ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE
March 20, 2002
3:20 p.m.

MEMBERS PRESENT

Representative Lisa Murkowski, Chair
Representative Andrew Halcro, Vice Chair
Representative Kevin Meyer
Representative Pete Kott
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 411
"An Act relating to physician assistants; providing that a physician assistant is a health care provider covered by certain laws relating to medical malpractice actions; adding physician assistants to the list of providers against whom unfair discrimination relating to health care insurance is prohibited and to the list of providers who can provide proof of disablement or handicap for the purpose of motor vehicle registration or for the purpose of obtaining a special license plate or a special parking permit; and providing for an effective date."

- MOVED HB 411 OUT OF COMMITTEE

HOUSE BILL NO. 318
"An Act relating to a health insurance uniform prescription drug information card; and providing for an effective date."

- MOVED CSHB 318(L&C) OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HB 411
SHORT TITLE:PHYSICIAN ASSISTANTS
SPONSOR(S): REPRESENTATIVE(S)FATE

Jrn-Date	Jrn-Page		Action
02/13/02	2233	(H)	READ THE FIRST TIME - REFERRALS
02/13/02	2233	(H)	HES, L&C
02/21/02		(H)	HES AT 3:00 PM CAPITOL 106
02/21/02		(H)	Moved Out of Committee
02/21/02		(H)	MINUTE(HES)
02/22/02	2362	(H)	HES RPT 5DP 1NR
02/22/02	2362	(H)	DP: DYSON, COGHILL, WILSON, CISSNA,
02/22/02	2362	(H)	JOULE; NR: KOHRING
02/22/02	2363	(H)	FN1: ZERO(ADM)
02/22/02	2363	(H)	FN2: ZERO(CED)
03/20/02		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 318
SHORT TITLE:UNIFORM PRESCRIPTION DRUG CARD
SPONSOR(S): LABOR & COMMERCE BY REQUEST

Jrn-Date	Jrn-Page		Action
01/14/02	1958	(H)	READ THE FIRST TIME - REFERRALS
01/14/02	1958	(H)	L&C, FIN
02/01/02		(H)	L&C AT 3:15 PM CAPITOL 17
02/01/02		(H)	Heard & Held
02/01/02		(H)	MINUTE(L&C)
02/25/02		(H)	L&C AT 3:15 PM CAPITOL 17
02/25/02		(H)	Scheduled But Not Heard
03/04/02		(H)	L&C AT 3:15 PM CAPITOL 17
03/04/02		(H)	Bill Postponed
03/20/02		(H)	L&C AT 3:15 PM CAPITOL 17

WITNESS REGISTER

REPRESENTATIVE HUGH FATE
Alaska State Legislature
Capitol Building, Room 416
Juneau, Alaska 99801
POSITION STATEMENT: Testified as sponsor of HB 411.

ED HALL, Liaison
Alaska Academy of Physician assistants
13601 Windward Circle
Anchorage, Alaska 99516
POSITION STATEMENT: Testified in support of HB 411.

JOHN RILEY, PA; Board Chair

Alaska Primary Care Association
6411 Italy Circle
Anchorage, Alaska 99516
POSITION STATEMENT: Testified in support of HB 411.

SUSAN MASON-BOUTERSE, Executive Director
Sunshine Community Health Center
Mile 44 Talkeetna Spur Road
Talkeetna, Alaska 99676
POSITION STATEMENT: Testified in favor of HB 411.

STAN RIDGEWAY, Deputy Director
Division of Insurance
Department of Community and Economic Development
P.O. box 110805
Juneau, Alaska 99801-0805
POSITION STATEMENT: Testified on HB 411. Addressed possible HIPAA regulations as related to HB 318.

AMY ERICKSON, Staff
to Representative Lisa Murkowski
Alaska State Legislature
Capitol Building, Room 408
Juneau, Alaska 99801
POSITION STATEMENT: Introduced HB 318, and explained the changes in the committee substitute.

ERIN CAREY BYRNE, Executive Director
Alaska Pharmaceutical Association
PO Box 101185
Anchorage, Alaska 99510-1185
POSITION STATEMENT: Testified on HB 318.

REED STOOPS, Lobbyist for Aetna and
Health Insurance Association of America
240 Main Street, Number 600
Juneau, Alaska 99801
POSITION STATEMENT: Testified on HB 318, and made suggestions to amend the current language for the purpose of clarification.

ACTION NARRATIVE

TAPE 02-39, SIDE A
Number 0001

CHAIR LISA MURKOWSKI called the House Labor and Commerce Standing Committee meeting to order at 3:20 p.m. Members

present at the call to order were Representatives Kott, Meyer, Halcro, and Murkowski. Representatives Rokeberg, Crawford, and Hayes arrived as the meeting was in progress.

HB 411-PHYSICIAN ASSISTANTS

CHAIR MURKOWSKI announced that the first matter before the committee would be HOUSE BILL NO. 411, "An Act relating to physician assistants; providing that a physician assistant is a health care provider covered by certain laws relating to medical malpractice actions; adding physician assistants to the list of providers against whom unfair discrimination relating to health care insurance is prohibited and to the list of providers who can provide proof of disablement or handicap for the purpose of motor vehicle registration or for the purpose of obtaining a special license plate or a special parking permit; and providing for an effective date."

Number 0090

REPRESENTATIVE HUGH FATE, Alaska State Legislature, sponsor of HB 411, testified before the committee. He said HB 411 was written at the request of the [American] Academy of Physician Assistants. The academy submitted three resolutions to accompany the bill and to be included in state law. He said the resolutions were drafted in order to update existing state laws to include physician assistants (PAs) as recognized providers of medical care. He said that it is believed that when the laws were drafted and passed physician assistants were not as prevalent as healthcare providers in Alaska. Over the ensuing years physician assistants have become integral to providing healthcare to rural and urban areas in the state - in rural areas, they are the primary healthcare providers and without them, many areas of the state would be without "true medical aid."

Number 0197

REPRESENTATIVE FATE said the three resolutions attempt to rectify problematic areas of the statutes, since physician assistants aren't listed as recognized healthcare providers. This has hindered medical follow-up for the patients of physician assistants. He said the statutory changes will prevent discriminatory action against PAs without the opportunity for them to be assessed by their peers.

