### 17B:30-35

#### LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2001 **CHAPTER:** 200

**NJSA:** 17B:30-35 (Uniform prescription information card)

BILL NO: S1330 (Substituted for A2377)

SPONSOR(S): Littell and Sinagra

**DATE INTRODUCED:** May 22, 2000

COMMITTEE: ASSEMBLY: ----

**SENATE:** Health; Budget

**AMENDED DURING PASSAGE: Yes** 

**DATE OF PASSAGE:** ASSEMBLY: June 28, 2001

**SENATE:** June 21, 2001

**DATE OF APPROVAL:** August 8, 2001

**FOLLOWING ARE ATTACHED IF AVAILABLE:** 

FINAL TEXT OF BILL (Senate Committee Substitute (1st reprint))

S1330

SPONSORS STATEMENT: (Begins on page 5 of original bill)

Yes

**COMMITTEE STATEMENT:** ASSEMBLY: No

**SENATE**: Yes 6-19-2000 (Health)

3-15-2001 (Budget)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

FIRST REPRINT: Yes

A2377

SPONSORS STATEMENT: (Begins on pa	ge 5 of original bill)	Yes		
	Bill and Sponsors Sta	atement identical to S1330	)	
COMMITTEE STATEMENT:	ASSEMBLY:	Yes		
	Identical to Senate He	ealth statement for S1330	)	
	SENATE:	No		
FLOOR AMENDMENT STATEMENTS:		Yes 6-26-2000		
		12-11-2000		
		6-14-2001		
LEGISLATIVE FISCAL ESTIMATE:		No		
THIRD REPRINT:		Yes		
VETO MESSAGE:		No		
GOVERNOR'S PRESS RELEASE ON SIGNING:		Yes		
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NEWSPAPER ARTICLES:		No		

# SENATE, No. 1330

# STATE OF NEW JERSEY

## 209th LEGISLATURE

INTRODUCED MAY 22, 2000

**Sponsored by:** 

Senator ROBERT E. LITTELL
District 24 (Sussex, Hunterdon and Morris)
Senator JACK SINAGRA
District 18 (Middlesex)

#### **SYNOPSIS**

Requires use of uniform prescription drug information card by all prescription drug plans

### **CURRENT VERSION OF TEXT**

As introduced.



**AN ACT** concerning uniform prescription drug information cards and supplementing various parts of statutory law.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. A hospital service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

2. A medical service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

 3. A health service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

4. A group health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a policy, shall issue to its insureds a uniform prescription drug information card as established pursuant to section 13 of )(pending before the Legislature as this bill) under P.L., c. (C. every such policy delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current insured and to each new insured upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

5. An individual health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a policy, shall issue to its insureds a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such policy delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current insured and to each new insured upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

6. A certificate of authority to establish and operate a health maintenance organization in this State shall not be issued or continued on or after the effective date of this act for a health maintenance organization which provides health care services for prescription drugs under a contract, unless the health maintenance organization issues to its enrollees a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such health maintenance organization contract. The information card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

7. Effective immediately for an individual health benefits plan issued on or after the effective date of this act and effective on the first 12-month anniversary date of an individual health benefits plan in effect on the effective date of this act, each of the individual health benefits plans required pursuant to section 3 of P.L.1992, c.161 (C.17B:27A-4) that provide benefits for expenses incurred in the

purchase of prescription drugs, shall issue to its covered persons a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such health benefits plan. The information card shall be issued to each current covered person and to new covered persons upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

8. Effective immediately for a small employer health benefits plan issued on or after the effective date of this act and effective on the first 12-month anniversary date of a small employer health benefits plan in effect on the effective date of this act, each of the small employer health benefits plans required pursuant to section 3 of P.L.1992, c.162 (C.17B:27A-19) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such health benefits plan. The information card shall be issued to each current covered person and to each new covered person upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

9. A prepaid prescription service organization which provides benefits for expenses incurred in the purchase of prescription drugs under a contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act, shall issue to its enrollees a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such contract. The information card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

10. The Commissioner of Health and Senior Services shall issue to all persons eligible for the "Pharmaceutical Assistance to the Aged and Disabled" program pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill). The information card shall be issued to each current eligible person and to each new eligible person upon enrollment in the program, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.)

47 (pending before the Legislature as this bill).

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1	11. The Commissioner of Human Services shall issue to all
2	recipients of the Medicaid program pursuant to P.L.1968, c.413
3	(C.30:4D-1 et seq.) a uniform prescription drug information card as
4	established pursuant to section 13 of P.L., c. (C. )(pending
5	before the Legislature as this bill). The information card shall be issued
6	to each current recipient and to each new recipient upon enrollment in
7	the program, and reissued upon any change in the requirements
8	pertaining to the form of the card pursuant to section 13 of P.L.,
9	c. (C. )(pending before the Legislature as this bill).
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11	12. The State Health Benefits Commission shall issue to all persons
12	enrolled in the State Health Benefits Program a uniform prescription
13	drug information card as established pursuant to section 13 of
14	P.L., c. (C. )(pending before the Legislature as this bill). The
15	information card shall be issued to each current enrollee and to each
16	new enrollee upon enrollment in the program, and reissued upon any
17	change in the requirements pertaining to the form of the card pursuant
18	to section 13 of P.L., c. (C. )(pending before the Legislature as
19	this bill).
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21	13. a. The Commissioner of Banking and Insurance shall establish
22	by regulation a uniform prescription drug information card for use by
23	all hospital, medical and health service corporations, individual, small
24	employer and large group insurers, health maintenance organizations
25	and prepaid prescription plan organizations that are authorized to issue
26	contracts, policies or health benefits plans in the State that provide
27	prescription drug benefits, and by the State Medicaid and
28	Pharmaceutical Assistance to the Aged and Disabled programs and the
29	State Health Benefits Commission pursuant to the provisions of
30	P.L., c. (C. )(pending before the Legislature as this bill).
31	The card shall conform to a national format as determined by the
32	commissioner.
33	b. The commissioner shall adopt rules and regulations pursuant to
34	the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
35	seq.) to carry out the purposes of this act.
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37	14. This act shall take effect on the 90th day following enactment.
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10	STATEMENT
41 42	
12	This bill requires hospital, medical and health service corporations,
13	individual, small employer and large group insurers, health
14 15	maintenance organizations and prepaid prescription plan organizations
15 16	that provide benefits for expenses incurred in the purchase of
<del>1</del> 6	prescription drugs to issue a uniform prescription drug information

