

SENATE BILL REPORT

ESSB 5566

As Passed Senate, March 13, 2001

Title: An act relating to requiring uniform prescription drug information cards.

Brief Description: Requiring uniform prescription drug information cards.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Franklin, Deccio and Kohl-Welles).

Brief History:

Committee Activity: Health & Long-Term Care: 2/7/01, 2/27/01 [DPS].

Passed Senate: 3/13/01, 48-0.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5566 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thibaudeau, Chair; Franklin, Vice Chair; Costa, Deccio, Fraser, Parlette and Winsley.

Staff: Jonathan Seib (786-7427)

Background: A majority of people have their prescription drugs paid for by their health insurance. The standard procedure has a person obtain the drug from a pharmacist, who is required to submit certain information about the person and his or her policy to the insurance company in order to receive proper reimbursement. The pharmacist typically submits this information electronically while the person waits, and dispenses the drug when the claim is approved.

Most people are unaware of the exact information required for a claim to be approved and the pharmacist to be reimbursed. Instead, they rely on a benefit card issued by their insurance company and shown to the pharmacist when purchasing the drug. There is concern, however, that many benefit cards do not contain the information necessary to properly process a claim, and that with each insurance company issuing a different card, the information is too often inconsistent and confusing. This reportedly requires pharmacists to spend a disproportionate amount of time seeking the necessary claims processing information, which is inefficient and inconvenient, and interferes with time that might otherwise be devoted to more useful customer interaction.

To address these concerns, several states have adopted legislation requiring insurers to issue a single uniform benefit card containing the information necessary to process prescription drug claims.

Summary of Bill: A health carrier or health plan administrator whose plans cover outpatient prescription drugs and who issues a card or other technology for prescription drug claims

processing must include on that card or technology all information necessary for proper claims adjudication. The information must be updated upon renewal of the plan.

The act does not require the issuance of a pharmacy card separate from any other card issued to plan enrollees, if the card issued contains all of the information necessary to properly adjudicate prescription drug claims.

The Insurance Commissioner may adopt rules to implement the act, taking into consideration any relevant standards developed by the National Council for Prescription Drug Programs and the requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The act applies to health benefit plans that are delivered, issued for delivery, or renewed on or after July 1, 2003.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Pharmacists are spending a disproportionate amount of time trying to address reimbursement issues rather than serving the health care needs of their customers. This is frequently due to missing or insufficient information on the benefit card presented by the customer. This bill will help address this problem.

Testimony Against: As written, the bill is confusing and its requirements are unclear. Prohibiting a carrier not in compliance from operating in the state is inappropriate. It is not clear how the requirements of the act relate to HIPAA.

Testified: PRO: Rod Shafer, Washington State Pharmacists Association; Paul Martin, Martin's Southgate Drug; Warren Hall, Hall's Drug Center, Inc.; Art Zoloth, Northwest Pharmacy Services; Liz Merten, Brian Gallagher, National Association of Chain Drug Stores; Charlie Brown, Merck-Medco; CON: Rick Wickman, Premera; CONCERNS: Janis LaFlash, Office of the Insurance Commissioner; Ken Bertrand, Group Health.