

FILED MAR 14 2001

SENATE FILE 452
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 232)

Passed Senate, Date ^(P.810) 3-26-01 Passed House, Date 4-11-01 (P.1161)
Vote: Ayes 46 Nays 0 Vote: Ayes 97 Nays 0

Approved April 25, 2001

^(P.1173) Passed 4-18-01
Vote 48-0

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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SF 452

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, including the provider's agents or
25 contractors and pharmacy benefits managers, that issues a card
26 or other technology for claims processing and an administrator
27 of the payor, including, but not limited to, third-party
28 administrators for self-insured plans, pharmacy benefits
29 managers, and state-administered plans, shall issue to its
30 insureds a card or other technology containing uniform
31 prescription drug information. The commissioner of insurance
32 shall adopt rules for the uniform prescription drug
33 information card or technology. The rules shall provide for
34 the inclusion of all required fields necessary to submit a
35 claim and, additionally, any conditional or situational fields

1 used by the provider. In adopting the rules, the commissioner
2 of insurance shall consider the most recent pharmacy
3 information card or technology implementation guide produced
4 by the national council for prescription drug programs. The
5 information included shall, at a minimum, include all of the
6 following:

7 (1) The business identification number.

8 (2) The covered individual's identification number.

9 (3) The telephone number of the pharmacy benefits
10 administrator, if different from the provider.

11 (4) The processor control number, if required for
12 adjudication.

13 (5) The group number, if required for adjudication.

14 (6) The person code, if required for adjudication.

15 b. All information necessary for claims submission of
16 prescription drug benefits, exclusive of information provided
17 on the prescription as required by law or rule, shall be
18 included in a clear, readable, and understandable manner on
19 the card or other technology issued to the insured for claims
20 processing.

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

24 2. A new uniform prescription drug information card or
25 technology, as required pursuant to subsection 1, shall be
26 issued by a provider of third-party payment or prepayment or
27 the provider's agents or contractors or pharmacy benefits
28 managers upon enrollment and reissued upon any change in the
29 insured's coverage that impacts data contained on the card or
30 technology. The commissioner of insurance shall review the
31 national council for prescription drug programs implementation
32 guide or successor document on an ongoing basis to determine
33 changes, and shall modify or adopt rules as determined
34 appropriate.

35 3. The card or other technology may be used for any health

1 insurance or health benefits coverage and nothing in this
2 chapter shall require a provider to issue a separate card for
3 prescription drug coverage if the card or other technology can
4 accommodate the information necessary to process claims.

5 4. This chapter shall not apply to prescription drug
6 coverage provided through or in conjunction with any of the
7 following:

- 8 a. Accident-only or disability income insurance coverage.
- 9 b. Hospital confinement indemnity coverage.
- 10 c. Coverage issued as a supplement to liability insurance.
- 11 d. Basic hospital and medical-surgical expense coverage.
- 12 e. Liability insurance, including general liability
13 insurance and automobile liability insurance.
- 14 f. Workers' compensation or similar insurance.
- 15 g. Automobile medical payment insurance.
- 16 h. Credit only insurance.
- 17 i. Coverage for on-site medical clinic care.
- 18 j. Dental or vision coverage.
- 19 k. Benefits for long-term care, nursing home care, or
20 community-based care.
- 21 l. Short-term hospital, medical, or major medical
22 coverage.
- 23 m. Medicare supplemental as defined pursuant to 42 U.S.C.
24 § 1395ss(g)(1), coverage supplemental to the coverage provided
25 under 10 U.S.C. § 1071-1109, and similar coverage that is
26 supplemental to coverage under group health insurance coverage
27 as defined by the commissioner of insurance.
- 28 n. Any other similar limited benefits as defined by the
29 commissioner of insurance.

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

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

34 2. The commissioner of insurance shall enforce this
35 chapter and shall adopt rules necessary to implement this

1 chapter.

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EXPLANATION

3 This bill requires the use of a uniform prescription drug
4 card or technology by providers of third-party payment or
5 prepayment of prescription drug expenses. The commissioner of
6 insurance is directed to adopt rules for the uniform
7 prescription drug information card. In adopting the rules,
8 the commissioner is to consider the most recent pharmacy
9 information card or technology implementation guide produced
10 by the national council for prescription drug programs. The
11 bill also specifies information that at a minimum must be
12 included.