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- 1 card as established by the Commissioner of Banking and Insurance.
- 2 The bill also extends this requirement for a uniform prescription drug
- 3 information card to the State-administered Medicaid, Pharmaceutical
- 4 Assistance to the Aged and Disabled and State Health Benefits
- 5 programs. The information card shall be issued to each person
- 6 currently covered under a prescription drug plan or State program and
- 7 upon enrollment to new enrollees, and reissued upon any change in the
- 8 requirements pertaining to the form of the card pursuant to this bill.
- 9 The purpose of this bill is to decrease administrative burdens for
- 10 pharmacies by eliminating unnecessary paperwork and streamlining
- 11 the dispensing of prescription drugs and devices, the costs for which
- 12 are covered under third party prescription plans, and thereby improve
- 13 care to patients by reducing their waiting times to have prescriptions
- 14 filled.

### SENATE HEALTH COMMITTEE

### STATEMENT TO

### SENATE, No. 1330

with committee amendments

## STATE OF NEW JERSEY

**DATED: JUNE 19, 2000** 

The Senate Health Committee reports favorably and with committee amendments Senate Bill No. 1330.

As amended by the committee, this bill requires hospital, medical and health service corporations, individual, small employer and large group insurers, health maintenance organizations and prepaid prescription plan organizations that provide benefits for expenses incurred in the purchase of prescription drugs to issue a standardized prescription benefits identification card as established by the Commissioner of Banking and Insurance. The bill also extends this requirement for a standardized prescription benefits identification card to the State-administered Medicaid, Pharmaceutical Assistance to the Aged and Disabled and State Health Benefits programs. The card shall be issued to each person currently covered under a prescription drug plan or State program, and upon enrollment to new insureds, and reissued upon any change in coverage that affects the data elements on the card or any change in the requirements pertaining to the form of the card pursuant to this bill.

The bill takes effect on January 1, 2001.

The committee amendments:

- C substitute the term "standardized prescription benefits identification card" for "uniform prescription drug information card";
- C require that each such card issued to a covered person be reissued upon any change in coverage that affects the data elements on the card or any change in the requirements pertaining to the form of the card pursuant to this bill;
- Council for Prescription Drug Programs or any other nationally accepted standards, as determined by the Commissioner of Banking and Insurance; and
- C change the effective date from the 90th day following enactment to January 1, 2001.

These amendments are designed to conform this bill with similar legislation that has been enacted in other states.

The purpose of this bill is to decrease administrative burdens for pharmacies by eliminating unnecessary paperwork and streamlining the dispensing of prescription drugs and devices, the costs for which are covered under third party prescription plans, and thereby improve care to patients by reducing their waiting times to have prescriptions filled.

This bill is similar to Assembly Bill No. 2377 (Felice/Vandervalk) which is pending before the Assembly Health Committee.

### SENATE BUDGET AND APPROPRIATIONS COMMITTEE

### STATEMENT TO

# SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 1330

## STATE OF NEW JERSEY

**DATED: MARCH 15, 2001** 

The Senate Budget and Appropriations Committee reports favorably a committee substitute for Senate Bill No. 1330.

This committee substitute requires providers of most health benefits plans that include prescription drug coverage to issue to their insureds an identification card containing standardized pharmacy information.

Providers subject to the bill. The bill would apply to any health insurance carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents (including any pharmacy benefits manager or third party administrator for a self-insured health benefits plan), that provides, administers or manages coverage for prescription drugs provided on an outpatient basis. The bill explicitly would not apply to providers of Medicaid managed care plans, Medicare supplemental insurance, disability income and long-term care plans, hospitality indemnity insurance, and various other plans offering restricted health benefit coverage.

Information to be included on the card. The bill stipulates that the card shall comply with the standards set forth in the National Council for Prescription Drug Programs Pharmacy ID Card Implementation Guide in effect at the time of card issuance or, at a minimum, contain the following information:

- (1) the insured's identification number;
- (2) the insured's name or, if the card is issued for another person included under the primary insured's coverage, that person's name;
  - (3) if required for proper claims adjudication,
  - < the name and identification number of the health benefits plan,
  - < the American National Standards Institute International Identification Number assigned to the plan's administrator or pharmacy benefits manager,
  - < the processor control number, and
  - < the insured's group number;
- (4) the telephone number that providers may call for pharmacy benefits assistance; and
- (5) any other information needed for proper claims adjudication, except for information required to be provided on the prescription.

*Exceptions*. The bill provides that a plan provider need not issue a special pharmacy identification card to an insured who has already been issued a general plan member identification card containing the information required under the bill. Also, it allows providers to use data elements that are required by State or federal regulations adopted under the federal "Health Insurance Portability and Accountability Act of 1996" ("HIPAA") in place of the information required under the bill.

Frequency of card issuance. The bill directs a plan provider to issue to each primary insured a new pharmacy identification card within 180 days after a change in the insured's coverage that changes the information required to be included on the card, if necessary for proper claims adjudication. The plan provider would not, however, have to issue a new card more than once in a calendar year.

The bill is to take effect on the 180th day after enactment and apply to policies or contracts issued or renewed after that date.

