**S.B. XXX**

SENATE BILL NO. XXX—SENATORS\_\_\_\_\_\_, \_\_\_\_\_\_\_, \_\_\_\_\_\_,

MARCH XX, 2019

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provision relating to health insurance (BDR XX-XXX)

FISCAL NOTE: Effect on Local Government: No

 Effect on State: May Have Fiscal Impact

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

AN ACT relating to insurance; requiring insurers and other organizations to submit parity compliance reports; specifications for the commissioner to implement the Mental Health Parity and Addiction Equity Act; requirements for insurance coverage of medication-assisted treatment for addiction.

**Legislative Counsel’s Digest:**

 Existing law requires insurers or other organizations to comply with the Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008 (NRS 687B.404). **Section 1** of this bill requires insurers and other organizations to submit reports demonstrating their compliance with MHPAEA. **Section 2** of this bill specifies how the Commissioner shall implement the Mental Health Parity and Addiction Equity Act and requires a report to the Legislature. **Section 3** of this bill specifies insurance coverage requirements for medications used for the treatment of addiction.

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

**Section 1.** NRS 687B.404 is hereby amended to read as follows:

 687B.404 ***1.***An insurer or other organization providing health coverage pursuant to chapter ***689A,*** 689B, ***689C,*** 695A, 695B, 695C or 695F of NRS shall comply with the provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, Public Law 110-343, Division C, Title V, Subtitle B, and any federal regulations issued pursuant thereto.

 ***2. Each insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS shall submit an annual report to the Commissioner on or before March 1 that contains the following information:***

 ***(a) A description of the process used to develop or select the medical necessity criteria for mental health or addiction benefits and the process used to develop or select the medical necessity criteria for medical and surgical benefits;***

***(b) Identification of all non-quantitative treatment limitations (NQTLs) that are applied to both mental health or addiction benefits and medical and surgical benefits within each classification of benefits; there may be no separate NQTLs that apply to mental health or addiction benefits but do not apply to medical and surgical benefits within any classification of benefits;***

***(c) The results of an analysis that demonstrates that for the medical necessity criteria described in paragraph (a) and for each NQTL identified in paragraph (b), as written and in operation, the processes, strategies, evidentiary standards, or other factors used in applying the medical necessity criteria and each NQTL to mental health or addiction benefits within each classification of benefits are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the medical necessity criteria and each NQTL to medical and surgical benefits within the corresponding classification of benefits; at a minimum, the results of the analysis shall:***

***(1) Identify the factors used to determine that an NQTL will apply to a benefit, including factors that were considered but rejected;***

***(2) Identify and define the specific evidentiary standards used to define the factors and any other evidence relied upon in designing each NQTL;***

***(3) Provide the comparative analyses, including the results of the analyses, performed to determine that the processes and strategies used to design each NQTL, as written, and the as written processes and strategies used to apply the NQTL to mental health or addiction benefits are comparable to, and are applied no more stringently than, the processes and strategies used to design each NQTL, as written, and the as written processes and strategies used to apply the NQTL to medical and surgical benefits;***

***(4) Provide the comparative analyses, including the results of the analyses, performed to determine that the processes and strategies used to apply each NQTL, in operation, for mental health or addiction benefits are comparable to, and applied no more stringently than, the processes or strategies used to apply each NQTL, in operation, for medical and surgical benefits; and***

***(5) Disclose the specific findings and conclusions reached by the insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C 695A, 695B, 695C or 695F of NRS that the results of the analyses above indicate that the insurer or other organization is in compliance with this section and the Mental Health Parity and Addiction Equity Act of 2008 and its implementing and related regulations, which includes 45 CFR 146.136, 45 CFR 147.160, and 45 CFR 156.115(a)(3).***

**Sec. 2.** Chapter 679B of NRS is hereby amended by adding thereto a new section to read as follows:

 ***1. The Commissioner shall implement and enforce applicable provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, and any amendments to, and any federal guidance or regulations relevant to, that act, including 45 CFR 146.136, 45 CFR 147.136, 45 CFR 147.160, and 45 CFR 156.115(a)(3), which includes:***

 ***(a) Proactively ensuring compliance by each insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS;***

***(b) Evaluating all consumer or provider complaints regarding mental health or addiction coverage for possible parity violations;***

***(c) Performing parity compliance market conduct examinations of insurers or other organizations providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS, particularly market conduct examinations that focus on nonquantitative treatment limitations such as prior authorization, concurrent review, retrospective review, step-therapy, network admission standards, reimbursement rates, and geographic restrictions, among other nonquantitative treatment limitations;***

***(d) Requesting that insurers or other organizations providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS submit comparative analyses during the form review process demonstrating how they design and apply nonquantitative treatment limitations, both as written and in operation, for mental health or addiction benefits as compared to how they design and apply nonquantitative treatment limitations, as written and in operation, for medical and surgical benefits; and***

***(e) The Commissioner may adopt rules, as authorized under NRS 679B.130, as may be necessary to effectuate any provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 that relate to the business of insurance.***

***2. Not later than March 31st, 2020, the Commissioner shall issue a report and educational presentation to the Legislature, which shall:***

***(a) Cover the methodology the Commissioner is using to check for compliance with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), and any federal regulations or guidance relating to the compliance and oversight of MHPAEA;***

***(b) Cover the methodology the Commissioner is using to check for compliance with 689A.0455, 689A.046, 689C.166, 689C.167, and 689C.169 of NRS;***

***(c) Identify market conduct examinations conducted or completed during the preceding 12-month period regarding compliance with parity in mental health or addiction benefits under state and federal laws and summarize the results of such market conduct examinations;***

***(d) Detail any educational or corrective actions the Commissioner has taken to ensure or other organization compliance with MHPAEA and 689A.0455, 689A.046, 689C.166, 689C.167, and 689C.169 of NRS; and***

***(e) The report must be written in non-technical, readily understandable language and shall be made available to the public by, among such other means as the Commissioner finds appropriate, posting the report on the Internet website of the Division of Insurance.***

**Sec. 3.** Chapter 687B of NRS is hereby amended by adding thereto a new section to read as follows:

 ***1. Each insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS that provides coverage for prescription medications to treat addiction shall not impose any prior authorization requirements on any prescription medication approved by the federal Food and Drug Administration (FDA) for the treatment of addiction.***

 ***2. Each insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS that provides coverage for prescription medications to treat addiction shall not impose any step therapy requirements before the insurer or other organization will authorize coverage for a prescription medication approved by the FDA for the treatment of addiction.***

 ***3. Each insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS that provides coverage for prescription medications to treat addiction shall*** ***place all prescription medications approved by the FDA for the treatment of addiction on the lowest tier of the drug formulary developed and maintained by the insurer or other organization.***

 ***4. Each insurer or other organization providing health coverage pursuant to chapter 689A, 689B, 689C, 695A, 695B, 695C or 695F of NRS that provides coverage for prescription medications to treat addiction shall not exclude coverage for any prescription medication approved by the FDA for the treatment of addiction and any associated counseling or wraparound services on the grounds that such medications and services were court ordered.***

**Sec. 4.** This act becomes effective:

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

2. On January 1, 2020 for all other purposes.