



Bill Analysis

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Legislative Service Commission

Sub. S.B. 43

125th General Assembly
(As Passed by the Senate)

Sens. Spada, Robert Gardner, Blessing, Coughlin, Schuring, Jacobson, Fingerhut, DiDonato, Wachtmann, Harris, Schuler, Dann, Armbruster, Brady, Fedor, Hagan, Mallory, Roberts, Zurz

BILL SUMMARY

- Requires health insurers that issue or require the use of a standardized identification card or an electronic technology for submission and routing of prescription drug and device claims to issue or require the use of a card or technology containing uniform information.
- Provides for the requirements to take effect one year after the bill's effective date.

CONTENT AND OPERATION

Uniform prescription drug and device information

(R.C. 1751.111 and 3923.601)

The bill requires specified health insurers that issue or require the use of a standardized identification card or an electronic technology for the submission and routing of prescription drug and device claims to issue or require the use of a card or an electronic technology that contains uniform prescription drug and device information.¹ Under the bill, one of the following requirements must be met:

(1) The card or technology must be in a format and contain information fields approved by the National Council for Prescription Drug Programs, as specified in the Council's Pharmacy Identification Card Implementation Guide in effect on the first day of October most immediately preceding the issuance or required use of the card or technology.

¹ *The bill does not specify what is meant by "electronic technology."*

(2) If the health insurer requires the information for the submission and routing of a claim, the card or technology must contain the following information:

- (a) The health insurer's name;
- (b) The insured person's name, group number, and identification number;
- (c) A telephone number to inquire about pharmacy-related issues;
- (d) The issuer's international identification number labeled as "ANSI BIN" or "RxBIN";
- (e) The processor's control number, labeled as "RxPCN";
- (f) The insured person's pharmacy benefits group number if different from the person's medical group number, labeled as "RxGrp."

If the standardized identification card or the electronic technology is also used for submission and routing of nonpharmacy claims, the designation "Rx" is not required to be included as part of the labels the bill identifies for the issuer's international identification number and the processor's control number. If there is a change in the information contained in the standardized identification card or the electronic technology issued to an insured person, the health insurer must issue a new card or electronic technology to the person. Under the bill, this requirement does not require a health insurer to issue a new card or electronic technology to an insured person more than once during a 12-month period.

The bill specifies that its provisions are not to be construed as requiring insurers to produce more than one standardized identification card or one electronic technology for use by insured persons accessing the health care benefits being provided.

Who must comply

(R.C. 1751.111(A)(1) and 3923.601(A)(1))

The bill's requirements apply to sickness and accident insurers and health insuring corporations.² The bill's requirements also apply to persons contracted by sickness and accident insurers and health insuring corporations to provide managerial or administrative services. In the provisions applicable to sickness and

² Under existing law, a health insuring corporation is an entity, such as a health maintenance organization, that provides health care coverage through participating health care providers.

accident insurers, the bill provides that its requirements apply to pharmacy benefit managers and to health benefit plans administered by the state. For each entity subject to the bill's requirements, the bill provides that the requirements apply if a standardized identification card or an electronic technology is issued or required to be used for the submission and routing of prescription drug and device claims.

Exemptions

(R.C. 1751.111(A)(2) and (3) and 3923.601(A)(2) and (3))

The bill's requirements do not apply to the following:

- (1) Medicaid;
- (2) Medicare Advantage;³ 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,⁴ specified disease, or vision care;
- (3) One-time limited duration policies of six months or less;
- (4) Coverage issued as a supplement to liability insurance;
- (5) Insurance arising out of workers' compensation or similar law;
- (6) Automobile medical payment insurance;
- (7) Insurance under which benefits are payable regardless of fault that is required by statute to be contained in any liability insurance policy or equivalent self-insurance.

³ *Medicare Advantage, formerly known as Medicare+Choice, is the component of the Medicare Program that allows Medicare beneficiaries to receive their health benefits through private health insurers, primarily health maintenance organizations and other managed care arrangements (Henry J. Kaiser Family Foundation, "Medicare Advantage Fact Sheet," March 2004, available at www.kff.org/medicare/choice.cfm).*

⁴ *Tricare is the United States military health care program (www.tricare.osd.mil/beneficiary/).*

Effective date; application of provisions

(Sections 2 and 3)

The bill's requirements go into effect one year after its effective date. The bill specifies that its requirements apply only with respect to the following:

(1) Health insuring corporation policies, contracts, and agreements delivered, issued for delivery, or renewed in Ohio on or after the bill's effective date;

(2) Sickness and accident insurance policies delivered, issued for delivery, renewed, or used in Ohio on or after the bill's effective date;

(3) Health benefit plans, other than Medicaid, established or modified by Ohio on or after the bill's effective date.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-04-03	p. 165
Reported, S. Health, Human Services & Aging	04-06-04	p. 1710
Passed Senate (33-0)	04-21-04	pp. 1748-1749

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