### **COMPARISON OF SUBSTITUTE**

The principal differences between the substitute bill and the bill as referred to the committee consist of (1) the exemption of Medicaid plans from coverage under the legislation, (2) the allowance, with respect to the elements required on a prescription ID card, of specific alternatives to conforming with the standards of the National Council for Prescription Drug Programs (viz, use of the minimum information itemized in the substitute or use of elements prescribed under HIPAA), and (3) the limitation on the frequency of compulsory card updates to once a year.

### FISCAL IMPACT

This bill is not expected to have a fiscal impact.

# [First Reprint] SENATE, No. 1330

# STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MAY 22, 2000

Sponsored by:
Senator PORFD'

**Senator ROBERT E. LITTELL** 

**District 24 (Sussex, Hunterdon and Morris)** 

**Senator JACK SINAGRA** 

**District 18 (Middlesex)** 

### **SYNOPSIS**

Requires use of standardized prescription benefits identification card by all prescription drug plans

### **CURRENT VERSION OF TEXT**

As reported by the Senate Health Committee on June 19, 2000, with amendments.



1 AN ACT concerning <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification <sup>1</sup> cards and supplementing various parts of statutory law.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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8 1. A hospital service corporation which provides hospital or 9 medical expense benefits for expenses incurred in the purchase of 10 prescription drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> 11 benefits identification<sup>1</sup> card as established pursuant to section 13 of 12 P.L., c. (C. )(pending before the Legislature as this bill) under 13 14 every such contract delivered, issued, executed or renewed in this 15 State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date 16 of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current 17 18 subscriber and to each new subscriber upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the 19 20 <u>card or any change</u><sup>1</sup> in the requirements pertaining to the form of the 21 card pursuant to section 13 of P.L., c. (C. )(pending before the

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Legislature as this bill).

24 2. A medical service corporation which provides hospital or 25 medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a 26 27 <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> benefits identification<sup>1</sup> card as established pursuant to section 13 of 28 29 P.L., c. (C. )(pending before the Legislature as this bill) under every such contract delivered, issued, executed or renewed in this 30 31 State, or approved for issuance or renewal in this State by the 32 Commissioner of Banking and Insurance on or after the effective date of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current 33 subscriber and to each new subscriber upon enrollment, and reissued 34 upon any change <sup>1</sup>in coverage that affects the data elements on the 35 card or any change<sup>1</sup> in the requirements pertaining to the form of the 36 card pursuant to section 13 of P.L., c. (C. )(pending before the 37 38 Legislature as this bill).

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3. A health service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>&</sup>lt;sup>1</sup> Senate SHH committee amendments adopted June 19, 2000.

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prescription drug information] standardized prescription benefits 1 identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. 2 3 )(pending before the Legislature as this bill) under every such 4 contract delivered, issued, executed or renewed in this State, or 5 approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The 6 <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current subscriber and to 7 each new subscriber upon enrollment, and reissued upon any change 8 9 <sup>1</sup>in coverage that affects the data elements on the card or any change 10 in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this 11 12 bill).

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14 4. A group health insurer which provides hospital or medical 15 expense benefits for expenses incurred in the purchase of prescription drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform 16 17 prescription drug information] standardized prescription benefits identification ard as established pursuant to section 13 of P.L., c. 18 )(pending before the Legislature as this bill) under every such 19 20 policy delivered, issued, executed or renewed in this State, or 21 approved for issuance or renewal in this State by the Commissioner of 22 Banking and Insurance on or after the effective date of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current insured and to 23 each new insured upon enrollment, and reissued upon any change <sup>1</sup>in 24 coverage that affects the data elements on the card or any change<sup>1</sup> in 25 26 the requirements pertaining to the form of the card pursuant to section 27 13 of P.L., c. (C. )(pending before the Legislature as this bill).

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29 5. An individual health insurer which provides hospital or medical 30 expense benefits for expenses incurred in the purchase of prescription drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform 31 prescription drug information] standardized prescription benefits 32 identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. 33 34 )(pending before the Legislature as this bill) under every such policy delivered, issued, executed or renewed in this State, or 35 approved for issuance or renewal in this State by the Commissioner of 36 Banking and Insurance on or after the effective date of this act. The 37 <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current insured and to 38 each new insured upon enrollment, and reissued upon any change <sup>1</sup>in 39 coverage that affects the data elements on the card or any change<sup>1</sup> in 40 the requirements pertaining to the form of the card pursuant to section 41 13 of P.L., c. (C. )(pending before the Legislature as this bill). 42

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6. A certificate of authority to establish and operate a health maintenance organization in this State shall not be issued or continued on or after the effective date of this act for a health maintenance

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1 organization which provides health care services for prescription drugs 2 under a contract, unless the health maintenance organization issues to 3 its enrollees a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to 4 5 section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such health maintenance organization contract. The 6 <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to 7 each new enrollee upon enrollment, and reissued upon any change <sup>1</sup>in 8 coverage that affects the data elements on the card or any change<sup>1</sup> in 9 10 the requirements pertaining to the form of the card pursuant to section

13 of P.L., c. (C. )(pending before the Legislature as this bill).

