any information relating to the services covered by the contract,*
 10 *including, without limitation, information concerning dispensing fees, measures*
 11 *for the control of costs, rebates collected and paid and any fees and charges*
 12 *imposed by the insurer or pharmacy benefit manager pursuant to the contract ~~f~~*

13 *~~2. As used in this section, "pharmacy benefit manager" has the meaning~~*
 14 *~~ascribed to it in NRS 683A.174.] ; and~~*

15 *(c) May require the insurer or pharmacy benefit manager to provide the*
 16 *entire amount of any rebates received for the purchase of prescription drugs to*
 17 *the Department.*

18 *Sec. 31.2. Any agreement between the Department and a private insurer or*
 19 *pharmacy benefit manager to negotiate agreements for the purchase of*
 20 *prescription drugs pursuant to paragraph (b) of subsection 1 of NRS 422.4025*
 21 *must require the insurer or pharmacy benefit manager, as applicable, to:*

22 *1. Submit to and cooperate with an annual audit by the Department to*
 23 *evaluate the insurer's or pharmacy benefit manager's compliance with the*
 24 *agreement and generally accepted accounting and business practices. The audit*
 25 *must analyze all claims processed by the insurer or pharmacy benefit manager*
 26 *pursuant to the agreement.*

27 *2. Obtain from an independent accountant, at the expense of the insurer or*
 28 *pharmacy benefit manager, as applicable, an annual audit of internal controls to*
 29 *ensure the integrity of financial transactions and claims processing.*

30 *Sec. 31.25. NRS 422.273 is hereby amended to read as follows:*

31 422.273 1. For any Medicaid managed care program established in the State
 32 of Nevada, the Department shall contract only with a health maintenance
 33 organization that has:

34 (a) Negotiated in good faith with a federally-qualified health center to provide
 35 health care services for the health maintenance organization;

36 (b) Negotiated in good faith with the University Medical Center of Southern
 37 Nevada to provide inpatient and ambulatory services to recipients of Medicaid; and

38 (c) Negotiated in good faith with the University of Nevada School of Medicine
 39 to provide health care services to recipients of Medicaid.

40 *Nothing in this section shall be construed as exempting a federally-qualified*
 41 *health center, the University Medical Center of Southern Nevada or the University*
 42 *of Nevada School of Medicine from the requirements for contracting with the*
 43 *health maintenance organization.*

44 2. During the development and implementation of any Medicaid managed
 45 care program, the Department shall cooperate with the University of Nevada School
 46 of Medicine by assisting in the provision of an adequate and diverse group of
 47 patients upon which the school may base its educational programs.

48 3. The University of Nevada School of Medicine may establish a nonprofit
 49 organization to assist in any research necessary for the development of a Medicaid
 50 managed care program, receive and accept gifts, grants and donations to support
 51 such a program and assist in establishing educational services about the program for
 52 recipients of Medicaid.

1 4. For the purpose of contracting with a Medicaid managed care program
2 pursuant to this section, a health maintenance organization is exempt from the
3 provisions of NRS 695C.123.

4 5. Except as authorized by section 31.15 of this act, the Department shall
5 not contract with a managed care organization for any services relating to
6 coverage of prescription drugs for recipients of Medicaid. Such coverage must be
7 managed and coordinated by the Department in accordance with NRS 422.401 to
8 422.406, inclusive, and sections 31.05 to 31.2, inclusive, of this act.

9 6. The provisions of this section apply to any managed care organization,
10 including a health maintenance organization, that provides health care services to
11 recipients of Medicaid under the State Plan for Medicaid or the Children's Health
12 Insurance Program pursuant to a contract with the Division. Such a managed care
13 organization or health maintenance organization is not required to establish a
14 system for conducting external reviews of adverse determinations in accordance
15 with chapter 695B, 695C or 695G of NRS. This subsection does not exempt such a
16 managed care organization or health maintenance organization for services
17 provided pursuant to any other contract.

18 ~~6.~~ 7. As used in this section, unless the context otherwise requires:

19 (a) "Federally-qualified health center" has the meaning ascribed to it in 42
20 U.S.C. § 1396d(l)(2)(B).

21 (b) "Health maintenance organization" has the meaning ascribed to it in NRS
22 695C.030.

23 (c) "Managed care organization" has the meaning ascribed to it in NRS
24 695G.050.

25 Sec. 31.3. NRS 422.401 is hereby amended to read as follows:

26 422.401 As used in NRS 422.401 to 422.406, inclusive, and sections 31.05 to
27 31.2, inclusive of this act, unless the context otherwise requires, the words and
28 terms defined in NRS 422.4015 and 422.402 and sections 31.05 and 31.1 of this
29 act have the meanings ascribed to them in those sections.

