

STORAGE NAME: h0321a.hr.doc
DATE: November 28, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH REGULATION
ANALYSIS**

BILL #: HB 321
RELATING TO: Prescription Drug Claim Identification Cards
SPONSOR(S): Representative Brown
TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH REGULATION YEAS 9 NAYS 0
 - (2) INSURANCE
 - (3) COUNCIL FOR HEALTHY COMMUNITIES
 - (4)
 - (5)
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I. SUMMARY:

This bill requires insurers that offer outpatient prescription drug coverage to provide patients with a benefits identification card that contains sufficient information to allow for prescription claims processing. The intent of this bill is to improve patient care by minimizing confusion, eliminating unnecessary work, decreasing patient wait time, and improving business efficiencies.

Insurers that already provide a health benefits identification card containing all of the information needed to process outpatient prescription drug claims are not required to provide a separate prescription drug claim identification card. Moreover, if an insurer issues annual cards, the insurer may issue a temporary sticker to patients to affix to their current benefits identification card.

The benefits identification card shall contain certain items necessary to process prescription drug claims. The bill does not require the information to be organized in any specified manner, so long as all necessary information is readily available. The information may be embedded in the card through magnetic stripe, smart card, or other electronic technology.

The Agency for Health Care Administration indicates that Medicaid recipients are issued membership cards that already contain the information required by this bill. Therefore, there will be no fiscal impact to the Medicaid program as a result of this bill.

The effective date of this bill is October 1, 2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

This bill sets forth in statute minimum criteria that an insurer must include on a prescription drug claim identification card. However, by requiring the insurer to provide such information necessary to process a claim quickly and accurately, the patient, pharmacist, and pharmacy will benefit.

B. PRESENT SITUATION:

Proponents of this bill assert that patients currently receive prescription drug benefits cards from their insurer which often do not contain the minimum information needed to process the claims. Without a uniform system, patients have to wait longer to receive their prescribed drugs. Pharmacists spend considerable time trying to gather the necessary information. That time could otherwise be spent filling prescriptions or counseling patients. Proponents of the bill further state that on average, a pharmacist spends twenty percent of work time helping patients resolve problems with third party prescription drug insurance.

The Agency for Health Care Administration states that Medicaid recipients are currently issued membership cards that contain the information required by this bill.

Georgia and Alabama are among the 18 states which have adopted some version of a uniform prescription drug identification card, according to information provided by the proponents of this bill.

C. EFFECT OF PROPOSED CHANGES:

This bill requires insurers that offer outpatient prescription drug coverage to provide patients with a benefits identification card that contains sufficient information to allow for prescription claims processing. The intent of this bill is to improve patient care by minimizing confusion, eliminating unnecessary work, decreasing patient wait time, and improving business efficiencies.

Insurers that already provide a health benefits identification card containing all of the information needed to process outpatient prescription drug claims are not required to provide a separate prescription drug claim identification card. Moreover, if an insurer issues annual cards, the insurer may issue a temporary sticker to patients to affix to their current benefits identification card.

The benefits identification card shall contain certain items necessary to process prescription drug claims. The bill does not require the information to be organized in any specified manner, so long

as all necessary information is readily available. The information may be embedded in the card through magnetic stripe, smart card, or other electronic technology.

The items required to be included on the benefits identification card, include:

- C The name of the claim processor;
- C The issuer identification number;
- C The insured's prescription group number;
- C The insured's identification number;
- C The insured's name;
- C The claims submission name and address;
- C The help desk telephone number; and
- C Any other information that the entity finds will assist in the processing of the claim.

The effective date of this bill is October 1, 2002.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Creates s. 627.6465, F.S., to provide legislative intent; requires entities providing coverage for outpatient prescription drugs to provide a benefits identification card that contains certain specified information needed to process a claim; and provides for temporary stickers.

Section 2. Provides an effective date of October 1, 2002.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Please see fiscal comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate. Please see fiscal comments.

D. FISCAL COMMENTS:

Those insurers that provide this coverage but do not provide all necessary claim processing information already will have to issue a temporary sticker or provide the missing information on the benefits card. The extent of this fiscal impact is indeterminate based on the data available to the Agency for Health Care Administration.

The Agency for Health Care Administration has indicated that all of the necessary claims processing information required by this bill is already included on the Medicaid benefits card. Therefore, there should be no fiscal impact to the Medicaid program.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON HEALTH REGULATION:

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