REPRESENTATIVE FATE said [HB 411] gives PAs equal footing under insurance programs for both payment and liability purposes. He reported that HB 411 allows PAs the ability to authorize handicapped and other special medical-problem license plates. Representative Fate stated that the Division of Insurance, Department of Community and Economic Development, "is neutral" on HB 411. He noted that in the House Health, Education and Social Services Standing Committee hearing [on HB 411] the division made a point about direct payment to the office in which the PA worked. He explained the receipt location of payment is determined by either the officer under which the PA works, or by regulation under the Division of Insurance.

Number 313

REPRESENTATIVE FATE said HB 411 attempts to bring PAs parity "with other healing professions in their ability to authorize those types of things that they can authorize under the physician's office that they work."

REPRESENTATIVE CRAWFORD asked how a malpractice suit brought against a PA would be handled if the PA was working under a doctor somewhere.

REPRESENTATIVE FATE characterized the physician - PA relationship as a "master-slave relationship." If a PA is hired by a physician's office, that physician is ultimately responsible for the actions of that PA. He pointed out that all members of the medical profession have malpractice insurance. However, Representative Fate said it would be a good idea for a PA in rural Alaska, doing primary care work, to carry additional malpractice insurance.

Number 0462

CHAIR MURKOWSKI asked if the medical association had looked at the issue and weighed in one way or the other.

REPRESENTATIVE FATE said the Alaska Medical Association was neutral when the PAs got a position on the Board Of Medical Examiners. He said he believed that they were neutral on this particular issue.

CHAIR MURKOWSKI asked if anyone opposes HB 411.

REPRESENTATIVE FATE replied no. He deferred any further technical questions to Ed Hall.

REPRESENTATIVE MEYER inquired as to the educational requirements for a PA.

REPRESENTATIVE FATE said that PAs have certain, "very specific limitations" and a "standardized curriculum" that enable them to be PAs, however, he was not aware of the specific requirements.

Number 0649

ED HALL, Liaison, Alaska Academy of Physician Assistants, testified via teleconference. He said his organization believes [HB 411] is very important to allow PAs the ability to practice without the unnecessary encumbrances [the profession] has been suffering, especially in comparison with other mid-level caregivers, such as nurse practitioners. He specified that PAs did not help to initiate [HB 411] as a ploy to be independent practitioners. He emphasized that PAs must, by definition, collaborate with, and ultimately answer to a physician.

MR. HALL said it was in the PA's best interest to carry liability insurance, as is the common practice. He said most PA education programs are Bachelor's programs, but that there are also Master's programs. Certification is required in Alaska, and is acquired by passing a national certifying exam, 100 hours of continuing medical education every 2 years, and re-certification every 6 years.

MR. HALL offered that the medical board gave the academy their blessing and encouragement and he did not know of anyone who stood against the legislation.

Number 0930

REPRESENTATIVE ROKEBERG asked if a PA must be practicing under a licensed physician.

MR. HALL replied in the positive. He pointed out that occasionally insurance companies choose not to reimburse because care was provided by a PA. Therefore, [HB 411] will be an answer to those insurance companies, he said.

Number 0985

REPRESENTATIVE ROKEBERG characterized AS 09.55.560 as the "golden key to the kingdom" statute. He said a profession defined under that statute can require a health care insurance

company to reimburse them for service. He asked if there were any testifiers from the insurance industry.

CHAIR MURKOWSKI reported that there are no more people scheduled to testify.

REPRESENTATIVE ROKEBERG viewed that as troubling, and asked if any representatives of the insurance industry testified at the House Health, Education and Social Services Standing Committee meeting.

Number 1042

REPRESENTATIVE FATE responded in the negative.

REPRESENTATIVE ROKEBERG asked if it was possible for a PA to practice without a physician being in the same location at the same time.

Number 1068

MR. HALL answered that it was possible for a PA to practice out of the direct supervision of a physician, but the law requires a face-to-face meeting of the physician and PA twice a quarter. Once a month there must be an electronic correspondence between the [physician and the PA].

REPRESENTATIVE ROKEBERG asked for an example of healthcare services denied reimbursement by an insurance company.

MR. HALL gave an example of a patient who came into his office with a work-related injury. He also had an abscess on his elbow that was treated and billed under [workers' compensation]. He said the insurance company declined reimbursement of services because they were provided by a PA. He explained that at the time he was working with his collaborative physician in the same office.

Number 1202

REPRESENTATIVE ROKEBERG asked if the charge for a procedure would be different because it was performed by a PA rather than a physician.

MR. HALL answered that the charge isn't cheaper in regard to what is charged by the healthcare provider, but insurance companies reimburse differently [depending upon who performed

the procedure]. He stated that HB 411 is not concerned with that issue, but rather the bill establishes that a PA can bill for a service in the first place. He voiced that [HB 411] brings the statute in line with the existing practice in the state.

Number 1279

REPRESENTATIVE ROKEBERG asked if a PA could be the only medical care provider in a very rural community.

MR. HALL replied in the affirmative. He explained that if a supervising doctor finds that an insurance company will not reimburse, services might be denied in the remote areas. He noted that nurse practitioners have no trouble being reimbursed and they charge the same as PAs for the same services.

Number 1300

REPRESENTATIVE ROKEBERG asked if there is any "potentiality for abuse" of the provision in Section 3 that allows a PA to issue a "disabled parking pass."

MR. HALL stated he saw no more potential for abuse than is the case for a doctor or nurse practitioner. He explained that nurse practitioners are able to issue special parking permits and that PAs are equivalent providers of service to nurse practitioners, although PAs have more supervision from a physician. He said he merely wants to see parity amongst mid-level providers.

Number 1485

JOHN RILEY, Physician Assistant (PA); Board Chair, Alaska Primary Care Association, testified via teleconference. He informed the committee that his association's mission is to support clinics who serve patients, regardless of one's ability to pay. Physician assistants provide a large share of the health care provided in rural Alaska, and many rural clinics are staffed exclusively by PAs.

MR. RILEY said there have been several instances of insurance companies refusing to reimburse services provided by PAs. He gave an example that happened in Talkeetna. He urged passage of [HB 411].

CHAIR MURKOWSKI asked Mr. Riley if the 250 PAs [in Alaska] he had specified in the resolution were primarily in rural Alaska.

MR. RILEY related his belief that at least half of them were in rural areas of the state.

Number 1599

SUSAN MASON-BOUTERSE, Executive Director, Sunshine Community Health Center, testified via teleconference. She said hers is a mid-level clinic with four PAs who provide the primary care. She said the providers are critical to the community's ongoing healthcare. Because state statutes do not include PAs in the listing of healthcare providers, her clinic periodically has its billing denied by third-party payers. She said it represents a significant barrier to healthcare for individuals with health insurance as well as a barrier to potential revenues for clinics. She reported that in the current financial situation, her clinic needs to be able to maximize whatever revenue it can. She urged the committee to pass [HB 411].