30 Sec. 31.35. NRS 422.4015 is hereby amended to read as follows:

31 422.4015 ~~["Committee"]~~ "Board" means the ~~[Pharmacy and Therapeutics~~
32 ~~Committee]~~ Silver State Scripts Board established pursuant to NRS 422.4035.

33 Sec. 31.4. NRS 422.4025 is hereby amended to read as follows:

34 422.4025 1. The Department shall ~~[by]~~:

35 (a) By regulation, develop a list of preferred prescription drugs to be used for
36 the Medicaid program ~~[and the Children's Health Insurance Program, and~~
37 each public or nonprofit health benefit plan that elects to use the list of preferred
38 prescription drugs as its formulary pursuant to NRS 287.0433 or section 28.5 or
39 33 of this act; and

40 (b) Negotiate and enter into agreements to purchase the drugs included on
41 the list of preferred prescription drugs on behalf of the health benefit plans
42 described in paragraph (a) or enter into a contract with a private insurer or
43 pharmacy benefit manager to negotiate such agreements. The Department may,
44 by regulation, require any rebates received through an agreement entered into
45 pursuant to this paragraph, including, without limitation, rebates for the
46 purchase of drugs by an entity other than the Department, to be paid to the
47 Department.

48 2. The Department shall, by regulation, establish a list of prescription drugs
49 which must be excluded from any restrictions that are imposed by the Medicaid
50 program on drugs that are on the list of preferred prescription drugs established
51 pursuant to subsection 1. The list established pursuant to this subsection must
52 include, without limitation:

1 (a) Atypical and typical antipsychotic medications that are prescribed for the
2 treatment of a mental illness of a patient who is receiving services pursuant to
3 Medicaid;

4 (b) Prescription drugs that are prescribed for the treatment of the human
5 immunodeficiency virus or acquired immunodeficiency syndrome, including,
6 without limitation, protease inhibitors and antiretroviral medications;

7 (c) Anticonvulsant medications;

8 (d) Antirejection medications for organ transplants;

9 (e) Antidiabetic medications;

10 (f) Antihemophilic medications; and

11 (g) Any prescription drug which the ~~{Committee}~~ Board identifies as
12 appropriate for exclusion from any restrictions that are imposed by the Medicaid
13 program on drugs that are on the list of preferred prescription drugs.

14 3. The regulations must provide that the ~~{Committee}~~ Board makes the final
15 determination of:

16 (a) Whether a class of therapeutic prescription drugs is included on the list of
17 preferred prescription drugs and is excluded from any restrictions that are imposed
18 by the Medicaid program on drugs that are on the list of preferred prescription
19 drugs;

20 (b) Which therapeutically equivalent prescription drugs will be reviewed for
21 inclusion on the list of preferred prescription drugs and for exclusion from any
22 restrictions that are imposed by the Medicaid program on drugs that are on the list
23 of preferred prescription drugs; and

24 (c) Which prescription drugs should be excluded from any restrictions that are
25 imposed by the Medicaid program on drugs that are on the list of preferred
26 prescription drugs based on continuity of care concerning a specific diagnosis,
27 condition, class of therapeutic prescription drugs or medical specialty.

28 4. The regulations must provide that each new pharmaceutical product and
29 each existing pharmaceutical product for which there is new clinical evidence
30 supporting its inclusion on the list of preferred prescription drugs must be made
31 available pursuant to the Medicaid program with prior authorization until the
32 ~~{Committee}~~ Board reviews the product or the evidence.

33 5. On or before February 1 of each year, the Department shall:

34 (a) Compile a report concerning the agreements negotiated pursuant to
35 paragraph (b) of subsection 1 which must include, without limitation, the total
36 amount of money saved by the health benefit plans described in paragraph (a) of
37 subsection 1 by obtaining prescription drugs through those agreements; and

38 (b) Submit the report to the Director of the Legislative Counsel Bureau for
39 transmittal to:

40 (1) In odd-numbered years, the Legislature; or

41 (2) In even-numbered years, the Legislative Commission.

42 Sec. 31.45. NRS 422.403 is hereby amended to read as follows:

43 422.403 1. The Department shall, by regulation, establish and manage the
44 use by the Medicaid program of step therapy and prior authorization for
45 prescription drugs.

