

HB

318

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 318(L&C)
(H) Publish Date: 3/22/02

Revision Date/Time _____ Dept. Affected: Administration
Title Relating to a uniform prescription BRU Centralized Administrative Services
drug information card Component Retirement & Benefits
Sponsor (H) Labor & Commerce
Requester (H) Labor & Commerce Component No. 64

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would require insurers to provide specific information on prescription drug identification cards.

This fiscal note assumes the State will not need to change our current identification cards.

Prepared by: Guy Bell, Director Phone 465-4470
Division Retirement & Benefits Date/Time 1/31/02 4:26 PM
Approved by: Jim Duncan, Commissioner Date 1/31/2002
Agency Department of Administration

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 318(L&C)
(H) Publish Date: 3/22/02

Revision Date/Time (Note if correction): 02/01/2002 Dept. Affected: DCED
Title An Act relating to a health insurance uniform BRU Insurance (116)
prescription drug information card Component Insurance Operations
Sponsor House Labor & Commerce by request
Requester House Labor & Commerce Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires the Director of the Division of Insurance to specify by regulation information to be contained on a prescription drug information card. Anticipated expenses to draft the regulation and enforce the provision on insurers would be absorbed within existing division resources.

Prepared by: Robert A. Lohr, Director Phone 269-7900
Division Insurance Date/Time 2/1/02 10:53 AM
Approved by: Deborah B. Sedwick, Commissioner Date 2/1/2002
Agency Department of Community & Economic Development

*Adopted
4/25/02*

22-LS1061X
Ford
4/25/02

CS FOR HOUSE BILL NO. 318()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a health insurance uniform prescription drug information card; and
2 providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 21.06 is amended by adding a new section to read:

5 **Sec. 21.06.086. Uniform prescription drug information card.** (a) A health
6 care insurer that provides coverage for prescription drugs or devices and that issues,
7 uses, requires, or reissues a card or other technology for prescription claims processing
8 shall issue or require the insurer's agent, contractor, or third-party administrator to
9 issue a uniform prescription drug information card for an insured, enrollee, or
10 participant in the insurer's health insurance plan as required in this section. The
11 director shall by regulation specify the information to be contained on a uniform
12 prescription drug information card and shall require, at a minimum, that a uniform
13 prescription drug information card

14 (1) except as required in this section, conform to the standards and

1 format of the current National Council for Prescription Drug Programs Pharmacy
2 Identification Card Implementation Guide; or

3 (2) contain, in a clear, readable, and understandable manner, all
4 information necessary for prescription drug claims submission, including

5 (A) the card issuer's name or logo on the front of the card;

6 (B) the name and identification number of the enrollee or
7 enrollee's dependent displayed on the front of the card;

8 (C) if the insurer accepts electronic prescription drug claims
9 submissions, complete and clearly labeled information for electronic
10 transaction claims routing, including

11 (i) the international or bank identification number;

12 (ii) the processor control number; or

13 (iii) the group number if required for adjudication;

14 (D) the name and address of the benefits administrator or other
15 entity responsible for prescription claims submission, adjudication, or
16 pharmacy provider correspondence for prescription benefits claims; and

17 (E) a help desk telephone number for pharmacy benefit claims
18 assistance or a reference to a telephone number for pharmacy benefit claims
19 assistance, unless provided electronically at the time of adjudication.

20 (b) This section

21 (1) does not apply to a health care insurer providing prescription drug
22 coverage under an excepted benefits policy;

23 (2) may not be construed to require the reissuance of a uniform
24 prescription drug information card issued before the effective date of this section; and

25 (3) does not require issuance of a separate prescription drug
26 information card if an existing information card contains the information required
27 under this section.

28 (c) In this section,

29 (1) "device" has the meaning given in AS 08.80.480;

30 (2) "excepted benefits" has the meaning given in AS 21.54.160;

31 (3) "health care insurer" has the meaning given in AS 21.54.500;

1 (4) "prescription drug" has the meaning given in AS 08.80.480 and
2 includes a device.

3 * Sec. 2. This Act takes effect July 1, 2004.

NCPDP Pharmacy ID Card Fact Sheet

This Fact Sheet relates to the current NCPDP Health Care Identification Card Pharmacy ID Card Implementation Guide ("The Guide"). The purpose of The Guide is to reduce the time that consumers wait for prescriptions at community retail pharmacies by preventing delays caused by the lack of necessary information on consumer prescription benefit ID cards.


Over 3 billion pharmacy claims are adjudicated electronically each year. This occurs at the time of service similar to the processes used for credit card authorization and verification. Including the minimum amount of information, as specified in The Guide, is crucial for improving the timely processing of pharmacy claims, so that providers and patients are not subjected to unnecessary delays.

The Guide requires the minimum necessary information that must be included and lists additional information that may be included in specific situations. The guide also identifies information that was considered for inclusion on the card, but was intentionally omitted. (See Excluded Data Elements).