Number 1692

CHAIR MURKOWSKI asked if someone needing a temporary disabled permit would have to go to Wasilla.

MS. MASON-BOUTERSE said that was not necessarily the case because there is a private physician in the Talkeetna area. But, if the doctor is not around or the person is a patient at the Sunshine Clinic, they would be required to leave town for that service.

CHAIR MURKOWSKI noted that it would probably be easier to get needed healthcare services in a place like Talkeetna than a place like Unalaska because Talkeetna has a road out and Unalaska is exclusively served by PAs.

Number 1751

REPRESENTATIVE HAYES said he believes [HB 411] to be a very good bill and thanked Representative Fate for bringing it forward.

REPRESENTATIVE ROKEBERG directed the committee's attention to page 2, lines 6-7, which reads, "an employee of a healthcare provider operating within the course and scope of employment". Section 1 defines what a healthcare provider is. He said he

felt the language authorizes a PA as it stands, however, being specific would be an improvement.

Number 1835

CHAIR MURKOWSKI asked if there exists an employee-employer relationship between PAs and their "collaborating physician."

REPRESENTATIVE FATE said that [as a dentist] he had experience with similar circumstances with [dental] hygienists. He recalled a question of private contracting versus the employee-employer relationship, and for tax purposes it was deemed that they were employees.

Number 1880

REPRESENTATIVE HALCRO asked why Medicare and Medicaid reimbursed PAs less than they do regular physicians.

REPRESENTATIVE FATE deferred to Mr. Hall.

MR. HALL said, "Because they can" [reimburse PAs less]. He said the argument about a lower education level is used, although the standard of care is exactly the same. He explained that the same double standard exists for an assistant physician to a surgeon where the assistant physician is reimbursed at a lower rate than the surgeon. It makes sense to add PAs to the list of caregivers because the true role of PAs is not apparent to all insurance companies, he remarked.

Number 1981

REPRESENTATIVE HALCRO asked, with regards to Section 2, if this would protect PAs from discriminatory [lower] reimbursements.

MR. HALL replied in the positive.

REPRESENTATIVE HALCRO asked Representative Fate if the state's match for the resulting higher Medicare and Medicaid reimbursements would not be higher as well.

MR. RILEY said the same regulations for Medicare with the 85 percent reimbursement applies to nurse practitioners. He said [HB 411] did not set any floor on fees. "It just states that if you reimburse one provider for providing a service, you reimburse all other providers on this list for providing that

service. It doesn't specify anything about the reimbursement level," he explained.

CHAIR MURKOWSKI offered that there exists the ability to discriminate amongst providers.

MR. RILEY said Medicaid does not have a differential reimbursement for providers.

REPRESENTATIVE FATE explained that insurance companies do not know who does the treatment. In matching the funds, the amount wouldn't change, "and it's already taking into account, the single experience that that charge is being made for."

Number 2094

REPRESENTATIVE HALCRO said he did not quite understand Representative Fate's response but he expressed his fear that the requirement that PAs be paid on the same level as a physician will raise the level paid by Medicare or Medicaid, and in turn raise the cost to the state.

REPRESENTATIVE FATE said:

> I misconstrued your first statement there. Now it becomes a differential of pricing rather than a differential of treating, and that I really can't answer and to how much. I'm not really sure whether there's really been anything that will indicate what that would be.... you know, if there could even be a fiscal note to it because at the present time you don't know how much is going to be transferred. You don't know how much more work or less work or the same work, the amount of work the PA will do to make that differential in pricing cogent as far as the insurance payments are concerned. So you might have a future fiscal note, but at the present time it would be nearly impossible to even ascertain what that would be.

Number 2160

REPRESENTATIVE ROKEBERG said he believed it would be the legislature's policy to allow a differential in pricing based on the scope of a provider's occupational license as in AS 21.36.090(d). He said like many of the statutes, it could be read different ways. He said, "Whether or not by underwriting

differently, and paying and reimbursing differently by the license, you're providing unfair discrimination based the service." He said he would feel a lot more comfortable if there were someone at the meeting "from the Division of Insurance who could interpret this."

Number 2208

STAN RIDGEWAY, Deputy Director, Division of Insurance, Department of Community and Economic Development, testified before the committee. He related his understanding that a physician would be paid at a certain level, a nurse practitioner at another, and so on. He said he isn't an expert and thus he offered to have Katie Campbell look into it more deeply.

Number 2248

REPRESENTATIVE FATE reported that there is a "differential in pricing and charging" and not a differential in payment. He explained that a differential in payment is what would affect [the state's funding] match. He stated that there is a "set standard of amount to pay for certain services, regardless of what the physician or PA charged." He said, "There is a stability between the max that we already have, based on the experience of services."

MR. RIDGEWAY gave an example of a reimbursement form with a charge of $8,000. He said an insurance company might say, based on contract, that it will pay $2,500. There is a big difference between what is charged and what is actually paid. He voiced that he doesn't think [HB 411] would interfere with that arrangement, whereby Medicare, Medicaid, and insurance companies set their fees at a certain level.

Number 2300

REPRESENTATIVE HALCRO asked:

> If I am a PA, and you come to see me, and for the same procedure I bill $100 and Medicare says, "Andrew, you're a PA so normally if you were a doctor we would reimburse $80, but we are going to reimburse you $65 because you are a PA." So therefore, I get less than a physician would get. Now, we pass this bill, there's no more discrimination; the first time they send me a check for less than they'd send a physician I go, "You can't discriminate against me, we just

passed a law, you need to pay me the $90."' Therefore they have to pay $15 more, or however much more, and then we would have to come up with an commensurate match.

REPRESENTATIVE HALCRO asked if he was missing something.

MR. RIDGEWAY said that he did not have an answer to that question, "mainly because you can charge anything, but what the insurance company pays is totally different from what you charge." He said that physicians can't come back and ask for more money in some cases with Medicaid and Medicare because that is an agreed amount.

Number 2358

CHAIR MURKOWSKI asked if it would be the insurance that would cover a certain amount for a service, regardless of who performs it.

MR. RIDGEWAY replied "yes."

TAPE 02-39, SIDE B

REPRESENTATIVE HAYES said he thought it more of a HESS [Department of Health & Social Services] issue than an [Division of] Insurance issue. He said, "If HESS thought it was a dollar issue here, we would have a fiscal note from them" that would probably be indeterminate.