13 The uniform card or other technology is to be issued upon
14 enrollment and reissued upon any change in the insured's
15 coverage that impacts data on the card or other technology,
16 and the commissioner is directed to review the national
17 council for prescription drug programs implementation guide or
18 successor document on an ongoing basis and modify or adopt
19 rules as determined appropriate.

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

26 The bill specifies exemptions to the requirements of the
27 bill.

28 The requirements of the bill apply to any health insurance
29 or health benefits policy or contract issued and delivered,
30 amended, or renewed on or after July 1, 2003. The
31 commissioner of insurance is directed to enforce the bill.

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SENATE FILE 452

S-3218

1 Amend Senate File 452 as follows:
2 1. Page 2, line 7, by inserting after the word
3 "number" the following: "or the international
4 identification number".

By JOANN JOHNSON

S-3218 FILED MARCH 21, 2001

SENATE FILE 452

S-3219

1 Amend Senate File 452 as follows:
2 1. Page 2, by striking lines 5 and 6, and
3 inserting the following: "information provided on the
4 front side of the information card or other
5 technology, if applicable to the type of technology,
6 shall include, at a minimum, all of the following:"
7 2. Page 2, by inserting after line 14, the
8 following:
9 "b. The information card or other technology shall
10 specifically identify and display the name and address
11 of the pharmacy benefits manager, if different than
12 the provider, on the back side of the information card
13 or other technology, if applicable to the type of
14 technology."
15 3. By renumbering as necessary.

By JOANN JOHNSON

S-3219 FILED MARCH 21, 2001

SENATE FILE 452

S-3220

1 Amend Senate File 452 as follows:
2 1. Page 2, line 7, by striking the word
3 "business" and inserting the following:
4 "international".

By JOANN JOHNSON

S-3220 FILED MARCH 21, 2001

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, including the provider's agents or
25 contractors and pharmacy benefits managers, that issues a card
26 or other technology for claims processing and an administrator
27 of the payor, including, but not limited to, third-party
28 administrators for self-insured plans, pharmacy benefits
29 managers, and state-administered plans, shall issue to its
30 insureds a card or other technology containing uniform
31 prescription drug information. The commissioner of insurance
32 shall adopt rules for the uniform prescription drug
33 information card or technology. The rules shall provide for
34 the inclusion of all required fields necessary to submit a
35 claim and, additionally, any conditional or situational fields

1 used by the provider. In adopting the rules, the commissioner
2 of insurance shall consider the most recent pharmacy
3 information card or technology implementation guide produced
4 by the national council for prescription drug programs. The
5 information provided on the front side of the information card
6 or other technology, if applicable to the type of technology,
7 shall include, at a minimum, all of the following:

8 (1) The international identification number.

9 (2) The covered individual's identification number.

10 (3) The telephone number of the pharmacy benefits
11 administrator, if different from the provider.

12 (4) The processor control number, if required for
13 adjudication.

14 (5) The group number, if required for adjudication.

15 (6) The person code, if required for adjudication.

16 b. The information card or other technology shall
17 specifically identify and display the name and address of the
18 pharmacy benefits manager, if different than the provider, on
19 the back side of the information card or other technology, if
20 applicable to the type of technology.

21 c. All information necessary for claims submission of
22 prescription drug benefits, exclusive of information provided
23 on the prescription as required by law or rule, shall be
24 included in a clear, readable, and understandable manner on
25 the card or other technology issued to the insured for claims
26 processing.

27 d. Any information on the card shall be formatted and
28 arranged in a manner that corresponds to the current content
29 and format required by the provider for processing of claims.

30 2. A new uniform prescription drug information card or
31 technology, as required pursuant to subsection 1, shall be
32 issued by a provider of third-party payment or prepayment or
33 the provider's agents or contractors or pharmacy benefits
34 managers upon enrollment and reissued upon any change in the
35 insured's coverage that impacts data contained on the card or

1 technology. The commissioner of insurance shall review the
2 national council for prescription drug programs implementation
3 guide or successor document on an ongoing basis to determine
4 changes, and shall modify or adopt rules as determined
5 appropriate.