46 2. The Drug Use Review Board shall:

47 (a) Advise the Department concerning the use by the Medicaid program of step
48 therapy and prior authorization for prescription drugs;

49 (b) Develop step therapy protocols and prior authorization policies and
50 procedures for use by the Medicaid program for prescription drugs; and

51 (c) Review and approve, based on clinical evidence and best clinical practice
52 guidelines and without consideration of the cost of the prescription drugs being

1 considered, step therapy protocols used by the Medicaid program for prescription
2 drugs.

3 3. The Department shall not require the Drug Use Review Board to develop,
4 review or approve prior authorization policies or procedures necessary for the
5 operation of the list of preferred prescription drugs developed ~~for the Medicaid~~
6 ~~program]~~ pursuant to NRS 422.4025.

7 4. The Department shall accept recommendations from the Drug Use Review
8 Board as the basis for developing or revising step therapy protocols and prior
9 authorization policies and procedures used by the Medicaid program for
10 prescription drugs.

11 **Sec. 31.5. NRS 422.403 is hereby amended to read as follows:**

12 422.403 1. The Department shall, by regulation, establish and manage the
13 use by the Medicaid program of step therapy and prior authorization for
14 prescription drugs.

15 2. The Drug Use Review Board shall:

16 (a) Advise the Department concerning the use by the Medicaid program of step
17 therapy and prior authorization for prescription drugs;

18 (b) Develop step therapy protocols and prior authorization policies and
19 procedures for use by the Medicaid program for prescription drugs; and

20 (c) Review and approve, based on clinical evidence and best clinical practice
21 guidelines and without consideration of the cost of the prescription drugs being
22 considered, step therapy protocols used by the Medicaid program for prescription
23 drugs.

24 3. The Department shall not require the Drug Use Review Board to develop,
25 review or approve prior authorization policies or procedures necessary for the
26 operation of the list of preferred prescription drugs developed pursuant to NRS
27 422.4025.

28 4. The Department shall accept recommendations from the Drug Use Review
29 Board as the basis for developing or revising step therapy protocols and prior
30 authorization policies and procedures used by the Medicaid program for
31 prescription drugs.

32 **5. The Department shall not pay an amount for a prescription drug**
33 **distributed pursuant to Medicaid or the Children's Health Insurance Program**
34 **that exceeds any upper payment limit prescribed for that drug pursuant to section**
35 **21 of this act. For the purposes of this subsection, the amount paid for a**
36 **prescription drug means the price paid for the drug, less any rebates received by**
37 **the Department.**

38 **Sec. 31.55. NRS 422.4035 is hereby amended to read as follows:**

39 422.4035 1. The Director shall create ~~the Pharmacy and Therapeutics~~
40 ~~Committee]~~ **the Silver State Scripts Board** within the Department. The
41 ~~Committee]~~ **Board** must consist of ~~at least 5~~ **such** members ~~and not more than~~
42 ~~11 members]~~ **as are** appointed by the ~~Governor based on recommendations from~~
43 ~~the]~~ Director.

44 2. The ~~Governor]~~ **Director** shall appoint to the ~~Committee]~~ **Board** health
45 care professionals who have knowledge and expertise in one or more of the
46 following:

47 (a) The clinically appropriate prescribing of outpatient prescription drugs that
48 are covered by Medicaid;

49 (b) The clinically appropriate dispensing and monitoring of outpatient
50 prescription drugs that are covered by Medicaid;

51 (c) The review of, evaluation of and intervention in the use of prescription
52 drugs; and

53 (d) Medical quality assurance.

1 3. At least one-third of the members of the ~~{Committee}~~ Board must be active
2 physicians licensed to practice medicine in this State, at least one of whom must be
3 an active psychiatrist licensed to practice medicine in this State. At least one-third
4 of the members of the ~~{Committee}~~ Board must be either active pharmacists
5 registered in this State or persons in this State with doctoral degrees in pharmacy.

6 4. A person must not be appointed to the ~~{Committee}~~ Board if the person is
7 employed by, compensated by in any manner, has a financial interest in, or is
8 otherwise affiliated with a business or corporation that manufactures prescription
9 drugs.

10 **Sec. 31.6. NRS 422.404 is hereby amended to read as follows:**

11 422.404 1. The ~~{Governor}~~ Director shall appoint the Chair of the
12 ~~{Committee}~~ Board from among its members.

13 2. After the initial terms, the term of each member of the ~~{Committee}~~ Board
14 is 2 years. A member may be reappointed.

15 3. A vacancy occurring in the membership of the ~~{Committee}~~ Board must be
16 filled for the remainder of the unexpired term in the same manner as the original
17 appointment.

