# SENATE BILL NO. 283–SENATORS CANCELA, SPEARMAN AND RATTI

## MARCH 15, 2019

#### Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to prescription drugs. (BDR 38-114)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to prescription drugs; revising provisions governing restrictions imposed on the list of preferred prescription drugs to be used for the Medicaid program; revising the criteria for selecting prescription drugs for inclusion on that list; authorizing the Pharmacy and Therapeutics Committee to close certain meetings under certain circumstances; expanding the scope of the computerized program to track prescriptions; authorizing the Division of Public and Behavioral Health of the Department of Health and Human Services to access the program for certain purposes; and providing other matters properly relating thereto.

#### **Legislative Counsel's Digest:**

Existing law requires the Department of Health and Human Services by regulation to develop: (1) a list of preferred prescription drugs to be used for the Medicaid program; and (2) a list of prescription drugs which must be excluded from any restrictions that are imposed on the list of preferred prescription drugs to be used for the Medicaid program. (NRS 422.4025) **Section 1** of this bill removes the requirement that the Department develop a list of prescription drugs which must be excluded from any restrictions that are imposed on the list of preferred prescription drugs to be used for the Medicaid program.

Existing law requires the Department to create a Pharmacy and Therapeutics Committee to make decisions concerning the inclusion of therapeutic prescription drugs on the list of preferred prescription drugs to be used by the Medicaid program. (NRS 422.4025, 422.4035) Existing law requires the Committee to base its decisions on evidence of clinical efficacy and safety of prescription drugs without consideration of cost. (NRS 422.405) **Section 2** of this bill removes this





requirement. Instead, section 2 requires the Committee to determine whether one or more therapeutic prescription drugs in a class of drugs demonstrate significantly higher clinical efficacy and safety than other drugs in the class. If the Committee determines that one such drug exists, section 2 requires the drug to be included on the list of preferred prescription drugs. If the Committee determines that multiple such drugs exist, section 2 authorizes the Committee to consider cost effectiveness when determining which of those drugs should be included on the list of preferred prescription drugs.

Existing federal law requires certain information concerning the price of prescription drugs used in the Medicaid program to remain confidential. (42 U.S.C. 1396r-8) Section 2 authorizes the Committee to close any portion of a meeting

during which it considers the cost effectiveness of a prescription drug.

Existing law requires the State Board of Pharmacy and the Investigation Division of the Department of Public Safety to cooperatively develop a computerized program to track each prescription for a controlled substance listed in schedule II, III, IV or V that is filled by a registered pharmacy or dispensed by a registered practitioner. (NRS 453.162) Section 4 of this bill expands the scope of the program to track each prescription filled by a registered pharmacy or dispensed by a registered practitioner, regardless of whether the drug prescribed is a controlled substance. Section 6 of this bill authorizes the Division of Public and Behavioral Health of the Department of Health and Human Services to access the program for certain purposes related to public health. Sections 3, 5, 7 and 8 of this bill make conforming changes.

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

**Section 1.** NRS 422.4025 is hereby amended to read as follows:

422.4025 1. The Department shall, by regulation, develop a list of preferred prescription drugs to be used for the Medicaid program.

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- The Department shall, by regulation, establish a list of prescription drugs which must be excluded from any restrictions that are imposed on drugs that are on the list of preferred prescription drugs established pursuant to subsection 1. The list established pursuant to this subsection must include, without limitation:
- (a) Atypical and typical antipsychotic medications that are prescribed for the treatment of a mental illness of a patient who is receiving services pursuant to Medicaid;
- 14 — (b) Prescription drugs that are prescribed for the treatment of the 15 human immunodeficiency virus or acquired immunodeficiency syndrome, including, without limitation, protease inhibitors and 16 antiretroviral medications;

- 18 — (c) Anticonvulsant medications;
- 19 (d) Antirejection medications for organ transplants;
- 20 (e) Antidiabetic medications;
  - (f) Antihemophilic medications; and





— (g) Any prescription drug which the Committee identifies as appropriate for exclusion from any restrictions that are imposed on drugs that are on the list of preferred prescription drugs.

