

HOUSE BILL 807

Unofficial Copy
C3

2001 Regular Session
11r2106
CF 11r2202

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**

Introduced and read first time: February 9, 2001
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 6, 2001

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; providing for the
11 application of this Act; and generally relating to health insurance benefit cards,
12 prescription benefit cards, or other ~~proof of insurance~~ technology under health
13 insurance.

14 BY adding to
15 Article - Insurance
16 Section 15-130
17 Annotated Code of Maryland
18 (1997 Volume and 2000 Supplement)

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

1 (2000 Replacement Volume)

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

4 **Article - Insurance**

5 15-130.

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

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

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

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

18 ~~(IV) INSURERS, NONPROFIT HEALTH SERVICE PLANS, HEALTH~~
19 ~~MAINTENANCE ORGANIZATIONS, AND MANAGED CARE ORGANIZATIONS THAT~~
20 ~~PROVIDE COVERAGE FOR PRESCRIPTION DRUGS AND DEVICES THROUGH A~~
21 ~~PHARMACY BENEFIT MANAGER; AND~~

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

24 (2) THIS SECTION DOES NOT APPLY TO:

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

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

28 ~~(III) HEALTH CARE ENTITIES THAT DO NOT PROVIDE PRESCRIPTION~~
29 ~~BENEFITS.~~

30 (III) ANY HEALTH MAINTENANCE ORGANIZATION THAT OPERATES
31 OR MAINTAINS ITS OWN PHARMACIES AND DISPENSES, ON AN ANNUAL BASIS, OVER
32 95% OF PRESCRIPTION DRUGS ON AN OUTPATIENT BASIS TO ITS ENROLLEES AT ITS
33 OWN PHARMACIES.

34 (B) EACH ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE TO ITS
35 INSUREDS, SUBSCRIBERS, OR ENROLLEES A HEALTH INSURANCE BENEFIT CARD,

1 PRESCRIPTION BENEFIT CARD, OR OTHER ~~PROOF OF INSURANCE~~ TECHNOLOGY
2 THAT:

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

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

8 (I) THE NAME OR IDENTIFYING TRADEMARK OF THE ENTITY
9 SUBJECT TO THIS SECTION OR, IF ANOTHER ENTITY ADMINISTERS THE
10 PRESCRIPTION BENEFIT, THE NAME OR IDENTIFYING TRADEMARK OF THE BENEFIT
11 ADMINISTRATOR;

12 (II) THE NAME AND IDENTIFICATION NUMBER OF THE INSURED,
13 SUBSCRIBER, OR ENROLLEE;

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

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

19 (C) IF AN ENTITY SUBJECT TO THIS SECTION CONTRACTS WITH OR
20 OTHERWISE ARRANGES FOR THE PRESCRIPTION BENEFIT TO BE ADMINISTERED BY
21 ANOTHER SUBSIDIARY OR ENTITY, INCLUDING A PHARMACY BENEFIT MANAGER,
22 THE ENTITY SUBJECT TO THIS SECTION SHALL REQUIRE THE BENEFIT
23 ADMINISTRATOR TO COMPLY WITH THIS SECTION.

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

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

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

34 (II) PROVIDE THE INSURED, SUBSCRIBER, OR ENROLLEE WITH THE
35 CORRECTIVE INFORMATION NECESSARY TO ELECTRONICALLY PROCESS A
36 PRESCRIPTION CLAIM.

37 (E) AN ENTITY SUBJECT TO THIS SECTION MAY COMPLY WITH THIS SECTION
38 BY ISSUING TO EACH INSURED, SUBSCRIBER, OR ENROLLEE A HEALTH INSURANCE

1 BENEFIT CARD THAT CONTAINS DATA ELEMENTS RELATED TO BOTH PRESCRIPTION
2 AND NONPRESCRIPTION HEALTH INSURANCE BENEFITS.

3

Article - Health - General

4 19-706.

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

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

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