18 4. The ~~{Committee}~~ Board shall meet at least once every 3 months and at the
19 times and places specified by a call of the Chair of the ~~{Committee}~~ Board.

20 5. A majority of the members of the ~~{Committee}~~ Board constitutes a quorum
21 for the transaction of business, and the affirmative vote of a majority of the
22 members of the ~~{Committee}~~ Board is required to take action.

23 **Sec. 31.7. NRS 422.4045 is hereby amended to read as follows:**

24 422.4045 1. Members of the ~~{Committee}~~ Board serve without
25 compensation, except that a member of the ~~{Committee}~~ Board is entitled, while
26 engaged in the business of the ~~{Committee}~~ Board, to receive the per diem
27 allowance and travel expenses provided for state officers and employees generally.

28 2. Each member of the ~~{Committee}~~ Board who is an officer or employee of
29 the State of Nevada or a local government must be relieved from his or her duties
30 without loss of regular compensation so that the person may prepare for and attend
31 meetings of the ~~{Committee}~~ Board and perform any work necessary to carry out
32 the duties of the ~~{Committee}~~ Board in the most timely manner practicable. A state
33 agency or local governmental entity shall not require an officer or employee who is
34 a member of the ~~{Committee}~~ Board to make up the time that the officer or
35 employee is absent from work to carry out any duties as a member of the
36 ~~{Committee}~~ Board or to use annual vacation or compensatory time for the
37 absence.

38 **Sec. 31.8. NRS 422.405 is hereby amended to read as follows:**

39 422.405 1. The Department shall, by regulation, set forth the duties of the
40 ~~{Committee}~~ Board, which must include, without limitation:

41 (a) Identifying the prescription drugs which should be included on the list of
42 preferred prescription drugs developed by the Department ~~{for the Medicaid~~
43 ~~program}~~ pursuant to NRS 422.4025 ~~{and}~~, which must include, without
44 limitation, any prescription drug required by the Centers for Medicare and
45 Medicaid Services of the United States Department of Health and Human
46 Services to be covered by the Medicaid program and any other prescription drug
47 deemed essential by the Board;

48 (b) Identifying the prescription drugs which should be excluded from any
49 restrictions that are imposed by the Medicaid program on drugs that are on the list
50 of preferred prescription drugs;

51 ~~{(b)}~~ (c) Identifying classes of therapeutic prescription drugs for its review and
52 performing a clinical analysis of each drug included in each class that is identified
53 for review; and

1 ~~(c)~~ (d) Reviewing at least annually all classes of therapeutic prescription
2 drugs on the list of preferred prescription drugs developed by the Department ~~for~~
3 ~~the Medicaid program~~ pursuant to NRS 422.4025.

4 2. The Department shall, by regulation, require the ~~Committee~~ Board to:

5 (a) Base its decisions on evidence of clinical efficacy, ~~and~~ safety ~~without~~
6 ~~consideration of the cost of the prescription drugs being considered by the~~
7 ~~Committee~~ and outcomes for patients and, if the difference between the clinical
8 efficacy, safety and outcomes for two or more drugs is not clinically significant,
9 cost;

10 (b) Review new pharmaceutical products in as expeditious a manner as
11 possible; and

12 (c) Consider new clinical evidence supporting the inclusion of an existing
13 pharmaceutical product on the list of preferred prescription drugs developed by the
14 Department ~~for the Medicaid program~~ and new clinical evidence supporting the
15 exclusion of an existing pharmaceutical product from any restrictions that are
16 imposed by the Medicaid program on drugs that are on the list of preferred
17 prescription drugs in as expeditious a manner as possible.

18 3. The Department shall, by regulation, authorize the ~~Committee~~ Board to:

19 (a) In carrying out its duties, exercise clinical judgment and analyze peer
20 review articles, published studies, and other medical and scientific information; and

21 (b) Establish subcommittees to analyze specific issues that arise as the
22 ~~Committee~~ Board carries out its duties.

23 4. The Board may close any portion of a meeting during which it considers
24 the cost of prescription drugs.

25 Sec. 31.9. NRS 422.406 is hereby amended to read as follows:

26 422.406 1. The Department may, to carry out its duties set forth in NRS
27 422.27172 to 422.27178, inclusive, and 422.401 to 422.406, inclusive, and sections
28 31.05 to 31.2, inclusive, of this act and to administer the provisions of those
29 sections:

30 (a) Adopt regulations; and

31 (b) Enter into contracts for any services.

