

HOUSE BILL REPORT

HB 1301

As Reported by House Committee On:

Health Care
Appropriations

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

Brief Description: Requiring uniform prescription drug information cards.

Sponsors: Representatives Cody, Campbell, Conway, Pennington, Ruderman, Edmonds, Edwards, Kenney, Rockefeller, McIntire and Schual-Berke.

Brief History:

Committee Activity:

Health Care: 2/9/01, 2/20/01 [DP];

Appropriations: 3/1/01, 3/8/01 [DPS].

Brief Summary of Substitute Bill

- Health insurance carriers that currently issue pharmacy prescription drug cards to beneficiaries for filling prescriptions by pharmacists must ensure that cards contain specific uniform 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.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 13 members: Representatives Campbell, Republican Co-Chair; Cody, Democratic Co-Chair; Schual-Berke, Democratic Vice Chair; Alexander, Ballasiotes, Conway, Darneille, Edmonds, Edwards, Marine, McMorris, Pennington and Ruderman.

Staff: John Welsh (786-7133).

Background:

There is no uniform prescription drug card being utilized by beneficiaries of health benefit plans, including state administered health programs, for filling drug prescriptions. Currently, there are from 1,000 to 2,500 differently formatted prescription drug benefit cards being used to fill prescriptions. Over 70 percent of all prescriptions are paid for by some type of health insurance program.

The National Council for Prescription Drug Programs has developed a standard format for information on patient pharmacy benefit cards in order to increase the efficiency of operations and communications with patients and prescribing providers. This information is used by pharmacists to determine the specific health coverages for patients and provide the appropriate drugs outlined in their service provider agreements. The uniform information contains six record fields on the card, including the patient's name; the patient's ID number; the name of the health plan issuing the card; the group number; and the prescription number.

To date, nine states have adopted the use of the uniform prescription drug card.

Summary of Bill:

There is a declaration of legislative intent to improve care to patients by streamlining the dispensing of prescription products paid for by health benefit plans.

A health benefit plan includes an accident and health insurance policy; a nonprofit hospital or medical service corporation contract; a health maintenance organization; a multiple employer welfare arrangement; or other health benefit arrangement, including a federal ERISA welfare benefit plan if permitted by federal law. It does not include insurance contracts for accident, credit, disability income, a specified disease, dental or vision; a liability insurance supplement; homeowners or automobile coverage; or hospital income or indemnity.

A health benefit plan is required to issue to a beneficiary a uniform card or other technology containing uniform prescription drug information in a format developed by the National Council for Prescription Drug Programs or other national format approved by the state Insurance Commissioner. The information must be in a clear, readable, and understandable manner. The drug benefit cards shall be updated with the latest uniform coverage information. The uniform card may be used for any and all health insurance coverage.

The insurance commissioner is responsible for implementing this requirement, and has rule-making authority. No health benefit plan may conduct business in this state unless it complies with this requirement.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The use of a uniform prescription drug card by all insureds in this state would increase the pharmacist's efficiency in filling prescriptions and facilitate communication between the patient and pharmacist. It would streamline the dispensing of drugs and save costs.

Testimony Against: None.

Testified: Rod Shafer; Warren Hall; Brian Gallagher; Paul Martin; and Dr. Art Zoloff, Northwest Pharmacy Services.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Benson, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Gombosky, Grant, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

Minority Report: Without recommendation. Signed by 1 member: Representative Boldt.

Staff: Andrea Hardy (786-7349).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:

The substitute bill removes the requirement that the card be in a format approved by the National Council for Prescription Drug Programs. The substitute bill also adds language authorizing the insurance commissioner to adopt rules to implement the act, taking into consideration 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.

The implementation date is changed such that all cards issued or renewed on or after July 1, 2003 must be in compliance. A provision that would have prohibited a carrier not in compliance with the act from conducting business in Washington is removed in the substitute bill.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: (Original bill) Currently, over 20 percent of a pharmacist's time is spent on the phone with health carriers obtaining the necessary information on subscribers so that they are reimbursed for filling prescriptions for health plan members. This bill would require that this information is listed on already existing health coverage cards, and so would eliminate this inefficiency. Similar programs have been implemented with success in the private sector, and have brought substantial savings as a result.

(With concerns) The bill is unclear with regard to its applicability to the Department of Social and Health Services (DSHS) services. The department is concerned that the bill may not be appropriate for application to the DSHS programs.

Testimony Against: None.

Testified: Representative Cody, prime sponsor; Liz Merten, National Association of Chain Drug Stores; and Rick Wickman, Premier Blue Cross.

(With concerns) Richard Boyesen, Department of Social and Health Services.