— 3.] The regulations must provide that the Committee makes the final determination of:

- (a) Whether a class of therapeutic prescription drugs is included on the list of preferred prescription drugs [and is excluded from any restrictions that are imposed on drugs that are on the list of preferred prescription drugs;]; and
- (b) Which therapeutically equivalent prescription drugs will be reviewed for inclusion on the list of preferred prescription drugs. [and for exclusion from any restrictions that are imposed on drugs that are on the list of preferred prescription drugs; and
- (c) Which prescription drugs should be excluded from any restrictions that are imposed on drugs that are on the list of preferred prescription drugs based on continuity of care concerning a specific diagnosis, condition, class of therapeutic prescription drugs or medical specialty.
- —4.] 3. The regulations must provide that each new pharmaceutical product and each existing pharmaceutical product for which there is new clinical evidence supporting its inclusion on the list of preferred prescription drugs must be made available pursuant to the Medicaid program with prior authorization until the Committee reviews the product or the evidence.
  - **Sec. 2.** NRS 422.405 is hereby amended to read as follows:
- 422.405 1. The Department shall, by regulation, set forth the duties of the Committee which must include, without limitation:
- (a) Identifying the prescription drugs which should be included on the list of preferred prescription drugs developed by the Department for the Medicaid program pursuant to NRS 422.4025. [and the prescription drugs which should be excluded from any restrictions that are imposed on drugs that are on the list of preferred prescription drugs;]
- (b) Identifying classes of therapeutic prescription drugs for its review and performing a clinical analysis of each drug included in each class that is identified for review; and
- (c) Reviewing at least annually all classes of therapeutic prescription drugs on the list of preferred prescription drugs developed by the Department for the Medicaid program pursuant to NRS 422.4025.
- 2. The Department shall, by regulation, require the Committee to:
- (a) [Base its decisions on evidence of clinical efficacy and safety without consideration of the cost of the prescription drugs being considered by the Committee;





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

[(e)] (b) Consider new clinical evidence supporting the inclusion of an existing pharmaceutical product on the list of preferred prescription drugs developed by the Department for the Medicaid program [and new clinical evidence supporting the exclusion of an existing pharmaceutical product from any restrictions that are imposed on drugs that are on the list of preferred prescription drugs] in as expeditious a manner as possible.

- 3. The Department shall, by regulation, authorize the Committee to:
- (a) In carrying out its duties, exercise clinical judgment and analyze peer review articles, published studies, and other medical and scientific information; and
- (b) Establish subcommittees to analyze specific issues that arise as the Committee carries out its duties.
- 4. When identifying the prescription drugs to include on the list of preferred prescription drugs developed by the Department for the Medicaid program pursuant to NRS 422.4025, the Committee shall determine whether any therapeutic prescription drug in a class of drugs identified pursuant to paragraph (b) of subsection I demonstrates significantly higher clinical efficacy and safety than other drugs in the class. If the Committee:
- (a) Identifies one such drug in a class, the drug must be included on the list of preferred prescription drugs without consideration of cost.
- (b) Identifies two or more such drugs in a class with similarly high levels of clinical efficacy and safety or determines that all drugs in the class have similarly high levels of clinical efficacy and safety, the Committee may consider cost effectiveness, including, without limitation, the price of the drugs and any rebates or other discounts available, when determining which of those drugs to include on the list of preferred prescription drugs.
- 5. The Committee may close any portion of a meeting during which it considers the cost effectiveness of a prescription drug is considered pursuant to subsection 4. Any portion of a meeting that is closed pursuant to this subsection is not subject to the provisions of chapter 241 of NRS.
  - **Sec. 3.** NRS 241.016 is hereby amended to read as follows:
- 241.016 1. The meetings of a public body that are quasi-judicial in nature are subject to the provisions of this chapter.
- 2. The following are exempt from the requirements of this chapter:
  - (a) The Legislature of the State of Nevada.