32 2. Any regulations adopted by the Department pursuant to NRS 422.27172 to
33 422.27178, inclusive, and 422.401 to 422.406, inclusive, and sections 31.05 to
34 31.2, inclusive, of this act must be adopted in accordance with the provisions of
35 chapter 241 of NRS.

36 Sec. 32. [NRS 683A.179 is hereby amended to read as follows:

37 ~~683A.179 1. A pharmacy benefit manager shall not:~~

38 ~~(a) Prohibit a pharmacist or pharmacy from providing information to a covered~~
39 ~~person concerning the amount of any copayment or coinsurance for a prescription~~
40 ~~drug or informing a covered person concerning the clinical efficacy of a less~~
41 ~~expensive alternative drug;~~

42 ~~(b) Penalize a pharmacist or pharmacy for providing the information described~~
43 ~~in paragraph (a) or selling a less expensive alternative drug to a covered person;~~

44 ~~(c) Prohibit a pharmacy from offering or providing delivery services directly to~~
45 ~~a covered person as an ancillary service of the pharmacy; [or]~~

46 ~~(d) If the pharmacy benefit manager manages a pharmacy benefits plan that~~
47 ~~provides coverage through a network plan, charge a copayment or coinsurance for a~~
48 ~~prescription drug in an amount that is greater than the total amount paid to a~~
49 ~~pharmacy that is in the network of providers under contract with the third party [.] ;~~
50 ~~or~~

51 ~~(e) Pay or arrange for the payment of an amount for a prescription drug that~~
52 ~~exceeds any upper payment limit prescribed for that drug pursuant to section 21~~

~~of this act. For the purposes of this paragraph, the amount paid for a prescription drug means the price paid for the drug, less any rebates received by the payor.~~

~~2. As used in this section, "network plan" means a health benefit plan offered by a health carrier under which the financing and delivery of medical care is provided, in whole or in part, through a defined set of providers under contract with the carrier. The term does not include an arrangement for the financing of premiums.] (Deleted by amendment.)~~

Sec. 33. Chapter 687B of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. [A health carrier shall not pay an amount for a prescription drug that exceeds any upper payment limit prescribed for that drug pursuant to section 21 of this act.~~

~~2. For the purposes of this section, the amount paid by a health carrier for a prescription drug means the price paid for the drug, less any rebates received by the health carrier.~~

~~3. As used in this section, "health carrier" has the meaning ascribed to it in NRS 695C.024.] A nonprofit health benefit plan may use the list of preferred prescription drugs developed by the Department of Health and Human Services pursuant to subsection 1 of NRS 422.4025 as its formulary and obtain prescription drugs through the purchasing agreements negotiated by the Department pursuant to that section by notifying the Department in the form prescribed by the Department.~~

~~2. As used in this section "health benefit plan" has the meaning ascribed to it in section 31.05 of this act.~~

Sec. 34. [NRS 695C.1703 is hereby amended to read as follows:

~~695C.1703 1. A health maintenance organization or insurer that offers or issues evidence of coverage which provides coverage for prescription drugs shall include with any evidence of that coverage provided to an enrollee, notice of whether a formulary is used and, if so, of the opportunity to secure information regarding the formulary from the organization or insurer pursuant to subsection 2. The notice required by this subsection must:~~

~~(a) Be in a language that is easily understood and in a format that is easy to understand;~~

~~(b) Include an explanation of what a formulary is; and~~

~~(c) If a formulary is used, include:~~

~~(1) An explanation of:~~

~~(I) How often the contents of the formulary are reviewed; and~~

~~(II) The procedure and criteria for determining which prescription drugs are included in and excluded from the formulary; and~~

~~(2) The telephone number of the organization or insurer for making a request for information regarding the formulary pursuant to subsection 2.~~

~~2. If a health maintenance organization or insurer offers or issues evidence of coverage which provides coverage for prescription drugs and a formulary is used, the organization or insurer shall:~~

~~(a) Provide to any enrollee or participating provider of health care upon request:~~

~~(1) Information regarding whether a specific drug is included in the formulary.~~

~~(2) Access to the most current list of prescription drugs in the formulary, organized by major therapeutic category, with an indication of whether any listed drugs are preferred over other listed drugs. If more than one formulary is maintained, the organization or insurer shall notify the requester that a choice of formulary lists is available.~~

~~(b) Notify each person who requests information regarding the formulary, that the inclusion of a drug in the formulary does not guarantee that a provider of health care will prescribe that drug for a particular medical condition.~~

~~3. A health maintenance organization that provides coverage for prescription drugs through managed care to recipients of Medicaid under the State Plan for Medicaid or the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services shall use as the formulary for prescription drug coverage the list of preferred prescription drugs prescribed by the Department pursuant to NRS 422.4025 to be used for the Medicaid program.]~~
(Deleted by amendment.)