REPRESENTATIVE ROKEBERG disagreed with Representative Hayes and said, "This is an insurance question."

Number 2327

CHAIR MURKOWSKI offered her understanding that the division had taken a neutral position on the matter, and that the division determined that there should be a zero fiscal note.

MR. RIDGEWAY said Representative Murkowski was correct and that the division just regulates insurance. [House Bill 411] would add no cost to the division, and therefore no fiscal note.

Number 2302

REPRESENTATIVE ROKEBERG said his interpretation of the "relatively ambiguous language" was that the status quo is

preserved by [HB 411], "therefore, if there is an ability of an underwriter to make a distinction between the service provided by a PA or a physician, that this doesn't change that." He added that he didn't care for the language, and that it needs to be clarified.

REPRESENTATIVE ROKEBERG asked Representative Fate if he could verify with the Division of Insurance what the impact of the language in Section 2 is as far as allowing health insurance companies to reimburse a PA at a different rate than that of a physician. He asked if "that's allowable or this maintains the status quo ... or as Mr. Ridgeway and we've discussed here, is it based on the service, not the type of provider?"

Number 2199

REPRESENTATIVE KOTT moved to report HB 411 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 411 was moved out of House Labor and Commerce Standing Committee.

HB 318-UNIFORM PRESCRIPTION DRUG CARD

Number 2173

CHAIR MURKOWSKI announced that the next order of business would be HOUSE BILL NO. 318, "An Act relating to a health insurance uniform prescription drug information card; and providing for an effective date."

Number 2158

AMY ERICKSON, Staff to Representative Lisa Murkowski, Alaska State Legislature, informed the committee that HB 318 has been through seven new drafts since the last time it was heard. The new version is clean, concise, and lists only the minimum guidelines necessary to process prescription claims. She stated that HB 318 is intended to provide practical guidelines for entities producing member ID cards for use in the drug benefit industry so that pharmacists will have the ability to spend more time on patient care and less time deciphering insurance benefit cards. Additionally, patients will spend less time at pharmacies waiting for prescriptions, and claims processing will be more consistent and accurate.

MS. ERICKSON reminded the committee that HB 318 is now applicable to all health insurance plans, instead of just group

plans. House Bill 318 also extends requirements so that all entities issuing drug cards are included, enrollees and dependents can be listed on the cards now, and an insurer does not have to reissue a second card if a previously issued card has all the information required in HB 318.

Number 2088

REPRESENTATIVE ROKEBERG inquired about the reissuing of a new card, whereby an insurer wouldn't have to issue another card until "their regular cycle came up." He referred to subsection (b) and asked if that clarifies the issue.

MS. ERICKSON said that is accurate.

REPRESENTATIVE ROKEBERG asked if the committee adopted a different recommendation than the one he proposed.

MS. ERICKSON replied in the affirmative. She offered that Representative Rokeberg was suggesting that no insurers would have to reissue a new card prior to the effective date. She explained that "was one of the points of contention that we did not include in the bill."

REPRESENTATIVE ROKEBERG voiced that this would create a private fiscal note.

MS. ERICKSON said, "Not if you decide that can't happen in committee."

REPRESENTATIVE MEYER asked if the draft that is before the committee is Version R.

Number 2017

REPRESENTATIVE HALCRO moved to adopt the proposed committee substitute (CS) for HB 318, Version 22-LS1061\R, Ford, 3/14/02, as the working document. There being no objection, Version R was before the committee.

Number 1993

ERIN CAREY BYRNE, Executive Director, Alaska Pharmaceutical Association, testified via teleconference in support of HB 318. She noted that HB 318 was adequately adjusted to reflect the issues raised by the insurer opposition. She noted that Version R is not [the Alaska Pharmaceutical Association's] "original

idealized bill." The time has come for standard information to be provided on insurance benefit cards.

MS. BYRNE informed the committee that 19 other states have already enacted similar legislation, with eight additional states pending action. She told the committee members that the end beneficiaries of HB 318 are "your constituents who will wait a minimal amount of time for medication dispensing and drug therapy counseling."

Number 1945

REPRESENTATIVE HAYES asked why there isn't any federal legislation to get a standardized ID card across the nation.

MS. BYRNE agreed that it seems more logical to enact this on the federal level, but there is "a state rights assertion issue," whereas if the state can't "work it out" then the federal regulation gets put into place. It would be a long and slow process.

Number 1903

REPRESENTATIVE ROKEBERG referred to page 2, line 11, relating to a bank identification number, and asked, "Whose bank ID number is this?"

MS. BYRNE replied, "That's an either/or." Some [insurers] use the international identifier and some use the bank identification number (BIN). That is the standard that is on cards in order for the claims to be processed.

REPRESENTATIVE ROKEBERG asked if [the number] is identifying the insurance company or the individual person who is covered.

MS. BYRNE replied it is the company that is being identified. In further response to Representative Rokeberg, Ms. Byrne explained that "it's not for the bank, it's ... whichever identifier number that the particular insurer wishes to use." Most [insurers] don't use a [BIN], but it is an option.

REPRESENTATIVE ROKEBERG inquired about the international number.

MS. BYRNE explained that the international number is the claims processing number. She offered that since the committee members are State of Alaska employees, these numbers are already on their insurance ID cards. She said it's simply referred to as a

"routing number," and that the [BIN] shouldn't be confused with a bank account number.

REPRESENTATIVE ROKEBERG asked if the bank number has anything to do with an electronic fund transfer.

MS. BYRNE replied in the negative.

REPRESENTATIVE ROKEBERG asked, "You want three groups of numbers?"

MS. BYRNE responded by saying that most of the insurance cards already contain these numbers. She offered that some insurance cards have the appropriate information, but there are those companies that need to start incorporating basic processing information in order for pharmacists to better serve their clients.

Number 1743

REPRESENTATIVE ROKEBERG referred to page 2, line 1, and asked if the National Council for Prescription Drug Programs Pharmacy Identification Card Implementation Guide is something that would be periodically adjusted, because it ties in with the mandate that the director of the Division of Insurance shall make regulatory changes.

MS. BYRNE replied that it may change, but noted that included on the National Council for Prescription Drug Programs (NCPDP) advisory committee are the insurers; they're part of the NCPDP.

Number 1699

REPRESENTATIVE ROKEBERG expressed concern with directing the Division [of Insurance] to adopt regulations to conform with a guide that's going to change from time to time. He mentioned that this would be granting legislative authority to the "national council [NCPDP]."