- (b) Judicial proceedings, including, without limitation, proceedings before the Commission on Judicial Selection and, except as otherwise provided in NRS 1.4687, the Commission on Judicial Discipline.
- (c) Meetings of the State Board of Parole Commissioners when acting to grant, deny, continue or revoke the parole of a prisoner or to establish or modify the terms of the parole of a prisoner.
- 3. Any provision of law, including, without limitation, NRS 91.270, 219A.210, 228.495, 239C.140, 281A.350, 281A.690, 281A.735, 281A.760, 284.3629, 286.150, 287.0415, 287.04345, 287.338, 288.220, 289.387, 295.121, 360.247, 388.261, 388A.495, 388C.150, 388G.710, 388G.730, 392.147, 392.467, 394.1699, 396.3295, 422.405, 433.534, 435.610, 463.110, 622.320, 622.340, 630.311, 630.336, 631.3635, 639.050, 642.518, 642.557, 686B.170, 696B.550, 703.196 and 706.1725, which:
- (a) Provides that any meeting, hearing or other proceeding is not subject to the provisions of this chapter; or
- (b) Otherwise authorizes or requires a closed meeting, hearing or proceeding,
- prevails over the general provisions of this chapter.
- 4. The exceptions provided to this chapter, and electronic communication, must not be used to circumvent the spirit or letter of this chapter to deliberate or act, outside of an open and public meeting, upon a matter over which the public body has supervision, control, jurisdiction or advisory powers.
  - **Sec. 4.** NRS 453.162 is hereby amended to read as follows:
- 453.162 1. The Board and the Division shall cooperatively develop a computerized program to track each prescription [for a controlled substance listed in schedule II, III, IV or V] that is filled by a pharmacy that is registered with the Board or that is dispensed by a practitioner who is registered with the Board. The program must:
  - (a) Be designed to provide information regarding:
- (1) The inappropriate use by a patient of controlled substances listed in schedules II, III, IV or V to pharmacies, practitioners and appropriate state and local governmental agencies, including, without limitation, law enforcement agencies and occupational licensing boards, to prevent the improper or illegal use of those controlled substances; and
- (2) Statistical data relating to the use of [those controlled substances] prescription drugs that is not specific to a particular patient.
- (b) Be administered by the Board, the Investigation Division, the Division of Public and Behavioral Health of the Department and various practitioners, representatives of professional associations for





practitioners, representatives of occupational licensing boards and prosecuting attorneys selected by the Board and the Investigation Division.

- (c) Not infringe on the legal use of a controlled substance or other prescription drug, including, without limitation, the legal use of a controlled substance or other prescription drug for the management of severe or intractable pain.
- (d) Include the contact information of each person who is required to access the database of the program pursuant to NRS 453.164, including, without limitation:
  - (1) The name of the person;
  - (2) The physical address of the person;
  - (3) The telephone number of the person; and
- (4) If the person maintains an electronic mail address, the electronic mail address of the person.
- (e) Include, for each prescription of a controlled substance listed in schedule II, III, IV or V:
- (1) The fewest number of days necessary to consume the quantity of the controlled substance dispensed to the patient if the patient consumes the maximum dose of the controlled substance authorized by the prescribing practitioner; *and*
- (2) Each state in which the patient to whom the controlled substance was prescribed has previously resided or filled a prescription for a controlled substance listed in schedule II, III, IV or V. f; and
  - (3) Thel

- (f) Include, for each prescription, the code established in the International Classification of Diseases, Tenth Revision, Clinical Modification, adopted by the National Center for Health Statistics and the Centers for Medicare and Medicaid Services, or the code used in any successor classification system adopted by the National Center for Health Statistics and the Centers for Medicare and Medicaid Services, that corresponds to the diagnosis for which the [controlled substance] prescription drug was prescribed.
  - (g) To the extent that money is available, include:
- (1) A means by which a practitioner may designate in the database of the program that he or she suspects that a patient is seeking a prescription for a controlled substance for an improper or illegal purpose. If the Board reviews the designation and determines that such a designation is warranted, the Board shall inform pharmacies, practitioners and appropriate state agencies that the patient is seeking a prescription for a controlled substance for an improper or illegal purpose as described in subparagraph (1) of paragraph (a).





- (2) The ability to integrate the records of patients in the database of the program with the electronic health records of practitioners.
- 2. The Board, the Division and each employee thereof are immune from civil and criminal liability for any action relating to the collection, maintenance and transmission of information pursuant to this section and NRS 453.163 to 453.1645, inclusive, if a good faith effort is made to comply with applicable laws and regulations.
- 3. The Board and the Division may apply for any available grants and accept any gifts, grants or donations to assist in developing and maintaining the program required by this section.