Sec. 35. [Section 21 of this act is hereby amended to read as follows:

~~Sec. 21. 1. If, after conducting a review pursuant to section 19 of this act, the Board determines that the price of a prescription drug is creating significant challenges for insurers and patients in this State, the Board shall prescribe a [recommended] **mandatory** upper payment limit for purchases of the prescription drug in this State. When establishing a [recommended] **mandatory** upper payment limit for a prescription drug, the Board shall consider, to the extent that such information is available and relevant:~~

- ~~(a) The cost of administering the prescription drug;~~
- ~~(b) The cost of delivering the prescription drug to consumers;~~
- ~~(c) Any other relevant administrative costs related to the prescription drug; and~~
- ~~(d) The information described in section 19 of this act.~~

~~2. The Board may revise or rescind a [recommended] **mandatory** upper payment limit imposed pursuant to this section if, after conducting a review pursuant to section 19 of this act, it determines that conditions warrant the revision or rescinding of the upper payment limit, as applicable.~~

~~3. The Board shall collaborate with the Council, manufacturers, health carriers, consumers of prescription drugs and other interested persons to:~~

- ~~(a) Establish and refine a methodology to for prescribing upper payment limits pursuant to this section; and~~
- ~~(b) Improve the quality and quantity of information received by the Board pursuant to section 20 of this act.]~~ **(Deleted by amendment.)**

Sec. 35.5. Section 28.5 of this act is hereby amended to read as follows:

Sec. 28.5. Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

A governing body of a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides coverage of prescription drugs pursuant to NRS 287.010 or any issuer of a policy of health insurance purchased pursuant to NRS 287.010 ~~may~~ :

1. May use the list of preferred prescription drugs developed by the Department of Health and Human Services pursuant to subsection 1 of NRS 422.4025 as its formulary and obtain prescription drugs through the purchasing agreements negotiated by the Department pursuant to that section by notifying the Department in the form prescribed by the Department ~~to~~; and

2. Shall not pay an amount for a prescription drug that exceeds any upper payment limit prescribed for that drug pursuant to section 21 of this act. For the purposes of this subsection, the amount paid for a

prescription drug means the price paid for the drug, less any rebates received by the governing body or issuer, as applicable.

Sec. 36. ~~[Section 31 of this act is hereby amended to read as follows:~~

~~— Sec. 31. 1. Except as otherwise provided in subsection 2, the Department shall directly manage, direct and coordinate all payments and rebates for prescription drugs and all other services and payments relating to the provision of prescription drugs under the State Plan for Medicaid and the Children's Health Insurance Program.~~

~~— 2. The Department may enter into a contract with a pharmacy benefit manager for the provision of any services described in subsection 1. Such a contract must require the pharmacy benefit manager to disclose to the Department any information relating to the services covered by the contract, including, without limitation, information concerning dispensing fees, measures for the control of costs, rebates collected and paid and any fees and charges imposed by the pharmacy benefit manager pursuant to the contract.~~

~~— 3. The Department shall not pay an amount for the prescription drug distributed pursuant to Medicaid or the Children's Health Insurance Program that exceeds any upper payment limit prescribed for that drug pursuant to section 21 of this act. For the purposes of this subsection, the amount paid for a prescription drug means the price paid for the drug, less any rebates received by the Department.~~

~~— 4. As used in this section, "pharmacy benefit manager" has the meaning ascribed to it in NRS 683A.174.] (Deleted by amendment.)~~

Sec. 36.1. As used in sections 36.1 to 38.9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 36.2 to 36.8, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 36.2. "Health carrier" has the meaning ascribed to it in section 7 of this act.

Sec. 36.3. "Manufacturer" has the meaning ascribed to it in NRS 639.009.

Sec. 36.4. "Pharmacy benefit manager" has the meaning ascribed to it in NRS 683A.174.

Sec. 36.5. "Prescription Drug Affordability Board" means the Prescription Drug Affordability Board established by section 12 of this act.

Sec. 36.6. "Prescription Drug Affordability Stakeholder Council" means the Prescription Drug Affordability Stakeholder Council established by section 15 of this act.

Sec. 36.8. "Wholesaler" has the meaning ascribed to it in NRS 639.016.