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13 7. Effective immediately for an individual health benefits plan issued on or after the effective date of this act and effective on the first 14 15 12-month anniversary date of an individual health benefits plan in 16 effect on the effective date of this act, each of the individual health 17 benefits plans required pursuant to section 3 of P.L.1992, c.161 (C.17B:27A-4) that provide benefits for expenses incurred in the 18 19 purchase of prescription drugs, shall issue to its covered persons a <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> 20 benefits identification<sup>1</sup> card as established pursuant to section 13 of 21 )(pending before the Legislature as this bill) under 22 P.L., c. (C. every such health benefits plan. The <sup>1</sup>[information] <sup>1</sup> card shall be 23 issued to each current covered person and to new covered persons 24 upon enrollment, and reissued upon any change <sup>1</sup>in coverage that 25 affects the data elements on the card or any change in the 26 27 requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill). 28

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30 8. Effective immediately for a small employer health benefits plan issued on or after the effective date of this act and effective on the first 31 12-month anniversary date of a small employer health benefits plan in 32 effect on the effective date of this act, each of the small employer 33 34 health benefits plans required pursuant to section 3 of P.L.1992, c.162 35 (C.17B:27A-19) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a 36 37 <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> benefits identification<sup>1</sup> card as established pursuant to section 13 of 38 P.L. , c. (C. )(pending before the Legislature as this bill) under 39 every such health benefits plan. The <sup>1</sup>[information]<sup>1</sup> card shall be 40 issued to each current covered person and to each new covered 41 person upon enrollment, and reissued upon any change <sup>1</sup>in coverage 42 that affects the data elements on the card or any change<sup>1</sup> in the 43 44 requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill). 45

9. A prepaid prescription service organization which provides benefits for expenses incurred in the purchase of prescription drugs under a contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act, shall issue to its enrollees a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such contract. <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

10. The Commissioner of Health and Senior Services shall issue to all persons eligible for the "Pharmaceutical Assistance to the Aged and Disabled" program pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill). The <sup>1</sup>[information] card shall be issued to each current eligible person and to each new eligible person upon enrollment in the program, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

11. The Commissioner of Human Services shall issue to all recipients of the Medicaid program pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill). The <sup>1</sup>[information] card shall be issued to each current recipient and to each new recipient upon enrollment in the program, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

12. The State Health Benefits Commission shall issue to all persons enrolled in the State Health Benefits Program a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section 13 of P.L. , c. (C. )(pending before the Legislature as this bill). The

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<sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to 1 each new enrollee upon enrollment in the program, and reissued upon 2 any change <sup>1</sup>in coverage that affects the data elements on the card and 3 or change<sup>1</sup> in the requirements pertaining to the form of the card 4 5 pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill). 6 7 8 13. a. The Commissioner of Banking and Insurance shall establish 9 by regulation a <sup>1</sup> [uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card for use by all hospital, 10 medical and health service corporations, individual, small employer 11 12 and large group insurers, health maintenance organizations and prepaid 13 prescription plan organizations that are authorized to issue contracts, 14 policies or health benefits plans in the State that provide prescription drug benefits, and by the State Medicaid and Pharmaceutical 15 Assistance to the Aged and Disabled programs and the State Health 16 17 Benefits Commission pursuant to the provisions of P.L. 18 )(pending before the Legislature as this bill). The card shall conform to <sup>1</sup>[a national format]standards adopted 19 by the National Council for Prescription Drug Programs or any other 20 nationally accepted standards, <sup>1</sup> as determined by the commissioner. 21 22 b. The commissioner shall adopt rules and regulations pursuant to 23 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et 24 seq.) to carry out the purposes of this act. 25 14. This act shall take effect on <sup>1</sup>[the 90th day following 26 enactment] January 1, 2001<sup>1</sup>. 27

# SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 1330

# STATE OF NEW JERSEY

## 209th LEGISLATURE

ADOPTED MARCH 15, 2001

Sponsored by: Senator ROBERT E. LITTELL District 24 (Sussex, Hunterdon and Morris) Senator JACK SINAGRA District 18 (Middlesex)

#### **SYNOPSIS**

Requires health insurers that provide prescription drug coverage to issue standardized pharmacy identification cards.

### **CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate Budget and Appropriations Committee.



**AN ACT** concerning standardized pharmacy identification cards and supplementing Title 17B of the New Jersey Statutes.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

#### 1. As used in this act:

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State.

"Health benefits plan" means: a health benefits plan that is delivered or issued for delivery in this State by or through a carrier; a plan provided by a multiple employer welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted by the "Employee Retirement Income Security Act of 1974," Pub.L.93-406 (29 U.S.C. s.1001 et seq.), or by any waiver of or other exception to that act provided under federal law or regulation. "Health benefits plan" shall not include accident-only insurance; credit accident and health insurance; Medicare supplement insurance; a Medicaid managed care plan; disability income insurance; long-term care insurance; specified disease insurance; dental or vision care plan; hospital indemnity insurance; coverage issued as a supplement to liability insurance; medical payments under automobile or homeowners insurance; or insurance under which benefits are payable without regard to fault and that are statutorily required to be included in a liability policy or equivalent self-insurance program.

- 2. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents, contractors or administrators, including but not limited to a pharmacy benefits manager or third party administrator for a self-insured health benefits plan, that provides, administers or manages coverage for prescription drugs provided on an outpatient basis, shall issue or require the issuance to the primary insured of a card or other technology that includes standardized pharmacy identification information.
- b. The card shall comply with the standards set forth in the National Council for Prescription Drug Programs Pharmacy ID Card Implementation Guide in effect at the time of card issuance, or, at a minimum, contain the following information:
- (1) the name and identification number of the health benefits plan, when required for proper claims adjudication;
- (2) the American National Standards Institute International Identification Number assigned to the administrator or pharmacy benefits manager of the health benefits plan, labeled as RxBIN, when required for proper claims adjudication;
- 47 (3) the processor control number, labeled as RxPCN, when 48 required for proper claims adjudication;

- 1 (4) the insured's group number, labeled as RxGRP, when required 2 for proper claims adjudication;
  - (5) the insured's identification number;
  - (6) the insured's name; except that, if a separate card is issued for another person included under the primary insured's coverage, the name of the covered person to whom the card is issued may be listed instead of the name of the primary insured;
- 8 (7) the telephone number that providers may call for pharmacy 9 benefits assistance; and
  - (8) any other information necessary for proper claims adjudication, except for information provided on the prescription as required by law or regulation.