MS. BYRNE added that [HB 318] only requires a card to be reissued when a change is substantive. She said NCPDP requires a 90 percent consensus of all present to make any change [to the guide].

Number 1658

CHAIR MURKOWSKI noted that the [division] director is directed to look to the standards that are set out in the NCPDP guide, or the standards that are outlined in [paragraph] (2).

MS. BYRNE thanked Representative Murkowski and said, "That's absolutely correct."

REPRESENTATIVE ROKEBERG restated his belief that this would be "granting legislative power to the national council by statute."

CHAIR MURKOWSKI disagreed with Representative Rokeberg's concern and stated, "What we are doing is directing the Director of the Division of Insurance to look to the standards that we have identified in [paragraph] (2)." She offered that these standards might be more neatly outlined in the NCPDP's Pharmacy Identification Card Implementation Guide and should be looked at as an example of what is expected to be on the card.

Number 1543

REED STOOPS, Lobbyist for Aetna and Health Insurance Association of America, informed the committee that he is representing Mike Wiggins [Vice President, National Accounts, Aetna] who is unable to testify today. He thanked Representative Murkowski and Ms. Erickson for their work on HB 318 and trying to take into account the objections of the insurance industry. He noted that there are additional changes that the insurance industry would like to see made to Version R.

MR. STOOPS explained that the first problem is that the insurance industry would "strongly prefer" a national standard because most insurers do business in all 50 states. He mentioned that it is difficult to comply with each state's slightly different set of standards.

Number 1437

MR. STOOPS identified a second concern [his clients have] as the uniform prescription drug information card that HB 318 is seeking. The uniform prescription drug information card that HB 318 is seeking is "really different" from what the industry usually issues, which is a multi-purpose, general health benefit card. This card is used when one goes to a doctor or a pharmacist and has the name of the company on it and one's ID number. He explained that from the perspective of the pharmacist, they want a uniform prescription drug card, which is an exclusive card that deals with drugs. He stated, "What we've

ended up with is sort of a blend, whereby now we're trying to make our general health care card a drug card." There have been some conflicts between objectives in trying to make that happen.

Number 1406

MR. STOOPS said that based on the initial testimony heard, [his clients] thought that there was an agreement that Aetna, Blue Cross, and some of the other major insurers had sufficient information on their general card, and that reissuance of those cards was not going to be required by virtue of the legislation. Trying to incorporate the new standards with the information that's already on the cards would require even Aetna would have to reissue its' cards. Aetna has approximately 90,000 cards in place in Alaska, and the cost to reissue those cards would be a couple hundred thousand dollars, or about $2 a card.

MR. STOOPS explained that pharmacists have an electronic system in the pharmacies that link directly up with [Aetna's] database. A lot of the information that's necessary to process a claim is in that computer database and not on the card. Ultimately, the way the payment gets issued is electronically. Almost all of the pharmacists in [Alaska] are linked electronically, at least to Aetna.

Number 1318

MR. STOOPS next addressed some issues in the current draft of HB 318, and offered some amendments. The first amendment, on page 2, lines 22-24, would be to clarify that [HB 318] may not be construed to require the reissuance of a uniform prescription drug information card issued before the effective date. He noted that would alleviate the concern about a fiscal note.

MR. STOOPS also noted that the National Council for Prescription Drug Pharmacy Program Identification Card Implementation Guide is an either/or standard. He said this isn't a [normal occurrence] in a piece of legislation to leave the standards, which can change from time to time, up to the director of [the Division of Insurance]. He stated, "I think it would be our preference just to state whatever the standards are clearly in statute, and then amend those statutes from time to time if you find that those need to be amended in the future."

Number 1244

MR. STOOPS explained that [Aetna] is trying to match the information on its card to "the language in (C)(i), (D), and (E)." He stated it's confusing what those [sections] actually mean, so we had some suggestions to clarify the language in (D) and (E) so that we're sure that the information we're providing is what the statute asked for." He offered to submit copies of Aetna and Blue Cross' identification cards. He said, "I couldn't find what that bank identification number conformed to - at least on the two cards that we had available to us."

CHAIR MURKOWSKI asked if Mr. Stoops indicated that he wanted to delete the international bank ID number [BIN]. She offered her understanding that there is an "international number and then there's a bank identification number."

Number 1189

MR. STOOPS explained that [Aetna's card] has a group number, a control number, a payor number, and an RX group number. The Blue Cross card has a group number and an RX group number, but it doesn't have anything that corresponds to a bank identification number. Since the card currently doesn't have the required number, [Aetna] would have to reissue cards for the sake of providing that number. He said if the first amendment he suggested were adopted, [Aetna] wouldn't have to reissue the current card and could "deal with that in the future."

MR. STOOPS next addressed sections (D) and (E), which indicated what address and phone numbers need to be on the card. He explained:

> Generally we've got the name of the company, which is Aetna, the post office box, the mailing address, and there's an 800 number that you as the enrollee or any provider can call. And if its pharmacists that calls that 800 number, they can be routed from that number to another pharmacy claim office. But by putting two numbers on the card then you create some confusion among the enrollee on "which 800 number am I supposed to call?" And in most cases you the member ... just want a single 800 number that can route you wherever you need to go for the information, rather than having multiple numbers for multiple purposes. It's not the end of the world if we have to provide it, but it just seems that there's a simpler way to accomplish that objective.

CHAIR MURKOWSKI asked if this number requires one "to sit on the line for 15 minutes tracking, [for example], 'OK, now if your last name begins with an M-U-R, you can press 3.'"

MR. STOOPS explained that every time a pharmacist enters into a contract they receive a "special [phone] number" [so he/she will have a direct contact number].

Number 1058

REPRESENTATIVE CRAWFORD asked how often [Aetna] reissues cards.

MR. STOOPS said it depends. A new card needs to be issued every time a contract changes. Normally an insurance company will have a contract for 1-3 years with a customer, and when that contract expires if there's a new carrier the card will be reissued. He stated, "I don't believe there's any [cards] that stay in effect indefinitely, they're ... reissued as necessary on a rotating basis."

REPRESENTATIVE CRAWFORD related his belief that there isn't any established time in which any of the carriers reissue cards.

MR. STOOPS agreed, but specified that if there is going to be a requirement to reissue the cards, then there will be an associated cost and thus there is the need for a fiscal note. Furthermore, he inquired as to what information is really necessary for the pharmacist. He questioned whether there should be two separate cards with one for drugs or should there be a single-purpose card.

Number 0946

REPRESENTATIVE HAYES asked whether anyone has introduced federal legislation to deal with this issue.

