

SENATE BILL 686

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C3

2001 Regular Session
(11r2202)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senator Dorman**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER 416

1 AN ACT concerning

2 **Health Insurance Benefit Cards, Prescription Benefit Cards, or Other Proof**
3 **of Insurance Technology**

4 FOR the purpose of requiring certain insurers, nonprofit health service plans, health
5 maintenance organizations, and managed care organizations to provide to
6 insureds, subscribers, and enrollees a health insurance benefit card,
7 prescription benefit card, or other ~~proof of insurance~~ technology that complies
8 with certain standards or contains certain data elements; requiring certain
9 benefit administrators to comply with this Act; requiring the issuance of new
10 cards or corrective information under certain circumstances; requiring the
11 Department of Health and Mental Hygiene to adopt certain regulations;
12 providing for the application of this Act; and generally relating to health
13 insurance benefit cards, prescription benefit cards, or other ~~proof of insurance~~
14 technology under health insurance.

15 BY adding to
16 Article - Insurance

1 Section 15-130
 2 Annotated Code of Maryland
 3 (1997 Volume and 2000 Supplement)

4 BY adding to
 5 Article - Health - General
 6 Section 19-706(rr)
 7 Annotated Code of Maryland
 8 (2000 Replacement Volume)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 10 MARYLAND, That the Laws of Maryland read as follows:

11 **Article - Insurance**

12 15-130.

13 (A) (1) THIS SECTION APPLIES TO:

14 (I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT
 15 PROVIDE COVERAGE FOR PRESCRIPTION DRUGS ~~AND DEVICES ON AN OUTPATIENT~~
 16 BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR
 17 DELIVERED IN THE STATE;

18 (II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE
 19 COVERAGE FOR PRESCRIPTION DRUGS ~~AND DEVICES ON AN OUTPATIENT BASIS~~
 20 UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE;

21 (III) MANAGED CARE ORGANIZATIONS, AS DEFINED IN § 15-101 OF
 22 THE HEALTH - GENERAL ARTICLE, THAT PROVIDE COVERAGE FOR PRESCRIPTION
 23 DRUGS ~~AND DEVICES ON AN OUTPATIENT BASIS~~ UNDER CONTRACTS THAT ARE
 24 ISSUED OR DELIVERED IN THE STATE; AND

25 ~~(IV) INSURERS, NONPROFIT HEALTH SERVICE PLANS, HEALTH~~
 26 ~~MAINTENANCE ORGANIZATIONS, AND MANAGED CARE ORGANIZATIONS THAT~~
 27 ~~PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES THROUGH A~~
 28 ~~PHARMACY BENEFIT MANAGER; AND~~

29 ~~(V)~~ (IV) TO THE EXTENT CONSISTENT WITH STATE AND FEDERAL
 30 LAW, THIRD PARTY ADMINISTRATORS.

31 (2) THIS SECTION DOES NOT APPLY TO:

32 (I) SHORT-TERM TRAVEL OR ACCIDENT-ONLY POLICIES;

33 (II) SHORT-TERM NONRENEWABLE POLICIES OF NOT MORE THAN 6
 34 MONTHS DURATION; OR

1 ~~(III) HEALTH CARE ENTITIES THAT DO NOT PROVIDE PRESCRIPTION~~
2 ~~BENEFITS.~~

3 (III) ANY HEALTH MAINTENANCE ORGANIZATION THAT OPERATES
4 OR MAINTAINS ITS OWN PHARMACIES AND DISPENSES, ON AN ANNUAL BASIS, OVER
5 95% OF PRESCRIPTION DRUGS ON AN OUTPATIENT BASIS TO ITS ENROLLEES AT ITS
6 OWN PHARMACIES.