~~Sec. 37. [---] As soon as practicable after July 1, 2019:~~

~~[(a)] 1. The Governor and the Majority Leader of the Senate shall appoint to the Prescription Drug Affordability Board:~~

~~[(1)] (a) The regular members described in paragraphs (a) and (b), respectively, of subsection 1 of section 12 of this act to terms of 2 years; and~~

~~[(2)] (b) The alternate members described in paragraphs (a) and (b), respectively, of subsection 2 of section 12 of this act to terms of 4 years.~~

~~[(b)] 2. The Speaker of the Assembly, the Attorney General and the Majority Leader of the Senate and Speaker of the Assembly shall appoint to the Prescription Drug Affordability Board the regular members described in paragraphs (c), (d) and (e), respectively, of subsection 1 of section 12 of this act to terms of 4 years.~~

~~[(c)] 3. The Speaker of the Assembly shall appoint to the Prescription Drug Affordability Board the alternate member described in paragraph (c) of subsection 2 of section 12 of this act to a term of 2 years.~~

~~2. As used in this section, "Prescription Drug Affordability Board" means the Prescription Drug Affordability Board established by section 12 of this act.~~

Sec. 38. ~~(1)~~ As soon as practicable after July 1, 2019:

~~(a)~~ **1.** The Speaker of the Assembly shall appoint to the Prescription Drug Affordability Stakeholder Council:

~~(1)~~ **(a)** The members described in paragraphs (a), (b) and (c) of subsection 2 of section 15 of this act to terms of 1 year;

~~(2)~~ **(b)** The ~~member~~ **members** described in ~~paragraph~~ **paragraphs** (d) ~~of subsection 2 of section 15 of this act and one member described in paragraph~~ **(e) and (f)** of subsection 2 of section 15 of this act to terms of 2 years; and

~~(3) One member~~
(c) The members described in ~~paragraph (c) of subsection 2 of section 15 of this act and the member described in paragraph (f)~~ **paragraphs (g) and (h)** of subsection 2 of section 15 of this act to terms of 3 years.

~~(b)~~ **2.** The Majority Leader of the Senate shall appoint to the Prescription Drug Affordability Stakeholder Council:

~~(1)~~ **(a)** The members described in paragraphs ~~(a) and~~ **(g), (h) and (i)** of subsection 3 of section 15 of this act to terms of 1 year;

~~(2)~~ **(b)** The members described in paragraphs (b), (c) and (d) of subsection 3 of section 15 of this act to terms of 2 years; and

~~(3)~~ **(c)** The members described in paragraphs **(a),** (e) and (f) of subsection 3 of section 15 of this act to terms of 3 years.

~~(c)~~ **3.** The Governor shall appoint to the Prescription Drug Affordability Stakeholder Council:

~~(1)~~ **(a)** The members described in paragraphs (a), ~~and~~ **(b) and (c)** of subsection 3 of section 15 of this act to terms of 1 year;

~~(2)~~ **(b)** The members described in paragraphs ~~(c) and~~ **(g), (h) and (i)** of subsection 3 of section 15 of this act to terms of 2 years; and

~~(3)~~ **(c)** The members described in paragraphs (d), (e) and (f) of subsection 3 of section 15 of this act to terms of 3 years.

~~2. As used in this section, "Prescription Drug Affordability Stakeholder Council" means the Prescription Drug Affordability Stakeholder Council established by section 15 of this act.~~

Sec. 38.3. 1. On or before December 31, 2020, the Prescription Drug Affordability Board, in collaboration with the Prescription Drug Affordability Stakeholder Council, shall:

(a) Study the system of distributing and paying for prescription drugs in this State and policy options used in other states and countries to lower the wholesale acquisition cost of prescription drugs, including, without limitation, setting upper payment limits, using reverse auctions and bulk purchasing; and

(b) Submit to the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a report of the findings of the study, any recommendations for legislation to implement policies determined effective by the Board and the manner in which the findings of the study will affect the actions of the Board taken pursuant to section 21 of this act.

2. As used in this section:

(a) "Reverse auction" means a process by which a bidder may submit more than one bid if each subsequent response to bidding is at a lower price.

(b) "Upper payment limit" means a maximum amount that may be paid for a dose of a prescription drug.

(c) "Wholesale acquisition cost" has the meaning ascribed to it in NRS 439B.620.

1 Sec. 38.5. On or before December 31, 2020, the Prescription Drug
2 Affordability Board shall:

3 1. Collect and review publicly available information concerning
4 manufacturers, health carriers, wholesalers and pharmacy benefit managers
5 that is relevant to the pricing of prescription drugs; and

6 2. Identify states that require reporting on the cost of prescription drugs
7 and seek to enter into memorandums of understanding pursuant to section 20
8 of this act for the sharing of information with those states.