MR. STOOPS informed the committee that there have been meetings with the National Pharmacists by all the major insurers. Although there was the recommendation for national legislation, he said he wasn't sure whether the legislation was introduced.

CHAIR MURKOWSKI returned to the international bank identification number and related her understanding that the insurance companies worked with the pharmacy associations on this NCPDP pharmacy identification card guide. Therefore, she expressed concern that Aetna, a major player in Alaska, says that it isn't aware of one of the things included in the guide.

MR. STOOPS said that he understood that there was an agreement that the pharmacists would work collaboratively in order to seek national legislation such that all insurers would have similar national standards. Mr. Stoops said he didn't know which insurers participated in the development of that implementation guide and whether those insurers would be the same each year. Although all of the HIAA members or Aetna wouldn't all be included, everyone doing business in the state would have to meet the guidelines if the Director of Insurance specified the need to meet the regulations [based on the guidelines].

CHAIR MURKOWSKI pointed out the "or" on page 2, line 2.

MR. STOOPS agreed. However, he said he read the bill to mean that it's in the opinion of the director and thus the director can look at the standards in the bill "or" the director can look at the implementation guide and make a decision. If the director chooses the implementation guide, then the standards will change [as time passes]. Therefore, the conservative preference is to look to the statutes for what is required, and if there is a need to change, then the legislature would determine the changes through a process such as this. Mr. Stoops emphasized that of all the issues with the bill, this isn't the largest of them.

REPRESENTATIVE ROKEBERG pointed out that on page 2, line 1, the language "current" means any future guides with revisions. Therefore, the director would be forced to review any change in the guide "or" [follow paragraph (2)].

Number 0655

LIZ MERTEN, Northwest Regional Director, National Association of Chain Drugstores (NACD), explained, from the perspective of pharmacies, that the real purpose of this bill is to simplify the claims processing by ensuring that all necessary information to process a drug claim is contained on the card in some sort of standardized readable format. She informed the committee of a survey contracted by NACDS in 1999, which found that 20 percent of a pharmacist's day was spent rectifying claims of patients that were standing before them. In a survey released last month by Shearing (ph), now 29 percent of a pharmacist's time is spent on this matter. The amount of time spent on rectifying claims coupled with the shortage in pharmacists and the increase in prescriptions in the U.S. [is of concern]. The Shearing (ph) survey asked pharmacists what would provide them the opportunity

to speed up the process and take time with their patients, behind the answer of increased utilization of technicians was the standardized pharmacy identification card.

MS. MERTEN directed attention to page 2, line 18, which specifies "unless provided electronically at the time of adjudication." She informed the committee that in a meeting with Blue Cross, Aetna, and herself all agreed to insert the aforementioned language. That language was inserted in order to address that when a pharmacist is on-line adjudicating a case with Aetna that is where the phone number appears on the screen. Based on the [same] meeting, the language on page 2, lines 8-13 was developed after the actual identifiers that were included in earlier versions of the bill were removed. Ms. Merten highlighted the importance of the language on page 2, lines 24-26, which says, "does not require issuance of a separate prescription drug information card if an existing information card contains the information required under this section." The intent has never been to require a separate prescription card but rather that in working with the insurers, a new card with the necessary information would be issued.

MS. MERTEN turned to the "or" on page 2, line 2, which she said was inserted to address the concerns heard from insurance companies who are concerned with compliance of the NCPDP guidelines. She recalled that after the meeting with the insurers, one of the insurers asked what would happen if the BIN number and the control number were no longer used to process their claims. Ms. Merten pointed out that in such a situation the NCPDP guidelines would be so important because it would eliminate the need to return to the legislature to address the statutes. The "or" provides flexibility to not be locked into the laundry list specified in paragraph (2) on page 2, line 3.

MS. MERTEN, in response to Representative Hayes' earlier question, informed the committee that legislation has been introduced at the federal level. However, that legislation is tied to senior drug legislation that has moved very far in the process. At this point, the pharmacists need help. In conclusion, Ms. Merten encouraged the committee's support of the legislation.

CHAIR MURKOWSKI returned to the international bank identification number.

TAPE 02-40, SIDE A

CHAIR MURKOWSKI asked if the international bank identification number is something that must be included in the laundry list, or could the language on page 2, lines 8-10, say that the card "may include" the items listed in sub-subparagraphs (i)-(iii).

MS. MERTEN said that the BIN is probably the most important number because it's the one number that absolutely has to be available to the pharmacist for processing. She explained that the BIN specifies where the pharmacist is to go to process the claim. The BIN is required in any claims processing.

Number 0174

CHAIR MURKOWSKI expressed her confusion, then, because major companies say that they don't know what the BIN is.

MS. MERTEN pointed out that most insurance companies contract the processing of their claims, and therefore aren't aware that the [processor] uses a BIN [for them].

REPRESENTATIVE ROKEBERG surmised then that if Blue Cross changed its subcontracting provider, Blue Cross would have to reissue the card.

MS. MERTEN replied yes. In further response to Representative Rokeberg, Ms. Merten wasn't sure whether Blue Cross would reissue cards if it changed its tertiary care provider in Alaska.

Number 0349

CHAIR MURKOWSKI asked if there is any national discussion with regard to the requirement to reissue new cards within the next year.

MS. BYRNE answered that HIPAA will go into effect for insurers in April 2003. The piece that ties into this discussion is that there are a number of programmatic changes that insurers will have to go through in order to comply with the privacy issues and with HIPAA. Therefore, insurers will no longer be allowed to use social security numbers as a unique identifier, which Aetna, Blue Cross, and others use. This change will necessitate reprogramming of their software system and new cards will have to be issued. Therefore, while insurers are already reprogramming their computers, they might as well do everything at once for the HIPAA requirements and a uniform prescription

card. Ms. Byrne confirmed that the July 1, 2003, effective date falls after the HIPAA requirements take effect.

Number 0559

CHAIR MURKOWSKI closed the public testimony. She then turned to the concern about issuing new cards and the fiscal note that would be required. The suggested language is that [the insurers] wouldn't be required to reissue the benefit card prior to the effective date of this section, July 2003. As mentioned earlier, this time frame would fall after the HIPAA changes and thus she questioned the concern.

MR. STOOPS related his understanding that whether the HIPAA changes will require insurers to issue a new card is speculation at this point. In regard to his suggested language, Mr. Stoops recalled from the first hearing that the major insurers in Alaska have adequate information on their cards. Therefore, to make that clear he suggested: "An insurer who has a card in effect today, before this law went into effect, wouldn't reissue the card until they're normally required to reissue it." He acknowledged that the opportunity may come when the HIPAA changes happen. When those [HIPAA] changes occur and whatever standards are adopted by the legislature, then the change would be made then, avoiding the fiscal impact that is of concern.

