

HOUSE BILL 807

Unofficial Copy  
C3

2001 Regular Session  
(11r2106)

*ENROLLED BILL*  
*-- Economic Matters/Finance --*

Introduced by **Delegates Elliott, Bozman, Sophocleus, Bobo, Snodgrass, Brinkley, and Owings Owings, Barve, Brown, Busch, Donoghue, Eckardt, Fulton, Goldwater, Gordon, Harrison, Hill, Hurson, J. Kelly, Krysiak, La Vay, Love, McClenahan, McHale, Minnick, Moe, Pendergrass, and Walkup**

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.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

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~~

1 technology under health insurance.

2 BY adding to

3 Article - Insurance

4 Section 15-130

5 Annotated Code of Maryland

6 (1997 Volume and 2000 Supplement)

7 BY adding to

8 Article - Health - General

9 Section 19-706 (rr)

10 Annotated Code of Maryland

11 (2000 Replacement Volume)

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

14 **Article - Insurance**

15 15-130.

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

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

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

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

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

32 ~~(IV)~~ (IV) TO THE EXTENT CONSISTENT WITH STATE AND FEDERAL  
33 LAW, THIRD PARTY ADMINISTRATORS.

34 (2) THIS SECTION DOES NOT APPLY TO:

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

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

3 (III) ~~HEALTH CARE ENTITIES THAT DO NOT PROVIDE PRESCRIPTION~~  
4 ~~BENEFITS.~~

5 (III) ANY HEALTH MAINTENANCE ORGANIZATION THAT OPERATES  
6 OR MAINTAINS ITS OWN PHARMACIES AND DISPENSES, ON AN ANNUAL BASIS, OVER  
7 95% OF PRESCRIPTION DRUGS ON AN OUTPATIENT BASIS TO ITS ENROLLEES AT ITS  
8 OWN PHARMACIES.

9 (B) EACH ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE TO ITS  
10 INSURED, SUBSCRIBER, OR ENROLLEE A HEALTH INSURANCE BENEFIT CARD,  
11 PRESCRIPTION BENEFIT CARD, OR OTHER ~~PROOF OF INSURANCE~~ TECHNOLOGY  
12 THAT:

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

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

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

22 (II) THE NAME AND IDENTIFICATION NUMBER OF THE INSURED,  
23 SUBSCRIBER, OR ENROLLEE;

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

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

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

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