9 Sec. 38.7. On or before December 31, 2020, the Prescription Drug
10 Affordability Board shall:

11 1. Study potential funding sources for the Board, including, without
12 limitation:

13 (a) Imposing a fee on manufacturers, pharmacy benefit managers, health
14 carriers, wholesalers or other entities involved in the distribution or
15 purchasing of prescription drugs;

16 (b) Using rebates obtained by public insurance plans in this State,
17 including, without limitation, Medicaid, the Public Employees' Benefits
18 Program and plans established by governing bodies of local governments
19 pursuant to NRS 287.010; and

20 (c) Any other methods of funding determined by the Board to be feasible
21 and appropriate.

22 2. Select a method or combination of methods of funding that the Board
23 determines will provide adequate money for the operation of the Board.

24 3. Submit to the Director of the Legislative Counsel Bureau for
25 transmittal to the next regular session of the Legislature a report of
26 recommendations for legislation necessary to utilize the method or methods of
27 funding selected by the Board.

28 Sec. 38.9. On or before November 1, 2024, the Department of Health and
29 Human Services, in consultation with the Prescription Drug Affordability
30 Board and the Prescription Drug Affordability Stakeholder Council, shall:

31 1. Develop a report concerning the impact of state and local policies,
32 including, without limitation, any actions taken pursuant to sections 2 to 23,
33 inclusive, of this act, on the affordability of prescription drugs and access to
34 hospital services in this State; and

35 2. Submit the report to the Director of the Legislative Counsel Bureau
36 for transmittal to the next regular session of the Legislature.

37 Sec. 39. [1. For each prescription drug for which the Prescription Drug
38 Affordability Board has adopted a recommended upper payment limit pursuant to
39 section 21 of this act, as that section existed on December 31, 2023, the Board
40 shall, as soon as practicable after January 1, 2024:

41 — (a) Conduct a review of the price of the prescription drug pursuant to section
42 19 of this act to consider any new information concerning the price of the
43 prescription drug; and

44 — (b) If the Board determines that the price of the prescription drug is creating
45 significant challenges for health carriers and patients in this State on the date of the
46 review, prescribe a mandatory upper payment limit for the prescription drug in
47 accordance with the provisions of section 21 of this act, as amended by section 35
48 of this act.

49 2. As used in this section:

50 — (a) "Health carrier" has the meaning ascribed to it in section 7 of this act.

51 — (b) "Prescription Drug Affordability Board" means the Prescription Drug
52 Affordability Board established by section 12 of this act.

1 ~~— (c) “Upper payment limit” has the meaning ascribed to it in section 10 of this~~
2 ~~act.] (Deleted by amendment.)~~

3 Sec. 39.5. 1. Notwithstanding any other provision of law, the terms of
4 the members appointed to the Pharmacy and Therapeutics Committee
5 established pursuant to NRS 422.4035, as that section exists on June 30, 2019,
6 expire on that date.

7 2. The Director of the Department of Health and Human Services may
8 appoint to the Silver State Scripts Board established pursuant to NRS
9 422.4035, as amended by section 31.55 of this act, a person who served as a
10 member of the Pharmacy and Therapeutics Committee established pursuant
11 to NRS 422.4035, as that section exists on June 30, 2019.

12 Sec. 40. 1. The amendatory provisions of sections 31.15, 31.2 and 31.25
13 of this act do not apply to any contract or other agreement entered into before
14 July 1, 2019, but apply to any contract or other agreement entered into or
15 renewed on or after July 1, 2019.

16 2. The amendatory provisions of sections ~~[29 to 35, inclusive,]~~ 21, 26, 29.6,
17 31.5 and 35.5 of this act apply to any contract or other agreement entered into
18 before, on or after January 1, ~~[2024,]~~ 2022.

19 Sec. 41. The provisions of subsection 1 of NRS 218D.380 do not apply to
20 any provision of this act which adds or revises a requirement to submit a report to
21 the Legislature.

22 Sec. 42. 1. This section and sections 1 to ~~[28,]~~ 20, inclusive, ~~[31, 34, 37,~~
23 ~~38, 40 and 41]~~ 22 to 25, inclusive, 27 to 29.3, inclusive, 31 to 31.45, inclusive,
24 31.55 to 33, inclusive, and 36.1 to 41, inclusive, of this act become effective on
25 July 1, 2019.

26 2. Sections ~~[29, 30, 32, 33, 35, 36 and 39]~~ 21, 26, 29.6, 31.5 and 35.5 of this
27 act become effective on January 1, ~~[2024,]~~ 2022.