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*Bill Analysis*  
Legislative Service Commission

## **S.B. 271**

124th General Assembly  
(As Introduced)

**Sens. Spada, Fingerhut**

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### **BILL SUMMARY**

- Requires health insuring corporations that provide prescription drug benefits and use a standardized identification card or other standardized technology to use a uniform prescription drug information card or other standardized technology that contains certain required information.
- Establishes the same requirement for sickness and accident insurers but creates an exception for certain types of policies.
- Provides for the requirements to take effect one year after the bill's effective date.

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### **CONTENT AND OPERATION**

#### **Uniform prescription drug information card**

(secs. 1751.111 and 3923.601)

The bill requires that health insuring corporations and certain sickness and accident insurers use a uniform prescription drug information card or other standardized technology to process claims for prescription drugs or devices under insurance policies, contracts, or agreements in effect on the first day of October most immediately preceding the issuance of the card.<sup>1</sup> The card or technology must contain uniform prescription drug information that meets one of the following requirements:

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<sup>1</sup> A health insuring corporation is an entity, such as a health maintenance organization, that provides health care coverage through participating health care providers.

(1) The card or other technology is in a format and contains information fields approved by the National Council for Prescription Drug Programs in its Council Pharmacy Identification Card Implementation Guide.

(2) The card or other technology contains any of the following information that is needed for the proper adjudication of a claim: the health insuring corporation or sickness and accident insurer's name; the insured person's name, group number, and identification number; a telephone number for pharmacy-related inquiries; the issuer's international identification number or "ANSI BIN" number, labeled as "RxBIN"; the processor's control number, labeled as "RxPCN"; the enrollee's pharmacy benefits group number if different than the enrollee's medical group number, labeled as "RxGrp."

The card or technology meeting the bill's requirements may be used for processing claims other than prescription drug claims under the insurance policy. Cards or technology that are used to adjudicate non-pharmacy claims are not required to contain the designation "Rx" before the required labels for the international identification number, processor's control number, and medical group number described above. Insurers are required to issue the card or technology containing uniform prescription drug information only once per year.

### **Who must comply**

(secs. 1751.111 and 3923.601)

In addition to health insuring corporations and sickness and accident insurers, the bill's requirements apply to people contracted by health insuring corporations to provide managerial or administrative services, agents acting on behalf of sickness and accident insurers, third-party administrators for self-insured plans, pharmacy benefit managers, and health benefit plans administered by the state that use a standardized identification card or other standardized technology to process the provision of prescription drug benefits.

### **Exemptions**

(sec. 3923.601)

The bill's requirements do not apply to individual or group policies of sickness and accident insurance that cover only accident, credit, dental, disability income, long-term care, hospital indemnity, Medicare, Medicare supplement, Tricare, specified disease, or vision care.<sup>2</sup> The bill's requirements are also not

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<sup>2</sup> *Tricare is the United States military health care program (www.tricare.osd.mil/tricare/).*

applicable to a one-time limited duration policy six months or less, coverage that is a supplement to liability insurance, workers' compensation or a similar type of coverage under law, automobile medical payment insurance, or an insurance policy under which benefits are payable regardless of fault that is required by statute to be in any liability insurance policy or equivalent self-insurance plan.

**Effective date**

(Section 2)

The bill's requirements go into effect one year after the bill's effective date. They apply to the issuance and use of cards and technology for processing prescription claims in health care policies, plans, and agreements that are delivered, issued for delivery, renewed, or established on or after that date.

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**HISTORY**

| ACTION     | DATE     | JOURNAL ENTRY |
|------------|----------|---------------|
| Introduced | 05-16-02 | p. 1779       |

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