Sample Card:

Front

Back

	Desired Name/Logos (1)
RxBIN	999999 (3)
RxPCN	ABC1234567 (3)
RxGrp	ABC123456789 (3)
Issuer (80840)	(4)
ID	12345678901 (2)
Name	JOHN Q PUBLIC (5)

<p>Pharmacy Help Desk: (800) 555-1234 (7)</p> <p>Submit Claims to: Any Pharmacy Benefits Manager 123 ABC Street Anytown, MO 00000-0000 (6)</p>

Mandatory Information

Front of card:

1. Name or logo of the benefit administrator issuing the identification card. This information is to be located at the top.
2. Insured's identification number. This information is to be left justified.
3. Complete electronic transaction routing information including the International Identification Number (RxBIN). The Processor Control (RxPCN) and Group Numbers (RxGrp) are mandatory when required by the benefit administrator to electronically route a prescription claim. This information is to be left justified.
4. Issuer ID. This label is required and is for future use. As specified in the Health Information Portability and Accountability Act (HIPAA), a unique plan ID will identify health care benefit plans. This plan ID will become the issuer ID on the pharmacy ID card. The issuer ID is left justified and above the insured's identification number.
5. Cardholder Name. (Sequence of name is: given names and initials, surname, and name suffix. Name should not contain punctuation such as periods or commas.)

Back of card:

6. Name and address of the benefit administrator where non-electronic prescription claims, patient, or provider correspondence can be sent.
7. Telephone number that providers or patients/participants may call for assistance.


NCPDP Pharmacy ID Card Requirements Summary

The prescription drug identification card shall include at a minimum the following information:

- (1) Name or logo of the benefit administrator issuing the identification card. The placement of this information is to be located at the top, front side of the identification card.
- (2) Insured's identification number. This information is to be left justified and located on the front side of the identification card.
- (3) Name and address of the benefit administrator where non-electronic prescription claims or other patient or provider correspondence can be sent. This information is to be located on the reverse side of the identification card.
- (4) Telephone number that providers may call for assistance. This information is to be located on the reverse side of the identification card.
- (5) Complete electronic transaction routing information including, at a minimum, the International Identification Number. Processor Control Numbers and Group Numbers are required if needed by the benefit administrator to electronically process a prescription claim. This information is to be left justified and located on the front side of the identification card.

Sample Card:

Front

	Desired Name/Logos
<hr/>	
	999999
RxPCN	ABC1234567
RxGrp	ABC123456789
Issuer (80840)	
ID	12345678901
Name	JOHN Q PUBLIC

Back

Pharmacy Help Desk: (800) 555-1234
Customer Service: (800) 555-9876
Submit Claims to: Any Pharmacy Benefits Manager 123 ABC Street Anytown, MO 00000-0000

Excluded Data Elements

Co-payment Amounts are not on the card for the following reasons:

- ◆ Real time on-line processing systems do not require that co-payments be submitted with the prescription claim.
- ◆ This information changes frequently and would require new cards to be printed AND carried by consumers.
- ◆ Many managed care plans include multiple levels of co-payment that would not fit on a card.

Date(s) of Birth are not on the card for the following reasons:

- ◆ Patients prefer to carry one card that includes both medical and pharmacy benefits ("a combination card"). In addition, patients want only one family card, rather than one card for each individual. Given this, the norm in the industry is to print one family combination card. Therefore, there is not enough space to include the dates of birth for all dependents on the ID card.

Benefit Effective Date and Expiration Date are not on the card for the following reasons:

- ◆ An individual may have their coverage terminated for any number of reasons prior to the date printed, leading to confusion at the time of service.
- ◆ The requirement of the expiration date will cause massive reprinting of ID cards.
- ◆ Many plans offer eligibility on a monthly or yearly basis. Including effective and expiration dates would require that ID cards be reprinted upon each renewal. The additional card printing costs would be passed along to the cardholders, probably through higher premiums.

Who is NCPDP?

The National Council for Prescription Drug Programs is the standard setting organization for retail pharmacy. There are over 1300 NCPDP members, representing chain and community pharmacies, manufacturers, payers and others with a vested interest in the industry such as software vendors.

How was this guide developed and how is it maintained?

The Guide was developed and is maintained by NCPDP Work Group 3 Standard Identifiers. Business needs are discussed in the work group and result in specific wording, which is then considered and voted upon according to the American National Standards Institute's (ANSI's) nationally recognized procedures. The Guide was designed to reflect available technologies and current industry practices.

ALASKA STATE LEGISLATURE

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



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HOUSE LABOR AND COMMERCE COMMITTEE

Sponsor Statement HB 318 Uniform Prescription Drug Card

House Bill 318 creates a uniform prescription drug card that contains basic but essential information to help pharmacists improve patient care by minimizing confusion, eliminating unnecessary paperwork, decreasing administrative burdens and processing claim delays, and streamlining dispensing of prescription products paid for by third party payors.

The card includes the card issuer's logo, patient's name, routing and group numbers, and the name and address of the benefits administrator and help desk. The need for a uniform prescription card is necessary to the retail pharmacy industry. Pharmacists spend considerable time deciphering insurance benefit cards—time that could be better spent with patients providing pharmaceutical care and educating them to effect optimal outcome of their drug therapy.

Prescription load volume has increased two-fold in the last five years and is expected to double again in the next four years. As our population grows older, more people are taking increasing numbers of prescription medications to prolong well-being and quality of life. By clarifying the content on prescription benefit cards, pharmacists will be able to spend more time with the consumer providing pharmaceutical care.