

SENATE BILL NO. 128—SENATOR NEAL

PREFILED JANUARY 29, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Makes changes related to health care. (BDR 57-87)

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

CONTAINS UNFUNDED MANDATE (§ 4)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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

AN ACT relating to health care; prescribing requirements governing the denial of requests for prior authorization; requiring, in certain circumstances, licensed physicians, physician assistants, advanced practice registered nurses and osteopathic physicians to discuss with patients certain information relating to stem cell treatment, storage and donation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes certain health insurers to require an insured to obtain prior authorization from the insurer before receiving certain care. (NRS 687B.225) **Sections 1, 4 and 5** of this bill prohibit certain health insurers, including insurance for public employees, from solely using, employing or relying upon an artificial intelligence system or an automated decision tool to: (1) deny a request for prior authorization for medical or dental care; (2) modify a request for prior authorization for such care submitted by a provider of health care; (3) reduce the scope of services or amount of coverage for such care that is included within a request for prior authorization; or (4) terminate, reduce or modify coverage for previously approved medical or dental care. **Sections 1, 4 and 5** also require such health insurers to approve a request for prior authorization for medical or dental care that is covered by the insurer, unless a licensed health care professional with the education, training and expertise necessary to evaluate the condition at issue determines that the care requested is not medically necessary or is experimental or investigational. **Sections 6 and 7** of this bill make conforming changes to clarify that certain provisions generally applicable to members of plans of self-insurance for employees of local governments and are applicable to the provisions of **sections 4 and 5**, respectively.



* S B 1 2 8 R 2 *

Existing law requires a physician, physician assistant, advanced practice registered nurse or an osteopathic physician to counsel and provide certain information to a patient who is diagnosed with certain conditions. (NRS 630.3737, 632.2383, 633.6947) **Sections 9-11** of this bill require a physician, physician assistant, advanced practice registered nurse or an osteopathic physician to: (1) discuss with a patient, upon diagnosing the patient with arthritis, osteoarthritis or any other condition that is regularly treated using stem cell therapy, the potential use of stem cell therapy to treat the condition; and (2) when acting as a provider of primary care during the first encounter with a new patient, inform the patient of options that may be available to the patient for donating, banking or storing stem cells for future use by the patient or a donee.

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

Section 1. NRS 687B.225 is hereby amended to read as follows:

687B.225 1. Except as otherwise provided in NRS 689A.0405, 689A.0412, 689A.0413, 689A.0418, 689A.0437, 689A.044, 689A.0445, 689A.0459, 689B.031, 689B.0312, 689B.0313, 689B.0315, 689B.0317, 689B.0319, 689B.0374, 689B.0378, 689C.1665, 689C.1671, 689C.1675, 689C.1676, 695A.1843, 695A.1856, 695A.1865, 695A.1874, 695B.1912, 695B.1913, 695B.1914, 695B.1919, 695B.19197, 695B.1924, 695B.1925, 695B.1942, 695C.1696, 695C.1699, 695C.1713, 695C.1735, 695C.1737, 695C.1743, 695C.1745, 695C.1751, 695G.170, 695G.1705, 695G.171, 695G.1714, 695G.1715, 695G.1719 and 695G.177, any contract for group, blanket or individual health insurance or any contract by a nonprofit hospital, medical or dental service corporation or organization for dental care which provides for payment of a certain part of medical or dental care may require the insured or member to obtain prior authorization for that care from the insurer or organization ~~[- The]~~ *in a manner consistent with the provisions of this section.*

2. *An insurer or organization that requires an insured or member to obtain prior authorization for medical or dental care shall:*

(a) File its procedure for obtaining approval of care pursuant to this section for approval by the Commissioner; and

(b) Unless a shorter time period is prescribed by a specific statute, including, without limitation, NRS 689A.0446, 689B.0361, 689C.1688, 695A.1859, 695B.19087, 695C.16932 and 695G.1703, respond to any request for approval by the insured or member pursuant to this section within 20 days after it receives the request.

~~[2.]~~ **3.** The procedure for prior authorization may not discriminate among persons licensed to provide the covered care.



4. Except as otherwise provided in subsection 6, an insurer or organization that requires an insured or member to obtain prior authorization for medical or dental care:

(a) Shall not solely utilize, employ or rely upon an artificial intelligence system or automated decision tool to:

(1) Deny a request for prior authorization for medical or dental care;

(2) Modify a request for medical or dental care submitted by a provider of health care;

(3) Reduce the scope of services or the amount of coverage for medical or dental care included within a request for prior authorization; or

(4) Terminate, reduce or modify coverage for previously approved medical or dental care.

(b) Shall approve, without modification, a request for prior authorization submitted by an insured or member, or by a provider of health care acting within the scope of his or her practice on behalf of an insured or member, for medical or dental care that is covered by the insurer or organization, unless a licensed health care professional who possesses the education, training and expertise necessary to evaluate the specific clinical issues relevant to the request for prior authorization determines that the care requested is not medically necessary or is experimental or investigational after reviewing all available medical documentation, notes of the insured's or member's provider of health care, test results and other relevant medical records of the insured or member.

