

SENATE BILL 686

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2001 Regular Session
11r2202
CF 11r2106

By: **Senator Dorman**
Introduced and read first time: February 2, 2001
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 14, 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
23 (2000 Replacement Volume)

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

3 **Article - Insurance**

4 15-130.

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

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

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

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

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

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

23 (2) THIS SECTION DOES NOT APPLY TO:

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

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

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

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

33 (B) EACH ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE TO ITS
34 INSUREDS, SUBSCRIBERS, OR ENROLLEES A HEALTH INSURANCE BENEFIT CARD,
35 PRESCRIPTION BENEFIT CARD, OR OTHER ~~PROOF OF INSURANCE~~ TECHNOLOGY
36 THAT:

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

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

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

10 (II) THE NAME AND IDENTIFICATION NUMBER OF THE INSURED,
11 SUBSCRIBER, OR ENROLLEE;

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

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

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

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

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

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

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

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

1

Article - Health - General

2 19-706.

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

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

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