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

11 4. This chapter shall not apply to prescription drug
12 coverage provided through or in conjunction with any of the
13 following:

- 14 a. Accident-only or disability income insurance coverage.
- 15 b. Hospital confinement indemnity coverage.
- 16 c. Coverage issued as a supplement to liability insurance.
- 17 d. Basic hospital and medical-surgical expense coverage.
- 18 e. Liability insurance, including general liability
19 insurance and automobile liability insurance.
- 20 f. Workers' compensation or similar insurance.
- 21 g. Automobile medical payment insurance.
- 22 h. Credit only insurance.
- 23 i. Coverage for on-site medical clinic care.
- 24 j. Dental or vision coverage.
- 25 k. Benefits for long-term care, nursing home care, or
26 community-based care.
- 27 l. Short-term hospital, medical, or major medical
28 coverage.
- 29 m. Medicare supplemental as defined pursuant to 42 U.S.C.
30 § 1395ss(g)(1), coverage supplemental to the coverage provided
31 under 10 U.S.C. § 1071-1109, and similar coverage that is
32 supplemental to coverage under group health insurance coverage
33 as defined by the commissioner of insurance.
- 34 n. Any other similar limited benefits as defined by the
35 commissioner of insurance.

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

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

5 2. The commissioner of insurance shall enforce this
6 chapter and shall adopt rules necessary to implement this
7 chapter.

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SENATE FILE 452

H-1431

- 1 Amend Senate File 452, as amended, passed, and
2 reprinted by the Senate, as follows:
- 3 1. Page 1, by inserting after line 3 the
4 following:
5 "0A. "Guide" means the most recent national
6 council for prescription drug programs pharmacy
7 identification card implementation guide, or its
8 successor."
9 2. Page 1, line 11, by inserting after the word
10 and figure "or 514A," the following: "a provider of a
11 plan established pursuant to chapter 509A for public
12 employees,".
13 3. Page 1, line 17, by inserting after the word
14 and figure "chapter 514F," the following: "a provider
15 of a self-insured multiple employer welfare
16 arrangement,".
17 4. Page 1, lines 27 and 28, by striking the words
18 "including, but not limited to, third-party
19 administrators for self-insured plans, pharmacy
20 benefits managers, and state-administered plans" and
21 inserting the following: "excluding administrators of
22 self-funded employer sponsored health benefit plans
23 qualified under the federal Employee Retirement Income
24 Security Act of 1974".
25 5. By striking page 1, line 33, through page 2,
26 line 26, and inserting the following: "information
27 card or technology applicable to those entities
28 subject to regulation by the commissioner of
29 insurance. The director of public health shall adopt
30 rules for the uniform prescription drug information
31 card or technology applicable to organized delivery
32 systems. The rules shall require at least both of the
33 following regarding the card or technology:
34 (1) With respect to the information required, be
35 consistent with the guide, except that the address of
36 the pharmacy benefits manager shall not be required.
37 (2) With respect to the location of the
38 information required, be substantially consistent with
39 the guide."
40 6. By renumbering, relettering, redesignating,
41 and correcting internal references as necessary.

By COMMITTEE ON COMMERCE AND REGULATION
HANSEN of Pottawattamie, Chairperson

H-1431 FILED APRIL 4, 2001

Adopted 4-11-01 (p. 1159)

HOUSE AMENDMENT TO
SENATE FILE 452

S-3350

- 1 Amend Senate File 452, as amended, passed, and
2 reprinted by the Senate, as follows:
- 3 1. Page 1, by inserting after line 3 the
4 following:
- 5 "0A. "Guide" means the most recent national
6 council for prescription drug programs pharmacy
7 identification card implementation guide, or its
8 successor."
- 9 2. Page 1, line 11, by inserting after the word
10 and figure "or 514A," the following: "a provider of a
11 plan established pursuant to chapter 509A for public
12 employees,".
- 13 3. Page 1, line 17, by inserting after the word
14 and figure "chapter 514F," the following: "a provider
15 of a self-insured multiple employer welfare
16 arrangement,".
- 17 4. Page 1, lines 27 through 29, by striking the
18 words "including, but not limited to, third-party
19 administrators for self-insured plans, pharmacy
20 benefits managers, and state-administered plans" and
21 inserting the following: "excluding administrators of
22 self-funded employer sponsored health benefit plans
23 qualified under the federal Employee Retirement Income
24 Security Act of 1974".
- 25 5. By striking page 1, line 33, through page 2,
26 line 26, and inserting the following: "information
27 card or technology applicable to those entities
28 subject to regulation by the commissioner of
29 insurance. The director of public health shall adopt
30 rules for the uniform prescription drug information
31 card or technology applicable to organized delivery
32 systems. The rules shall require at least both of the
33 following regarding the card or technology:
- 34 (1) With respect to the information required, be
35 consistent with the guide, except that the address of
36 the pharmacy benefits manager shall not be required.
- 37 (2) With respect to the location of the
38 information required, be substantially consistent with
39 the guide."
- 40 6. By renumbering, relettering, redesignating,
41 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-3350 FILED APRIL 12, 2001