- 3. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to issue a pharmacy identification card separate from another identification card issued to an insured under a health benefits plan if the identification card contains the information required pursuant to section 2 of this act.
- b. A carrier, multiple employer welfare arrangement or other health benefits plan provider may use data elements that are required by State or federal regulations adopted pursuant to the "Health Insurance Portability and Accountability Act of 1996," Pub.L.104-191, in place of the information required pursuant to section 2 of this act.

4. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall provide each primary insured with a new pharmacy identification card within a reasonable time, not to exceed 180 days, after a change in the insured's coverage that changes the information required to be on the card pursuant to section 2 of this act, if the issuance of a new card is required for proper claims adjudication. The carrier, multiple employer welfare arrangement or other health benefits plan provider shall not, however, be required to issue a new card more than once in a calendar year. Except as required by this section, a carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to reissue a pharmacy identification card with any particular frequency.

5. The Commissioner of Banking and Insurance shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to carry out the purposes of this act.

6. This act shall take effect on the 180th day after enactment and shall apply to policies or contracts issued or renewed after the effective date.

### STATEMENT TO

# SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 1330

with Senate Floor Amendments (Proposed By Senator LITTELL)

ADOPTED: JUNE 7, 2001

These amendments provide that Medicaid fee-for-service (administered by the Medicaid program directly), rather than Medicaid managed care plans (administered by health maintenance organizations under contract with Medicaid), would be exempt from the requirement to issue a standardized pharmacy identification information card and the other requirements in the bill.

Amendments make a technical correction to section 2 to provide that the stardardized card contain the name or identification number of the health benefits plan, rather than the name and identification number, since some plans only use a name, whereas others use a number.

Amendments also change the effective date of the bill (from 180 days after enactment) to September 1, 2002, to ensure that carriers have sufficient time to comply with the bill's requirements.

### [First Reprint]

# SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 1330

# STATE OF NEW JERSEY 209th LEGISLATURE

ADOPTED MARCH 15, 2001

Sponsored by:

Senator ROBERT E. LITTELL
District 24 (Sussex, Hunterdon and Morris)
Senator JACK SINAGRA
District 18 (Middlesex)

### Co-Sponsored by:

Senator Matheussen, Assemblyman Felice, Assemblywoman Vandervalk, Assemblyman Thompson, Assemblywoman Quigley, Assemblyman Blee, Assemblywomen Weinberg, Murphy, Assemblyman Conaway and Assemblywoman Heck

### **SYNOPSIS**

Requires health insurers that provide prescription drug coverage to issue standardized pharmacy identification cards.

### CURRENT VERSION OF TEXT

As amended by the Senate on June 7, 2001.



(Sponsorship Updated As Of: 6/29/2001)

1 **AN ACT** concerning standardized pharmacy identification cards and supplementing Title 17B of the New Jersey Statutes.

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**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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#### 1. As used in this act:

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State.

"Health benefits plan" means: a health benefits plan that is delivered or issued for delivery in this State by or through a carrier; a plan provided by a multiple employer welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted by the "Employee Retirement Income Security Act of 1974," Pub.L.93-406 (29 U.S.C. s.1001 et seq.), or by any waiver of or other exception to that act provided under federal law or regulation. "Health benefits plan" shall not include accident-only insurance; credit accident and health insurance; Medicare supplement insurance; <sup>1</sup>[a] <sup>1</sup> Medicaid <sup>1</sup>[managed care plan] <u>fee-for-service</u><sup>1</sup>; disability income insurance; long-term care insurance; specified disease insurance; dental or vision care plan; hospital indemnity insurance; coverage issued as a supplement to liability insurance; medical payments under automobile or homeowners insurance; or insurance under which benefits are payable without regard to fault and that are statutorily required to be included in a liability policy or equivalent self-insurance program.

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- 2. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents, contractors or administrators, including but not limited to a pharmacy benefits manager or third party administrator for a self-insured health benefits plan, that provides, administers or manages coverage for prescription drugs provided on an outpatient basis, shall issue or require the issuance to the primary insured of a card or other technology that includes standardized pharmacy identification information.
- b. The card shall comply with the standards set forth in the National Council for Prescription Drug Programs Pharmacy ID Card Implementation Guide in effect at the time of card issuance, or, at a minimum, contain the following information:
- 41 (1) the name <sup>1</sup>[and] or <sup>1</sup> identification number of the health 42 benefits plan, when required for proper claims adjudication;
- 43 (2) the American National Standards Institute International

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

<sup>&</sup>lt;sup>1</sup> Senate floor amendments adopted June 7, 2001.

- 1 Identification Number assigned to the administrator or pharmacy 2 benefits manager of the health benefits plan, labeled as RxBIN, when 3 required for proper claims adjudication;
  - (3) the processor control number, labeled as RxPCN, when required for proper claims adjudication;
- 6 (4) the insured's group number, labeled as RxGRP, when required 7 for proper claims adjudication;
  - (5) the insured's identification number;
  - (6) the insured's name; except that, if a separate card is issued for another person included under the primary insured's coverage, the name of the covered person to whom the card is issued may be listed instead of the name of the primary insured;
  - (7) the telephone number that providers may call for pharmacy benefits assistance; and
  - (8) any other information necessary for proper claims adjudication, except for information provided on the prescription as required by law or regulation.

- 3. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to issue a pharmacy identification card separate from another identification card issued to an insured under a health benefits plan if the identification card contains the information required pursuant to section 2 of this act.
- b. A carrier, multiple employer welfare arrangement or other health benefits plan provider may use data elements that are required by State or federal regulations adopted pursuant to the "Health Insurance Portability and Accountability Act of 1996," Pub.L.104-191, in place of the information required pursuant to section 2 of this act.

4. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall provide each primary insured with a new pharmacy identification card within a reasonable time, not to exceed 180 days, after a change in the insured's coverage that changes the information required to be on the card pursuant to section 2 of this act, if the issuance of a new card is required for proper claims adjudication. The carrier, multiple employer welfare arrangement or other health benefits plan provider shall not, however, be required to issue a new card more than once in a calendar year. Except as required by this section, a carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to reissue a pharmacy identification card with any particular frequency.

 5. The Commissioner of Banking and Insurance shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to carry out the purposes of this act.

### [1R] SCS for **S1330** LITTELL, SINAGRA

- 1 6. This act shall take effect on <sup>1</sup>[the 180th day after enactment]
- 2 September 1, 2002<sup>1</sup> and shall apply to policies or contracts issued or
- 3 renewed after the effective date.

# ASSEMBLY, No. 2377

# STATE OF NEW JERSEY

## 209th LEGISLATURE

**INTRODUCED MAY 8, 2000** 

Sponsored by:

Assemblyman NICHOLAS R. FELICE District 40 (Bergen and Passaic) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

### **Co-Sponsored by:**

Assemblyman Thompson, Assemblywoman Quigley, Assemblyman Blee and Assemblywoman Weinberg

### **SYNOPSIS**

Requires use of uniform prescription drug information card by all prescription drug plans.

### **CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/16/2000)

**AN ACT** concerning uniform prescription drug information cards and supplementing various parts of statutory law.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. A hospital service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

2. A medical service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

3. A health service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the

1 Legislature as this bill).

4. A group health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a policy, shall issue to its insureds a uniform prescription drug information card as established pursuant to section 13 of )(pending before the Legislature as this bill) under P.L., c. (C. every such policy delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current insured and to each new insured upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill). 

5. An individual health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a policy, shall issue to its insureds a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such policy delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. The information card shall be issued to each current insured and to each new insured upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

6. A certificate of authority to establish and operate a health maintenance organization in this State shall not be issued or continued on or after the effective date of this act for a health maintenance organization which provides health care services for prescription drugs under a contract, unless the health maintenance organization issues to its enrollees a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such health maintenance organization contract. The information card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

7. Effective immediately for an individual health benefits plan issued on or after the effective date of this act and effective on the first 12-month anniversary date of an individual health benefits plan in effect on the effective date of this act, each of the individual health

benefits plans required pursuant to section 3 of P.L.1992, c.161 (C.17B:27A-4) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such health benefits plan. The information card shall be issued to each current covered person and to new covered persons upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

8. Effective immediately for a small employer health benefits plan issued on or after the effective date of this act and effective on the first 12-month anniversary date of a small employer health benefits plan in effect on the effective date of this act, each of the small employer health benefits plans required pursuant to section 3 of P.L.1992, c.162 (C.17B:27A-19) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such health benefits plan. The information card shall be issued to each current covered person and to each new covered person upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

9. A prepaid prescription service organization which provides benefits for expenses incurred in the purchase of prescription drugs under a contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act, shall issue to its enrollees a uniform prescription drug information card as established pursuant to section 13 of P.L. , c. (C. )(pending before the Legislature as this bill) under every such contract. The information card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change in the requirements pertaining to the form of the card pursuant to section 13 of P.L. , c. (C. )(pending before the Legislature as this bill).

10. The Commissioner of Health and Senior Services shall issue to all persons eligible for the "Pharmaceutical Assistance to the Aged and Disabled" program pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) a uniform prescription drug information card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill). The information card shall be issued to each current eligible person and to each new eligible person upon enrollment in the

1	program, and reissued upon any change in the requirements pertaining
2	to the form of the card pursuant to section 13 of P.L. , c. (C. )
3	(pending before the Legislature as this bill).
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5	11. The Commissioner of Human Services shall issue to all
6	recipients of the Medicaid program pursuant to P.L.1968, c.413
7	(C.30:4D-1 et seq.) a uniform prescription drug information card as
8	established pursuant to section 13 of P.L., c. (C. )(pending
9	before the Legislature as this bill). The information card shall be issued
10	to each current recipient and to each new recipient upon enrollment in
11	the program, and reissued upon any change in the requirements
12	pertaining to the form of the card pursuant to section 13 of P.L. ,
13	c. (C. )(pending before the Legislature as this bill).
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15	12. The State Health Benefits Commission shall issue to all persons
16	enrolled in the State Health Benefits Program a uniform prescription
17	drug information card as established pursuant to section 13 of
18	P.L., c. (C. )(pending before the Legislature as this bill). The
19	information card shall be issued to each current enrollee and to each
20	new enrollee upon enrollment in the program, and reissued upon any
21	change in the requirements pertaining to the form of the card pursuant
22	to section 13 of P.L. , c. (C. )(pending before the Legislature as
23	this bill).
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25	13. a. The Commissioner of Banking and Insurance shall establish
26	by regulation a uniform prescription drug information card for use by
27	all hospital, medical and health service corporations, individual, small
28	employer and large group insurers, health maintenance organizations
29	and prepaid prescription plan organizations that are authorized to issue
30	contracts, policies or health benefits plans in the State that provide
31	prescription drug benefits, and by the State Medicaid and
32	Pharmaceutical Assistance to the Aged and Disabled programs and the
33	State Health Benefits Commission pursuant to the provisions of
34	P.L., c. (C. )(pending before the Legislature as this bill).
35	The card shall conform to a national format as determined by the
36	commissioner.
37	b. The commissioner shall adopt rules and regulations pursuant to
38	the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
39	seq.) to carry out the purposes of this act.
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41	14. This act shall take effect on the 90th day following enactment.
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44	STATEMENT
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This bill requires hospital, medical and health service corporations,

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1	individual, small employer and large group insurers, health
2	maintenance organizations and prepaid prescription plan organizations
3	that provide benefits for expenses incurred in the purchase of
4	prescription drugs to issue a uniform prescription drug information
5	card as established by the Commissioner of Banking and Insurance.
6	The bill also extends this requirement for a uniform prescription drug
7	information card to the State-administered Medicaid, Pharmaceutical
8	Assistance to the Aged and Disabled and State Health Benefits
9	programs. The information card shall be issued to each person
10	currently covered under a prescription drug plan or State program and
11	upon enrollment to new enrollees, and reissued upon any change in the
12	requirements pertaining to the form of the card pursuant to this bill.
13	The purpose of this bill is to decrease administrative burdens for
14	pharmacies by eliminating unnecessary paperwork and streamlining
15	the dispensing of prescription drugs and devices, the costs for which
16	are covered under third party prescription plans, and thereby improve
17	care to patients by reducing their waiting times to have prescriptions
18	filled.