5. The provisions of subsection 4 do not:

(a) Prohibit an insurer or organization from utilizing an artificial intelligence system or automated decision tool to automatically approve a request for prior authorization.

(b) Affect the obligation of any entity to which the requirements of NRS 695G.150 apply to comply with such requirements.

6. The requirements of subsection 4 do not apply to a managed care organization when providing coverage for recipients of Medicaid or pursuant to the Children's Health Insurance Program pursuant to a contract with the Department of Health and Human Services entered into pursuant to NRS 422.273.

7. As used in this section:

(a) "Artificial intelligence system" means a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments.



(b) “Automated decision tool” means a computational process derived from machine learning, statistical modeling, data analytics or artificial intelligence that, for any number of inputs, is designed to produce a simple output or recommendation, including, without limitation, a score, classification or recommendation, that is used to assist or replace human decision-making.

(c) “Healing art” means any system, treatment, operation, diagnosis, prescription or practice for the ascertainment, cure, relief, palliation, adjustment or correction of any human disease, ailment, deformity, injury, or unhealthy or abnormal physical or mental condition for the practice of which long periods of specialized education and training and a degree of specialized knowledge of an intellectual and physical nature are required.

(d) “Licensed health care professional” means a person who is licensed in any state or territory of the United States to perform any healing art.

(e) “Medical or dental care” includes, without limitation, the provision of prescription drugs.

(f) “Medically necessary” has the meaning ascribed to it in NRS 695G.055.

(g) “Provider of health care” has the meaning ascribed to it in NRS 695G.070.

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 287 of NRS is hereby amended by adding thereto the provisions set forth as sections 4 and 5 of this act.

Sec. 4. 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides health insurance through a plan of self-insurance:

(a) Shall not solely utilize, employ or rely upon an artificial intelligence system or automated decision tool to:

(1) Deny a request for prior authorization for medical or dental care;

(2) Modify a request for medical or dental care submitted by a provider of health care;

(3) Reduce the scope of services or the amount of coverage for medical or dental care included within a request for prior authorization; or

(4) Terminate, reduce or modify coverage for previously approved medical or dental care.

(b) Shall approve, without modification, a request for prior authorization submitted by an insured, or by a provider of health care acting within the scope of his or her practice on behalf of an insured, for medical or dental care that is covered by the plan of



1 *self-insurance, unless a licensed health care professional who*
2 *possesses the education, training and expertise necessary to*
3 *evaluate the specific clinical issues relevant to the request for prior*
4 *authorization determines that the care requested is not medically*
5 *necessary or is experimental or investigational after reviewing all*
6 *available medical documentation, notes of the insured's provider*
7 *of health care, test results and other relevant medical records of*
8 *the insured.*

9 2. *The provisions of subsection 1 do not prohibit a governing*
10 *body of any county, school district, municipal corporation,*
11 *political subdivision, public corporation or other local*
12 *governmental agency of the State of Nevada that provides health*
13 *insurance through a plan of self-insurance from utilizing an*
14 *artificial intelligence system or automated decision tool to*
15 *automatically approve a request for prior authorization.*

16 3. *As used in this section:*

17 (a) *“Artificial intelligence system” has the meaning ascribed to*
18 *it in NRS 687B.225.*

19 (b) *“Automated decision tool” has the meaning ascribed to it*
20 *in NRS 687B.225.*

21 (c) *“Licensed health care professional” has the meaning*
22 *ascribed to it in NRS 687B.225.*

23 (d) *“Medical or dental care” has the meaning ascribed to it in*
24 *NRS 687B.225.*

25 (e) *“Medically necessary” has the meaning ascribed to it in*
26 *NRS 695G.055.*

27 (f) *“Provider of health care” has the meaning ascribed to it in*
28 *NRS 695G.070.*

29 **Sec. 5. 1.** *If the Board provides health insurance through a*
30 *plan of self-insurance, the Board:*

31 (a) *Shall not solely utilize, employ or rely upon an artificial*
32 *intelligence system or automated decision tool to:*

33 (1) *Deny a request for prior authorization for medical or*
34 *dental care;*

35 (2) *Modify a request for medical or dental care submitted*
36 *by a provider of health care;*

37 (3) *Reduce the scope of services or the amount of coverage*
38 *for medical or dental care included within a request for prior*
39 *authorization; or*

40 (4) *Terminate, reduce or modify coverage for previously*
41 *approved medical or dental care.*

42 (b) *Shall approve, without modification, a request for prior*
43 *authorization submitted by an insured, or by a provider of health*
44 *care acting within the scope of his or her practice on behalf of an*
45 *insured, for medical or dental care that is covered by the plan of*



1 *self-insurance, unless a licensed health care professional who*
2 *possesses the education, training and expertise necessary to*
3 *evaluate the specific clinical issues relevant to the request for prior*
4 *authorization determines that the care requested is not medically*
5 *necessary or is experimental or investigational after reviewing all*
6 *available medical documentation, notes of the insured's provider*
7 *of health care, test results and other relevant medical records of*
8 *the insured.*

