

COMMERCE

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SENATE FILE

*232*

BY JOHNSON and HAMMOND

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act requiring the use of a uniform prescription drug  
2 information card by providers of third-party payment or  
3 prepayment of prescription drug expenses.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 514L.1 DEFINITIONS.

2 As used in this chapter, unless the context otherwise  
3 requires:

4 1. "Prescription drug" means prescription drug as defined  
5 in section 155A.3 and includes a device as defined in section  
6 155A.3.

7 2. "Provider of third-party payment or prepayment of  
8 prescription drug expenses" or "provider" means a provider of  
9 an individual or group policy of accident or health insurance  
10 or an individual or group hospital or health care service  
11 contract issued pursuant to chapter 509, 514, or 514A, a  
12 provider of an individual or group health maintenance  
13 organization contract issued and regulated under chapter 514B,  
14 a provider of an organized delivery system contract regulated  
15 under rules adopted by the director of public health, a  
16 provider of a preferred provider contract issued pursuant to  
17 chapter 514F, and any other entity providing health insurance  
18 or health benefits which provide for payment or prepayment of  
19 prescription drug expenses coverage subject to state insurance  
20 regulation.

21 Sec. 2. NEW SECTION. 514L.2 UNIFORM PRESCRIPTION DRUG  
22 INFORMATION CARDS.

23 1. a. A provider of third-party payment or prepayment of  
24 prescription drug expenses that issues a card or other  
25 technology for claims processing and an administrator of the  
26 payor, including, but not limited to, third-party  
27 administrators for self-insured plans and state-administered  
28 plans, shall issue to its insureds a card or other technology  
29 containing uniform prescription drug information. The uniform  
30 prescription drug information card or technology shall be the  
31 format approved by the national council for prescription drug  
32 programs and shall include all of the required fields  
33 necessary to submit a claim and shall conform to the most  
34 recent pharmacy information card or technology implementation  
35 guide produced by the national council for prescription drug

1 programs or conform to a national format acceptable to the  
2 commissioner of insurance.

3 b. All information necessary for claims submission of  
4 prescription drug benefits, exclusive of information provided  
5 on the prescription as required by law or rule, shall be  
6 included in a clear, readable, and understandable manner on  
7 the card or other technology issued to the insured for claims  
8 processing. Any information included on the card or other  
9 technology required under this chapter, but not specified by  
10 the national council for prescription drug programs, shall  
11 conform to a content and format acceptable to the commissioner  
12 of insurance.

13 c. Any information on the card shall be formatted and  
14 arranged in a manner that corresponds to the current content  
15 and format required by the provider for processing of claims.

16 d. If a provider includes a conditional or situational  
17 field of payment or prepayment, the card or other technology  
18 shall conform to the most recent pharmacy information card or  
19 technology implementation guide produced by the national  
20 council for prescription drug programs or shall conform to a  
21 national format acceptable to the commissioner of insurance.

22 2. a. A new uniform prescription drug information card or  
23 technology, as required pursuant to subsection 1, shall be  
24 issued by a provider of third-party payment or prepayment upon  
25 enrollment and reissued upon any change in the insured's  
26 coverage that impacts data contained on the card or technology  
27 or upon any change in the national council for prescription  
28 drug program implementation guide or successor document,  
29 provided that the change affects data elements contained on  
30 the card or other technology.

31 b. Newly issued cards or technology shall be updated with  
32 the latest coverage information and shall conform to the  
33 national council for prescription drug program's standards and  
34 implementation guide or shall conform to the format specified  
35 by the commissioner of insurance. However, a provider may

1 update cards or other technology, on a temporary basis,  
2 through the use of stickers or any other methodology approved  
3 by the commissioner of insurance.

4 3. The card or other technology may be used for any health  
5 insurance or health benefits coverage and nothing in this  
6 chapter shall require a provider to issue a separate card for  
7 prescription drug coverage if the card or other technology can  
8 accommodate the information necessary to process claims.

9 Sec. 3. NEW SECTION. 514L.3 APPLICATION -- ENFORCEMENT.

10 1. A health insurance or health benefits policy or  
11 contract issued and delivered, amended, or renewed on or after  
12 July 1, 2003, shall comply with this chapter.

13 2. The commissioner of insurance shall enforce this  
14 chapter and shall adopt rules necessary to implement this  
15 chapter.

16 EXPLANATION

17 This bill requires the use of a uniform prescription drug  
18 card or technology by providers of third-party payment or  
19 prepayment of prescription drug expenses. The format for the  
20 card or technology is to be the format approved by the  
21 national council for prescription drug programs or a national  
22 format approved by the commissioner of insurance.

23 The bill provides that the card or other technology may be  
24 used for any health insurance or health benefits coverage and  
25 that the bill does not require a provider to issue a separate  
26 card or other technology for prescription drug benefits, if  
27 the card or other technology can accommodate the information  
28 necessary to process claims.

29 The uniform card or other technology is to be issued upon  
30 enrollment and reissued upon any change in the insured's  
31 coverage that impacts data on the card or other technology, or  
32 upon any change in the national requirements and only if the  
33 change affects data on the card. Newly issued cards or other  
34 technology are to conform with the latest coverage information  
35 and with national standards and implementation guidance and

1 with the format specified by the commissioner of insurance.  
2 Cards or other technology may be temporarily updated by any  
3 methodology approved by the commissioner of insurance.

4 The requirements of the bill apply to any health insurance  
5 or health benefits policy or contract issued and delivered,  
6 amended, or renewed on or after July 1, 2003. The  
7 commissioner of insurance is directed to enforce the bill.

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