### ASSEMBLY HEALTH COMMITTEE

### STATEMENT TO

### ASSEMBLY, No. 2377

with committee amendments

## STATE OF NEW JERSEY

**DATED: JUNE 19, 2000** 

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 2377.

As amended by the committee, this bill requires hospital, medical and health service corporations, individual, small employer and large group insurers, health maintenance organizations and prepaid prescription plan organizations that provide benefits for expenses incurred in the purchase of prescription drugs to issue a standardized prescription benefits identification card as established by the Commissioner of Banking and Insurance. The bill also extends this requirement for a standardized prescription benefits identification card to the State-administered Medicaid, Pharmaceutical Assistance to the Aged and Disabled and State Health Benefits programs. The card shall be issued to each person currently covered under a prescription drug plan or State program, and upon enrollment to new insureds, and reissued upon any change in coverage that affects the data elements on the card or any change in the requirements pertaining to the form of the card pursuant to this bill.

The bill takes effect on January 1, 2001.

The committee amendments:

- C substitute the term "standardized prescription benefits identification card" for "uniform prescription drug information card":
- C require that each such card issued to a covered person be reissued upon any change in coverage that affects the data elements on the card or any change in the requirements pertaining to the form of the card pursuant to this bill;
- Council for Prescription Drug Programs or any other nationally accepted standards, as determined by the Commissioner of Banking and Insurance; and
- C change the effective date from the 90th day following enactment to January 1, 2001.

These amendments are designed to conform this bill with similar legislation that has been enacted in other states.

The purpose of this bill is to decrease administrative burdens for

pharmacies by eliminating unnecessary paperwork and streamlining the dispensing of prescription drugs and devices, the costs for which are covered under third party prescription plans, and thereby improve care to patients by reducing their waiting times to have prescriptions filled.

This bill is identical to Senate Bill No. 1330 Sca (Littell/Sinagra), which is currently pending before the Senate.

## [First Reprint]

## ASSEMBLY, No. 2377

# STATE OF NEW JERSEY 209th LEGISLATURE

**INTRODUCED MAY 8, 2000** 

Sponsored by:

Assemblyman NICHOLAS R. FELICE District 40 (Bergen and Passaic) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

### Co-Sponsored by:

Assemblyman Thompson, Assemblywoman Quigley, Assemblyman Blee and Assemblywoman Weinberg

### **SYNOPSIS**

Requires use of standardized prescription benefits identification card by all prescription drug plans.

### **CURRENT VERSION OF TEXT**

As reported by the Assembly Health Committee on June 19, 2000, with amendments.



(Sponsorship Updated As Of: 6/16/2000)

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1 AN ACT concerning <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification <sup>1</sup> cards and supplementing various parts of statutory law.

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**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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8 1. A hospital service corporation which provides hospital or 9 medical expense benefits for expenses incurred in the purchase of 10 prescription drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> 11 benefits identification<sup>1</sup> card as established pursuant to section 13 of 12 13 P.L., c. (C. )(pending before the Legislature as this bill) under 14 every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the 15 Commissioner of Banking and Insurance on or after the effective date 16 17 of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued 18 upon any change <sup>1</sup>in coverage that affects the data elements on the 19 <u>card or any change</u><sup>1</sup> in the requirements pertaining to the form of the 20 21 card pursuant to section 13 of P.L., c. (C. )(pending before the

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Legislature as this bill).

24 2. A medical service corporation which provides hospital or 25 medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a 26 27 <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> 28 benefits identification<sup>1</sup> card as established pursuant to section 13 of 29 P.L., c. (C. )(pending before the Legislature as this bill) under 30 every such contract delivered, issued, executed or renewed in this 31 State, or approved for issuance or renewal in this State by the 32 Commissioner of Banking and Insurance on or after the effective date of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current 33 subscriber and to each new subscriber upon enrollment, and reissued 34 upon any change <sup>1</sup>in coverage that affects the data elements on the 35 card or any change<sup>1</sup> in the requirements pertaining to the form of the 36 card pursuant to section 13 of P.L., c. (C. )(pending before the 37 38 Legislature as this bill).

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3. A health service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>&</sup>lt;sup>1</sup> Assembly AHL committee amendments adopted June 19, 2000.

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drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform 1 2 prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. 3 )(pending before the Legislature as this bill) under every such 4 5 contract delivered, issued, executed or renewed in this State, or 6 approved for issuance or renewal in this State by the Commissioner of 7 Banking and Insurance on or after the effective date of this act. The 8 <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current subscriber and to 9 each new subscriber upon enrollment, and reissued upon any change 10 <sup>1</sup>in coverage that affects the data elements on the card or any change 11 in the requirements pertaining to the form of the card pursuant to 12 section 13 of P.L., c. (C. )(pending before the Legislature as this 13 bill).

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15 4. A group health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription 16 17 drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits 18 19 identification<sup>1</sup> card as established pursuant to section 13 of 20 P.L., c. (C. )(pending before the Legislature as this bill) under 21 every such policy delivered, issued, executed or renewed in this State, 22 or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. 23 24 The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current insured and 25 to each new insured upon enrollment, and reissued upon any change 26 <sup>1</sup>in coverage that affects the data elements on the card or any change 27 in the requirements pertaining to the form of the card pursuant to 28 section 13 of P.L., c. (C. )(pending before the Legislature as this 29 bill).