9 2. *The provisions of subsection 1 do not:*

10 (a) *Prohibit the Board from utilizing an artificial intelligence*
11 *system or automated decision tool to automatically approve a*
12 *request for prior authorization.*

13 (b) *Affect the obligation of the Board to comply with the*
14 *requirements of NRS 695G.150.*

15 3. *As used in this section:*

16 (a) *"Artificial intelligence system" has the meaning ascribed to*
17 *it in NRS 687B.225.*

18 (b) *"Automated decision tool" has the meaning ascribed to it*
19 *in NRS 687B.225.*

20 (c) *"Licensed health care professional" has the meaning*
21 *ascribed to it in NRS 687B.225.*

22 (d) *"Medical or dental care" has the meaning ascribed to it in*
23 *NRS 687B.225.*

24 (e) *"Medically necessary" has the meaning ascribed to it in*
25 *NRS 695G.055.*

26 (f) *"Provider of health care" has the meaning ascribed to it in*
27 *NRS 695G.070.*

28 **Sec. 6.** NRS 287.040 is hereby amended to read as follows:

29 287.040 The provisions of NRS 287.010 to 287.040, inclusive,
30 *and section 4 of this act* do not make it compulsory upon any
31 governing body of any county, school district, municipal
32 corporation, political subdivision, public corporation or other local
33 governmental agency of the State of Nevada, except as otherwise
34 provided in NRS 287.021 or subsection 4 of NRS 287.023 or in an
35 agreement entered into pursuant to subsection 3 of NRS 287.015, to
36 pay any premiums, contributions or other costs for group insurance,
37 a plan of benefits or medical or hospital services established
38 pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or
39 (d) of subsection 1 of NRS 287.025, for coverage under the Public
40 Employees' Benefits Program, or to make any contributions to a
41 trust fund established pursuant to NRS 287.017, or upon any officer
42 or employee of any county, school district, municipal corporation,
43 political subdivision, public corporation or other local governmental
44 agency of this State to accept any such coverage or to assign his or



her wages or salary in payment of premiums or contributions therefor.

Sec. 7. NRS 287.0402 is hereby amended to read as follows:

287.0402 As used in NRS 287.0402 to 287.049, inclusive, *and section 5 of this act*, unless the context otherwise requires, the words and terms defined in NRS 287.0404 to 287.04064, inclusive, have the meanings ascribed to them in those sections.

Sec. 8. (Deleted by amendment.)

Sec. 9. Chapter 630 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Upon diagnosing a patient with arthritis, osteoarthritis or any other condition that is regularly treated using stem cell therapy, a physician or physician assistant shall discuss with the patient the potential use of stem cell therapy to treat the condition.

2. During the first encounter with a new patient, a provider of primary care shall inform the patient of options that may be available to the patient for donating, banking or storing stem cells for future use by the patient or a donee.

3. As used in this section:

(a) "Provider of health care" has the meaning ascribed to it in NRS 629.031.

(b) "Provider of primary care" means a physician, physician assistant or group of providers of health care that includes a physician or physician assistant which:

(1) Provides initial and primary health care services to a patient; and

(2) Maintains the continuity of care for the patient.

(c) "Stem cell therapy" means therapy involving the use of human cells, tissues or cellular or tissue-based products.

Sec. 10. Chapter 632 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Upon diagnosing a patient with arthritis, osteoarthritis or any other condition that is regularly treated using stem cell therapy, an advanced practice registered nurse shall discuss with the patient the potential use of stem cell therapy to treat the condition.

2. During the first encounter with a new patient, a provider of primary care shall inform the patient of options that may be available to the patient for donating, banking or storing stem cells for future use by the patient or a donee.

3. As used in this section:

(a) "Provider of health care" has the meaning ascribed to it in NRS 629.031.



(b) *“Provider of primary care” means an advanced practice registered nurse or a group of providers of health care that includes an advanced practice registered nurse which:*

(1) *Provides initial and primary health care services to a patient; and*

(2) *Maintains the continuity of care for the patient.*

(c) *“Stem cell therapy” means therapy involving the use of human cells, tissues or cellular or tissue-based products.*

Sec. 11. Chapter 633 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Upon diagnosing a patient with arthritis, osteoarthritis or any other condition that is regularly treated using stem cell therapy, an osteopathic physician or physician assistant shall discuss with the patient the potential use of stem cell therapy to treat the condition.*

2. *During the first encounter with a new patient, a provider of primary care shall inform the patient of options that may be available to the patient for donating, banking or storing stem cells for future use by the patient or a donee.*

3. *As used in this section:*

(a) *“Provider of health care” has the meaning ascribed to it in NRS 629.031.*

(b) *“Provider of primary care” means an osteopathic physician, physician assistant or group of providers of health care that includes an osteopathic physician or physician assistant which:*

(1) *Provides initial and primary health care services to a patient; and*

(2) *Maintains the continuity of care for the patient.*

(c) *“Stem cell therapy” means therapy involving the use of human cells, tissues or cellular or tissue-based products.*

Sec. 12. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

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

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

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

(b) On January 1, 2026, for all other purposes.