Sec. 5. NRS 453.163 is hereby amended to read as follows:

- 453.163 1. Except as otherwise provided in this subsection, each person registered pursuant to this chapter to dispense a controlled substance listed in schedule II, III, IV or V for human consumption shall, not later than the end of the next business day after dispensing a [controlled substance,] prescription drug, upload to the database of the program established pursuant to NRS 453.162 the information described in [paragraph] paragraphs (d), (e) and (f) of subsection 1 of NRS 453.162 +, to the extent applicable. The requirements of this subsection do not apply if the [controlled substance] prescription drug is administered directly by a practitioner to a patient in a health care facility, as defined in NRS 439.960, a child who is a resident in a child care facility, as defined in NRS 432A.024, or a prisoner, as defined in NRS 208.085. The Board shall establish by regulation and impose administrative penalties for the failure to upload information pursuant to this subsection.
- 2. The Board and the Division may cooperatively enter into a written agreement with an agency of any other state to provide, receive or exchange information obtained by the program with a program established in that state which is substantially similar to the program established pursuant to NRS 453.162, including, without limitation, providing such state access to the database of the program or transmitting information to and receiving information from such state. Any information provided, received or exchanged as part of an agreement made pursuant to this section may only be used in accordance with the provisions of this chapter.
- 3. A practitioner who is authorized to write prescriptions for and each person who is authorized to dispense controlled substances listed in schedule II, III, IV or V for human consumption who makes a good faith effort to comply with applicable laws and regulations when transmitting to the Board or the Division a report or information required by this section or NRS 453.162 or 453.164,





or a regulation adopted pursuant thereto, is immune from civil and criminal liability relating to such action.

- **Sec. 6.** NRS 453.164 is hereby amended to read as follows:
- 453.164 1. The Board shall provide Internet access to the database of the program established pursuant to NRS 453.162 to an occupational licensing board that licenses any practitioner who is authorized to write prescriptions for human consumption of controlled substances listed in schedule II, III, IV or V. An occupational licensing board that is provided access to the database pursuant to this section may access the database to investigate a complaint, report or other information that indicates fraudulent, illegal, unauthorized or otherwise inappropriate activity related to the prescribing, dispensing or use of a controlled substance.
- 2. The Board and the Division must have access to the program established pursuant to NRS 453.162 to identify any suspected fraudulent, illegal, unauthorized or otherwise inappropriate activity related to the prescribing, dispensing or use of controlled substances.
- 3. The Division of Public and Behavioral Health of the Department of Health and Human Services must have access to the program established pursuant to NRS 453.162 to review, analyze and inform research, outreach and intervention relating to public health.
- 4. Except as otherwise provided in subsection [4,] 5, the Board or the *Investigation* Division *of the Department of Public Safety* shall report any activity it reasonably suspects may:
- (a) Indicate fraudulent, illegal, unauthorized or otherwise inappropriate activity related to the prescribing, dispensing or use of a controlled substance to the appropriate law enforcement agency or occupational licensing board and provide the law enforcement agency or occupational licensing board with the relevant information obtained from the program for further investigation.
- (b) Indicate the inappropriate use by a patient of a controlled substance to the occupational licensing board of each practitioner who has prescribed the controlled substance to the patient. The occupational licensing board may access the database of the program established pursuant to NRS 453.162 to determine which practitioners are prescribing the controlled substance to the patient. The occupational licensing board may use this information for any purpose it deems necessary, including, without limitation, alerting a practitioner that a patient may be fraudulently obtaining a controlled substance or determining whether a practitioner is engaged in unlawful or unprofessional conduct.
- [4.] 5. The Board or Division may withhold any report required by subsection [3] 4 if the Board determines that doing so is





necessary to avoid interfering with any pending administrative or criminal investigation into the suspected fraudulent, illegal, unauthorized or otherwise inappropriate prescribing, dispensing or use of a controlled substance.

- [5.] 6. The Board and the Division shall cooperatively develop a course of training for persons who are required or authorized to receive access to the database of the program pursuant to subsection [7] 8 or NRS 453.1645 and 453.165 and require each such person to complete the course of training before the person is provided with Internet access to the database.
- [6.] 7. Each practitioner who is authorized to write prescriptions for and each person who is authorized to dispense controlled substances listed in schedule II, III, IV or V for human consumption shall complete the course of instruction described in subsection [5.] 6. The Board shall provide Internet access to the database to each such practitioner or other person who completes the course of instruction.
- [7-] 8. Each practitioner who is authorized to write prescriptions for human consumption of controlled substances listed in schedule II, III, IV or V shall, to the extent the program allows, access the database of the program established pursuant to NRS 453.162 at least once each 6 months to:
- (a) Review the information concerning the practitioner that is listed in the database, including, without limitation, information concerning prescriptions issued by the practitioner, and notify the Board if any such information is not correct; and
- (b) Verify to the Board that he or she continues to have access to and has accessed the database as required by this subsection.
- [8.] 9. Information obtained from the program relating to a practitioner or a patient is confidential and, except as otherwise provided by this section and NRS 239.0115, 453.162 and 453.163, must not be disclosed to any person. That information must be disclosed:
- (a) Upon a request made on a notarized form prescribed by the Board by a person about whom the information requested concerns or upon such a request on behalf of that person by his or her attorney; or
  - (b) Upon the lawful order of a court of competent jurisdiction.
- determines that the database of the program has been intentionally accessed by a person or for a purpose not authorized pursuant to NRS 453.162 to 453.165, inclusive, the Board, Division or law enforcement agency, as applicable, must notify any person whose information was accessed by an unauthorized person or for an unauthorized purpose.