7 (B) EACH ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE TO ITS
8 INSURED, SUBSCRIBERS, OR ENROLLEES A HEALTH INSURANCE BENEFIT CARD,
9 PRESCRIPTION BENEFIT CARD, OR OTHER ~~PROOF OF INSURANCE~~ TECHNOLOGY
10 THAT:

11 (1) COMPLIES WITH THE STANDARDS SET FORTH IN THE NATIONAL
12 COUNCIL FOR PRESCRIPTION DRUG PROGRAMS PHARMACY ID CARD
13 IMPLEMENTATION GUIDE IN EFFECT AT THE TIME OF ISSUANCE OF THE CARD OR
14 OTHER ~~PROOF OF INSURANCE~~ TECHNOLOGY; OR

15 (2) INCLUDES, AT A MINIMUM, THE FOLLOWING DATA ELEMENTS:

16 (I) THE NAME OR IDENTIFYING TRADEMARK OF THE ENTITY
17 SUBJECT TO THIS SECTION OR, IF ANOTHER ENTITY ADMINISTERS THE
18 PRESCRIPTION BENEFIT, THE NAME OR IDENTIFYING TRADEMARK OF THE BENEFIT
19 ADMINISTRATOR;

20 (II) THE NAME AND IDENTIFICATION NUMBER OF THE INSURED,
21 SUBSCRIBER, OR ENROLLEE;

22 (III) THE TELEPHONE NUMBER THAT PROVIDERS MAY CALL FOR
23 PHARMACY BENEFIT ASSISTANCE; AND

24 (IV) ALL ELECTRONIC TRANSACTION ROUTING INFORMATION AND
25 OTHER NUMBERS REQUIRED BY THE ENTITY SUBJECT TO THIS SECTION OR BENEFIT
26 ADMINISTRATOR TO PROCESS A PRESCRIPTION CLAIM ELECTRONICALLY.

27 (C) IF AN ENTITY SUBJECT TO THIS SECTION CONTRACTS WITH OR
28 OTHERWISE ARRANGES FOR THE PRESCRIPTION BENEFIT TO BE ADMINISTERED BY
29 ANOTHER SUBSIDIARY OR ENTITY, INCLUDING A PHARMACY BENEFIT MANAGER,
30 THE ENTITY SUBJECT TO THIS SECTION SHALL REQUIRE THE BENEFIT
31 ADMINISTRATOR TO COMPLY WITH THIS SECTION.

32 (D) (1) THE HEALTH INSURANCE BENEFIT CARD, PRESCRIPTION BENEFIT
33 CARD, OR OTHER ~~PROOF OF INSURANCE~~ TECHNOLOGY SHALL BE ISSUED TO EACH
34 INSURED, SUBSCRIBER, OR ENROLLEE AND REISSUED AFTER CHANGES IN
35 COVERAGE THAT AFFECT THE DATA ELEMENTS ON THE CARD OR OTHER PROOF OF
36 INSURANCE. BY AN ENTITY SUBJECT TO THIS SECTION.

37 (2) IF A CHANGE OCCURS IN ANY OF THE DATA ELEMENTS REQUIRED
38 UNDER SUBSECTION (B)(2) OF THIS SECTION, AN ENTITY SUBJECT TO THIS SECTION
39 SHALL:

1 (I) REISSUE A HEALTH INSURANCE BENEFIT CARD, PRESCRIPTION
2 DRUG BENEFIT CARD, OR OTHER TECHNOLOGY; OR

3 (II) PROVIDE THE INSURED, SUBSCRIBER, OR ENROLLEE WITH THE
4 CORRECTIVE INFORMATION NECESSARY TO ELECTRONICALLY PROCESS A
5 PRESCRIPTION CLAIM.

6 (E) AN ENTITY SUBJECT TO THIS SECTION MAY COMPLY WITH THIS SECTION
7 BY ISSUING TO EACH INSURED, SUBSCRIBER, OR ENROLLEE A HEALTH INSURANCE
8 BENEFIT CARD THAT CONTAINS DATA ELEMENTS RELATED TO BOTH PRESCRIPTION
9 AND NONPRESCRIPTION HEALTH INSURANCE BENEFITS.

10 (F) THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE SHALL ADOPT
11 REGULATIONS TO ENABLE MANAGED CARE ORGANIZATIONS TO COMPLY WITH:

12 (1) THE REQUIREMENTS OF THIS SECTION; AND

13 (2) ANY UNIQUE REQUIREMENTS OF THE HEALTHCHOICE PROGRAM
14 THAT RELATE TO THE ELECTRONIC PROCESSING OF CLAIMS.

15 **Article - Health - General**

16 19-706.

17 (RR) THE PROVISIONS OF § 15-130 OF THE INSURANCE ARTICLE APPLY TO
18 HEALTH MAINTENANCE ORGANIZATIONS.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act applies to all
20 policies, contracts, and health benefit plans issued, delivered, or renewed in the State
21 on or after July 1, 2002.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2001.