CHAIR MURKOWSKI asked if Aetna regularly reissues cards on a cycle.

MR. STOOPS explained that when the state goes out to bid for insurance, the terms of the contract are changed. Therefore, there is usually one or more times in which the cards are reissued during the term of a contract. With other clients, the reissuance of cards would occur when the client requires such or when Aetna does so for its own administrative efficiency. The reissuance is done on a rotating basis, which he presumed other insurers did as well. In further response to Chair Murkowski, Mr. Stoops recalled that Aetna is in year two of five under the current contract with the state. He related his understanding that there is a plan to reissue cards before the end of this contract. He explained that this reissuance will occur partly because the state wants changes. Again, the best way to avoid a fiscal impact is to specify an effective date and as new cards are issued, those cards must meet the requirements of the statute.

REPRESENTATIVE HAYES asked if there is any way to find out about the HIPAA requirement as that seems to be the answer to the question before putting a $200,000 fiscal note on the bill.

CHAIR MURKOWSKI disagreed that this would create a $200,000 fiscal note. She related her understanding that HIPAA currently says that a social security number can't be used as the identifier. She asked if there is anyone who could speak [to how things are going to go].

Number 0962

STAN RIDGEWAY, Deputy Director, Division of Insurance, Department of Community & Economic Development (DCED), informed the committee that the general belief is that HIPAA privacy regulations are slated to go into effect in April 2003. However, most believe that April 2003 is too soon and thus Mr. Ridgeway wasn't sure that the April 2003 date would be met. He noted that there is a website that deals with frequently asked questions and answers with regard to the uniformity for insurance cards. He said that the committee may find this information helpful.

REPRESENTATIVE ROKEBERG recalled that there are more than 600 pages of federal regulations and thus the complexity of this has made the effective date a moving target.

Number 1071

REPRESENTATIVE ROKEBERG moved that the committee adopt the following amendment, Amendment 1:

Page 2, line 31
Delete paragraph (4)
Insert "may not be construed to require the reissuance of a health benefit card issued prior to the effective date of this section."

REPRESENTATIVE HAYES objected and asked if Amendment 1 would still leave the situation in which the information isn't the information that the pharmacists want or need.

CHAIR MURKOWSKI related her understanding that at the date of the adoption of [this legislation] everyone would receive new cards. As the new cards are issued, the new cards would be subject to the requirements established in this legislation.

MS. BYRNE agreed and specified that Version R is the result of meetings through Ms. Merten with representatives of insurance companies. She stressed that more than one insurance company was at the table.

REPRESENTATIVE ROKEBERG remarked that it doesn't make sense that a company could be required to reissue a card before the effective date of this legislation.

MS. BYRNE noted that this was a request from the insurance industry.

MR. STOOPS explained his understanding that the effect of Amendment 1 would be that once the card is issued, until the card is reissued after the [effective] date, [the card] would remain in effect. Mr. Stoops clarified that the desire was to keep the current card in effect until it was necessary to reissue the card in any case, at which time the standards of the bill would be incorporated. Therefore, the fiscal impact is avoided.

REPRESENTATIVE CRAWFORD asked whether Amendment 1 works for the Northwest Ironworkers and other self-insured groups around the state.

MR. STOOPS stated that the policy issue is in regard to whether the legislature feels that the standards are important enough that they should be met now. However, there would be a fiscal impact to such because it will cost the insurer a couple dollars a card to reissue the card. He pointed out that the cost will come right to [the state for those under the] State of Alaska's system. However, the insurance companies for the self-insured groups will pay for it, and therefore the enrollee will ultimately pay the cost. In response to Representative Hayes, Mr. Stoops explained that [were HIPAA regulations to go into effect] and everyone had to reissue the cards, then the cost would be blended into the cost of doing business. But, if this legislation were to pass, reissuing the cards would be purely because of the legislation.

REPRESENTATIVE ROKEBERG pointed out that the health insurance industry is one of the few industries that has no price elasticity, and therefore it can pass along [the impact] of whatever it wants.

MR. STOOPS noted that for the State of Alaska, [Aetna] is only the claim administrator and the state itself determines the rate.

Number 1409

REPRESENTATIVE HAYES inquired as to why the language [in Amendment 1] wasn't included in Version R.

CHAIR MURKOWSKI recalled that the language [attempted] to clarify that the requirement [came into play] when a new card was reissued. She said she didn't believe it was anyone's intent that on the effective date of this act everyone would receive new cards. However, there was the assumption that what is on the Aetna cards already met the requirements being sought in the bill.

REPRESENTATIVE HAYES withdrew his objection.

There being no objection, Amendment 1 was adopted.

Number 1527

REPRESENTATIVE ROKEBERG moved Amendment 2, which would on page 1, line 14 - page 2, line 2, delete references to the National Council for Prescription Drug Programs Pharmacy Identification Card Implementation Guide and renumber accordingly. Also, the amendment would specify the minimum requirements for the card in the current paragraph (2).

CHAIR MURKOWSKI objected. She related her belief that the language in paragraph (1) on page 1, line 14 - page 2, line 2, is to give the director some formal guidelines. She said she would want to know that the director was looking at these guidelines when implementing the standards. Furthermore, because the guidelines come about due to the collaboration and the discussion from both the pharmacy industry and the insurance industry it seems important to reference it.

REPRESENTATIVE HAYES agreed with Chair Murkowski. Without the "or" he feared that the problems with the mechanical code would surface here.

REPRESENTATIVE MEYER noted his confusion with the language "provisions of an implementation guide prepared by a pharmacy association."

CHAIR MURKOWSKI clarified that Aetna is saying that it wasn't part of the working group [that developed the National Council for Prescription Drug Programs Pharmacy Identification Card Implementation Guide] and thus they don't want to refer to the guide.

REPRESENTATIVE ROKEBERG said that the primary reason he supports the amendment is because he believes that Alaska's insurance people and the director of the Division of Insurance and pharmaceutical folks should all be at the table together. The guide referenced in the legislation is one in which Alaska's people weren't involved. Therefore, he recommends leaving the decisions to the director and the local players.

CHAIR MURKOWSKI pointed out that under the current draft the director doesn't have to confer with anyone.