- **Sec. 7.** NRS 453.1645 is hereby amended to read as follows: 453.1645 1. Except as otherwise provided in this section, the Board shall allow:
- (a) A coroner or medical examiner to have Internet access to the database of the computerized program developed pursuant to NRS 453.162 if the coroner or medical examiner has completed the course of training developed pursuant to subsection [5] 6 of NRS 453.164.
- (b) A deputy of a coroner or medical examiner to have Internet access to the database of the computerized program developed pursuant to NRS 453.162 if:
- (1) The deputy has completed the course of training developed pursuant to subsection [5] 6 of NRS 453.164; and
- (2) The coroner or medical examiner who employs the deputy has submitted the certification required pursuant to subsection 2 to the Board.
- 2. Before the deputy of a coroner or medical examiner may be given access to the database pursuant to subsection 1, the coroner or medical examiner who employs the deputy must certify to the Board that the deputy has been approved to have such access and meets the requirements of subsection 1. Such certification must be made on a form provided by the Board and renewed annually.
- 3. When a coroner, medical examiner or deputy thereof accesses the database of the computerized program pursuant to this section, the coroner, medical examiner or deputy thereof must enter a unique user name assigned to the coroner, medical examiner or deputy thereof and, if applicable, the case number corresponding to the investigation being conducted by the coroner, medical examiner or deputy thereof.
- 4. A coroner, medical examiner or deputy thereof who has access to the database of the computerized program pursuant to subsection 1 may access the database only to:
  - (a) Investigate the death of a person; or
- (b) Upload information to the database pursuant to NRS 453.1635.
- 5. The Board or the Division may suspend or terminate access to the database of the computerized program pursuant to this section if a coroner, medical examiner or deputy thereof violates any provision of this section.
  - **Sec. 8.** NRS 453.165 is hereby amended to read as follows:
- 453.165 1. Except as otherwise provided in this section, the Board shall allow an employee of a law enforcement agency to have Internet access to the database of the computerized program developed pursuant to NRS 453.162 if:





(a) The employee has been approved by his or her employer to have such access;

- (b) The employee has completed the course of training developed pursuant to subsection [5] 6 of NRS 453.164; and
- (c) The law enforcement agency has submitted the certification required pursuant to subsection 2 to the Board.
- 2. Before an employee of a law enforcement agency may be given access to the database pursuant to subsection 1, the law enforcement agency must certify to the Board that the employee has been approved to be given such access and meets the requirements of subsection 1. Such certification must be made on a form provided by the Board and renewed annually.
- 3. When an employee of a law enforcement agency accesses the database of the computerized program pursuant to this section, the employee must enter a unique user name assigned to the employee and, if applicable, the case number corresponding to the investigation pursuant to which the employee is accessing the database.
- 4. An employee of a law enforcement agency who is given access to the database of the computerized program pursuant to subsection 1 may access the database for no other purpose than to:
  - (a) Investigate a crime related to prescription drugs; or
- (b) Upload information to the database pursuant to NRS 453.1635.
- 5. A law enforcement agency whose employees are provided access to the database of the computerized program pursuant to this section shall monitor the use of the database by the employees of the law enforcement agency and establish appropriate disciplinary action to take against an employee who violates the provisions of this section.
- 6. The Board or the Division may suspend or terminate access to the database of the computerized program pursuant to this section if a law enforcement agency or employee thereof violates any provision of this section.
- **Sec. 9.** 1. This section and sections 1 and 2 of this act become effective on July 1, 2019.
  - 2. Sections 3 to 8, 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, 2020, for all other purposes.





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