

HOUSE BILL 807

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2001 Regular Session  
11r2106  
CF 11r2202

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By: **Delegates Elliott, Bozman, Sophocleus, Bobo, Snodgrass, Brinkley, and Owings**

Introduced and read first time: February 9, 2001

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

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

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 that complies with certain  
8 standards or contains certain data elements; requiring certain benefit  
9 administrators to comply with this Act; requiring the issuance of new cards  
10 under certain circumstances; providing for the application of this Act; and  
11 generally relating to health insurance benefit cards, prescription benefit cards,  
12 or other proof of insurance under health insurance.

13 BY adding to  
14 Article - Insurance  
15 Section 15-130  
16 Annotated Code of Maryland  
17 (1997 Volume and 2000 Supplement)

18 BY adding to  
19 Article - Health - General  
20 Section 19-706 (rr)  
21 Annotated Code of Maryland  
22 (2000 Replacement Volume)

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

25 **Article - Insurance**

26 15-130.

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

1 (I) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT  
2 PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES UNDER HEALTH  
3 INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE  
4 STATE;

5 (II) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE  
6 COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES UNDER CONTRACTS THAT ARE  
7 ISSUED OR DELIVERED IN THE STATE;

8 (III) MANAGED CARE ORGANIZATIONS, AS DEFINED IN § 15-101 OF  
9 THE HEALTH - GENERAL ARTICLE, THAT PROVIDE COVERAGE FOR PRESCRIPTION  
10 DRUGS AND DEVICES UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE  
11 STATE;

12 (IV) INSURERS, NONPROFIT HEALTH SERVICE PLANS, HEALTH  
13 MAINTENANCE ORGANIZATIONS, AND MANAGED CARE ORGANIZATIONS THAT  
14 PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES THROUGH A  
15 PHARMACY BENEFIT MANAGER; AND

16 (V) TO THE EXTENT CONSISTENT WITH STATE AND FEDERAL LAW,  
17 THIRD PARTY ADMINISTRATORS.

18 (2) THIS SECTION DOES NOT APPLY TO:

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

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

22 (III) HEALTH CARE ENTITIES THAT DO NOT PROVIDE PRESCRIPTION  
23 BENEFITS.

24 (B) EACH ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE TO ITS  
25 INSURED, SUBSCRIBERS, OR ENROLLEES A HEALTH INSURANCE BENEFIT CARD,  
26 PRESCRIPTION BENEFIT CARD, OR OTHER PROOF OF INSURANCE THAT:

27 (1) COMPLIES WITH THE STANDARDS SET FORTH IN THE NATIONAL  
28 COUNCIL FOR PRESCRIPTION DRUG PROGRAMS PHARMACY ID CARD  
29 IMPLEMENTATION GUIDE IN EFFECT AT THE TIME OF ISSUANCE OF THE CARD OR  
30 OTHER PROOF OF INSURANCE; OR

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

32 (I) THE NAME OR IDENTIFYING TRADEMARK OF THE ENTITY  
33 SUBJECT TO THIS SECTION OR, IF ANOTHER ENTITY ADMINISTERS THE  
34 PRESCRIPTION BENEFIT, THE NAME OR IDENTIFYING TRADEMARK OF THE BENEFIT  
35 ADMINISTRATOR;

36 (II) THE NAME AND IDENTIFICATION NUMBER OF THE INSURED,  
37 SUBSCRIBER, OR ENROLLEE;

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

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

6 (C) IF AN ENTITY SUBJECT TO THIS SECTION CONTRACTS WITH OR  
7 OTHERWISE ARRANGES FOR THE PRESCRIPTION BENEFIT TO BE ADMINISTERED BY  
8 ANOTHER SUBSIDIARY OR ENTITY, INCLUDING A PHARMACY BENEFIT MANAGER,  
9 THE ENTITY SUBJECT TO THIS SECTION SHALL REQUIRE THE BENEFIT  
10 ADMINISTRATOR TO COMPLY WITH THIS SECTION.

11 (D) THE HEALTH INSURANCE BENEFIT CARD, PRESCRIPTION BENEFIT CARD,  
12 OR OTHER PROOF OF INSURANCE SHALL BE ISSUED TO EACH INSURED, SUBSCRIBER,  
13 OR ENROLLEE AND REISSUED AFTER CHANGES IN COVERAGE THAT AFFECT THE  
14 DATA ELEMENTS ON THE CARD OR OTHER PROOF OF INSURANCE.

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

19 **Article - Health - General**

20 19-706.

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

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

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