Number 1790

MR. RIDGEWAY acknowledged that the insurers don't want to end up with 50 [different] cards. However, he pointed out that part of the role of NAIC is look at uniformity. Mr. Ridgeway said he feels that the "or" language offers clarity, and furthermore the regulation process would allow all parties to be part of the development and implementation of those regulations.

Upon determining there was no further discussion with regard to Amendment 2, a roll call vote was taken. Representatives Rokeberg and Meyer voted for the adoption of Amendment 2. Representatives Crawford, Hayes, Murkowski, and Kott voted against the adoption of Amendment 2. Therefore, Amendment 2 failed by a vote of 2:4. [Although someone "voted" on Representative Halcro's behalf, Representative Halcro was not in attendance for this vote.]

Number 1952

REPRESENTATIVE ROKEBERG moved that the committee adopt Amendment 3, which reads as follows:

Page 2, line 11,
Delete sub-subparagraph (i)

REPRESENTATIVE HAYES objected.

REPRESENTATIVE ROKEBERG reiterated earlier testimony that Blue Cross - Washington/Alaska covers over 50 percent of the insureds

[in Alaska] and does not have the [international bank identification number] on the card. He said that he didn't believe it was on the Aetna card either. He pointed out that the adoption of Amendment 1 means that these companies can't be forced to reissue these cards, and therefore leaving sub-subparagraph (i) in the bill would result in the companies being noncompliant with the law.

REPRESENTATIVE HAYES inquired as to the use of the [international bank identification number].

MS. ERICKSON explained that the BIN is an electronic claims routing information number. She related her understanding that the Blue Cross and Aetna cards have the BIN, although it isn't labeled as such. For example, on some it has been labeled as the "ID NO." She also recalled that the payor number of Aetna's card is comparable to the BIN.

REPRESENTATIVE ROKEBERG pointed out that per statute, the card would have to be labeled differently, and therefore the card would have to be reissued. Furthermore, Representative Rokeberg guessed that every pharmacist in the Alaska knows the BIN for Blue Cross - Washington/Alaska.

CHAIR MURKOWSKI inquired as to the problem of leaving sub-subparagraph (i) when the number is already included [on the card] not to mention that it's the key identifier.

MS. ERICKSON indicated that using the language, "which may include" and then specifying the laundry list of items would be appropriate because then the other components could be used if the BIN isn't available. Therefore, Ms. Erickson suggested that the committee not delete sub-subparagraph (i) and consider including the language "which may include".

Number 2095

REPRESENTATIVE ROKEBERG agreed that providing the discretion with the language "which may include" could be the solution. Representative Rokeberg withdrew Amendment 3. He then moved that the committee adopt conceptual Amendment 4, which reads as follows:

Page 2, line 10, after "routing,"
Delete "including"
Insert "may include"

There being no objection, conceptual Amendment 4 was adopted.

The committee took a brief at-ease.

Number 2140

MR. STOOPS questioned whether the standard would be met if [the number is provided electronically], although a small percentage of pharmacists aren't linked electronically. He expressed concern that the language [on page 2, line 17] isn't clear in this regard. He explained that the card itself has a number that the pharmacist can call and be linked. However, the pharmacists are given a direct number when under contract with Aetna. The only reason to not include that number on the card is to avoid the customer calling the pharmacy claim number.

REPRESENTATIVE ROKEBERG moved that the committee adopt conceptual Amendment 5, which reads as follows:

Page 2, line 18, after "assistance"
Insert "or a link to a telephone number for pharmacy benefit claims assistance"

MR. STOOPS explained that he had suggested that the card could specify an 800 number that would link to the pharmacy claim number as opposed to having two numbers on the card.

REPRESENTATIVE ROKEBERG clarified that if conceptual Amendment 5 were to be adopted then on page 2, lines 17-18, subparagraph (E) would read as follows: "a help desk telephone number for pharmacy benefit claims assistance or a link to a telephone number for pharmacy benefit claims assistance, unless provided electronically at the time of adjudication."

There being no objection, conceptual Amendment 5 was adopted.

REPRESENTATIVE ROKEBERG moved on to subparagraph (D) on page 2, lines 14-16, and questioned whether the language "name" referred to the company name.

REPRESENTATIVE HALCRO pointed out that the "benefits administrator" refers to the company. He pointed out that the language specifies "the name and address of the benefits administrator or other entity responsible for prescription claims submission ...".

REPRESENTATIVE ROKEBERG asked if Mr. Stoop's concern with this was because Version R is drafted only to prescription benefit claims rather than all benefit medical claims.

MR. STOOPS answered yes. He pointed out that Aetna administers the pharmacy [claims] and thus Aetna's address should suffice. However, Blue Cross hires a [benefits administrator] and under subparagraph (D) ...

TAPE 02-40, SIDE B

MR. STOOPS continued: ... Blue Cross would have to [insert the name and address] of whoever they contract with for prescription benefits. Therefore, he assumed that there would be two addresses [on the card] for those companies that don't administer their own prescription claims: the name and address of the company and the name and address of the contractor.

REPRESENTATIVE HALCRO indicated that the language "or other entity responsible" takes care of the aforementioned.

REPRESENTATIVE ROKEBERG surmised that the card would have to be changed every time the insurer changed contractors.

REPRESENTATIVE HALCRO said, "You should anyways, I would imagine, because, of course, ... you're going to allow your customers to know who to call."

REPRESENTATIVE ROKEBERG pointed out that this is for correspondence [via] "snail mail."

CHAIR MURKOWSKI clarified that this language is in reference to submitting claims, and she agreed that the information [would be necessary].

MR. STOOPS pointed out that insurers may have claims routed to a main address and part of it would then be sent to the pharmacy claim section. He explained that he felt it would be sufficient to have the name and address of the insurer.

REPRESENTATIVE HALCRO suggested that perhaps a disclaimer stating that certain numbers are provided for the use of the pharmacy only.

MR. STOOPS said that the question then becomes whether the customer would actually read that disclaimer.

REPRESENTATIVE HAYES remarked that it would be best to leave the language as it is and if it is found to be a problem, it could be addressed via amendment on the floor.

REPRESENTATIVE ROKEBERG reviewed the language "or other entity responsible" and agreed that it would cover anyone.

REPRESENTATIVE HAYES disclosed that he has a conflict of interest due to his position in the insurance industry.

Number 2210

REPRESENTATIVE HAYES moved to report CSHB 318, Version 22-LS1061\R, Ford, 3/14/02, as amended out of committee with individual recommendations and the accompanying fiscal note. There being no objection, CSHB 318(L&C) was reported from the House Labor and Commerce Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:50 p.m.