Senate Concurred
4-18-01
(P. 1171)

SENATE FILE 452

AN ACT

REQUIRING THE USE OF A UNIFORM PRESCRIPTION DRUG INFORMATION CARD BY PROVIDERS OF THIRD-PARTY PAYMENT OR PREPAYMENT OF PRESCRIPTION DRUG EXPENSES.

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

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

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

1. "Guide" means the most recent national council for prescription drug programs pharmacy identification card implementation guide, or its successor.
2. "Prescription drug" means prescription drug as defined in section 155A.3 and includes a device as defined in section 155A.3.
3. "Provider of third-party payment or prepayment of prescription drug expenses" or "provider" means a provider of an individual or group policy of accident or health insurance or an individual or group hospital or health care service contract issued pursuant to chapter 509, 514, or 514A, a provider of a plan established pursuant to chapter 509A for public employees, a provider of an individual or group health maintenance organization contract issued and regulated under chapter 514B, a provider of an organized delivery system contract regulated under rules adopted by the director of public health, a provider of a preferred provider contract issued pursuant to chapter 514F, a provider of a self-insured multiple employer welfare arrangement, and any other entity providing health insurance or health benefits which provide for payment or prepayment of prescription drug expenses coverage subject to state insurance regulation.

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

1. a. A provider of third-party payment or prepayment of prescription drug expenses, including the provider's agents or contractors and pharmacy benefits managers, that issues a card or other technology for claims processing and an administrator of the payor, excluding administrators of self-funded employer sponsored health benefit plans qualified under the federal Employee Retirement Income Security Act of 1974, shall issue to its insureds a card or other technology containing uniform prescription drug information. The commissioner of insurance shall adopt rules for the uniform prescription drug information card or technology applicable to those entities subject to regulation by the commissioner of insurance. The director of public health shall adopt rules for the uniform prescription drug information card or technology applicable to organized delivery systems. The rules shall require at least both of the following regarding the card or technology:
 - (1) With respect to the information required, be consistent with the guide, except that the address of the pharmacy benefits manager shall not be required.
 - (2) With respect to the location of the information required, be substantially consistent with the guide.
- b. Any information on the card shall be formatted and arranged in a manner that corresponds to the current content and format required by the provider for processing of claims.
2. A new uniform prescription drug information card or technology, as required pursuant to subsection 1, shall be issued by a provider of third-party payment or prepayment or the provider's agents or contractors or pharmacy benefits managers upon enrollment and reissued upon any change in the insured's coverage that impacts data contained on the card or technology. The commissioner of insurance shall review the national council for prescription drug programs implementation guide or successor document on an ongoing basis to determine

changes, and shall modify or adopt rules as determined appropriate.

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

4. This chapter shall not apply to prescription drug coverage provided through or in conjunction with any of the following:

- a. Accident-only or disability income insurance coverage.
- b. Hospital confinement indemnity coverage.
- c. Coverage issued as a supplement to liability insurance.
- d. Basic hospital and medical-surgical expense coverage.
- e. Liability insurance, including general liability insurance and automobile liability insurance.
- f. Workers' compensation or similar insurance.
- g. Automobile medical payment insurance.
- h. Credit only insurance.
- i. Coverage for on-site medical clinic care.
- j. Dental or vision coverage.
- k. Benefits for long-term care, nursing home care, or community-based care.
 1. Short-term hospital, medical, or major medical coverage.
- m. Medicare supplemental as defined pursuant to 42 U.S.C. § 1395ss(g)(1), coverage supplemental to the coverage provided under 10 U.S.C. § 1071-1109, and similar coverage that is supplemental to coverage under group health insurance coverage as defined by the commissioner of insurance.
- n. Any other similar limited benefits as defined by the commissioner of insurance.

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

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

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

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 452, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved *April 25*, 2001

THOMAS J. VILSACK
Governor