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5. An individual health insurer which provides hospital or medical 31 expense benefits for expenses incurred in the purchase of prescription 32 drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform 33 prescription drug information] standardized prescription benefits 34 35 identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under 36 37 every such policy delivered, issued, executed or renewed in this State, 38 or approved for issuance or renewal in this State by the Commissioner 39 of Banking and Insurance on or after the effective date of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current insured and to 40 each new insured upon enrollment, and reissued upon any change <sup>1</sup>in 41 coverage that affects the data elements on the card or any change<sup>1</sup> in 42 the requirements pertaining to the form of the card pursuant to section 43 44 13 of P.L., c. (C. )(pending before the Legislature as this bill).

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1 6. A certificate of authority to establish and operate a health 2 maintenance organization in this State shall not be issued or continued 3 on or after the effective date of this act for a health maintenance 4 organization which provides health care services for prescription drugs under a contract, unless the health maintenance organization issues to 5 its enrollees a <sup>1</sup>[uniform prescription drug information] standardized 6 7 prescription benefits identification<sup>1</sup> card as established pursuant to 8 section 13 of P.L., c. (C. )(pending before the Legislature as this 9 bill) under every such health maintenance organization contract. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to 10 each new enrollee upon enrollment, and reissued upon any change <sup>1</sup>in 11 12 coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 14 13 of P.L., c. (C. )(pending before the Legislature as this bill).

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7. Effective immediately for an individual health benefits plan issued on or after the effective date of this act and effective on the first 12-month anniversary date of an individual health benefits plan in effect on the effective date of this act, each of the individual health benefits plans required pursuant to section 3 of P.L.1992, c.161 (C.17B:27A-4) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> benefits identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such health benefits plan. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current covered person and to new covered persons upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

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8. Effective immediately for a small employer health benefits plan issued on or after the effective date of this act and effective on the first 12-month anniversary date of a small employer health benefits plan in effect on the effective date of this act, each of the small employer health benefits plans required pursuant to section 3 of P.L.1992, c.162 (C.17B:27A-19) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification <sup>1</sup> card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such health benefits plan. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current covered person and to each new covered person upon enrollment, and reissued upon any change <sup>1</sup> in coverage that affects the data elements on the card or any change <sup>1</sup> in the

requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

9. A prepaid prescription service organization which provides benefits for expenses incurred in the purchase of prescription drugs under a contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act, shall issue to its enrollees a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under every such contract. <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill). 

10. The Commissioner of Health and Senior Services shall issue to all persons eligible for the "Pharmaceutical Assistance to the Aged and Disabled" program pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill). The <sup>1</sup>[information] card shall be issued to each current eligible person and to each new eligible person upon enrollment in the program, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

11. The Commissioner of Human Services shall issue to all recipients of the Medicaid program pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill). The <sup>1</sup>[information] card shall be issued to each current recipient and to each new recipient upon enrollment in the program, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

12. The State Health Benefits Commission shall issue to all persons enrolled in the State Health Benefits Program a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup>

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card as established pursuant to section 13 of P.L., c. (C.) 1 (pending before the Legislature as this bill). The <sup>1</sup>[information] <sup>1</sup> card 2 shall be issued to each current enrollee and to each new enrollee upon 3 4 enrollment in the program, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card and or change<sup>1</sup> in the 5 requirements pertaining to the form of the card pursuant to section 13 6 7 of P.L., c. (C. )(pending before the Legislature as this bill). 8 9 13. a. The Commissioner of Banking and Insurance shall establish by regulation a <sup>1</sup>[uniform prescription drug information] <u>standardized</u> 10 prescription benefits identification<sup>1</sup> card for use by all hospital, 11 12 medical and health service corporations, individual, small employer 13 and large group insurers, health maintenance organizations and prepaid 14 prescription plan organizations that are authorized to issue contracts, policies or health benefits plans in the State that provide prescription 15 drug benefits, and by the State Medicaid and Pharmaceutical 16 17 Assistance to the Aged and Disabled programs and the State Health 18 Benefits Commission pursuant to the provisions of P.L., c. (C.) 19 (pending before the Legislature as this bill). The card shall conform to <sup>1</sup>[a national format]standards adopted 20 21 by the National Council for Prescription Drug Programs or any other nationally accepted standards, <sup>1</sup> as determined by the commissioner. 22

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14. This act shall take effect on <sup>1</sup>[the 90th day following enactment] January 1, 2001<sup>1</sup>.

seq.) to carry out the purposes of this act.

b. The commissioner shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

## STATEMENT TO

## [First Reprint] ASSEMBLY, No. 2377

with Assembly Floor Amendments (Proposed by Assemblyman FELICE) to

ADOPTED: JUNE 26, 2000

These amendments delete the Medicaid program from the bill's requirement that all prescription drug benefit plans in the State shall issue a standardized prescription benefits identification card to covered persons. The amendments also extend the effective date of the bill from January 1, 2001 to July 1, 2001.

## [Second Reprint]

## ASSEMBLY, No. 2377

## STATE OF NEW JERSEY 209th LEGISLATURE

**INTRODUCED MAY 8, 2000** 

Sponsored by:

Assemblyman NICHOLAS R. FELICE District 40 (Bergen and Passaic) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

## Co-Sponsored by:

Assemblyman Thompson, Assemblywoman Quigley, Assemblyman Blee, Assemblywomen Weinberg and Murphy

## **SYNOPSIS**

Requires use of standardized prescription benefits identification card by all prescription drug plans.

## **CURRENT VERSION OF TEXT**

As amended by the General Assembly on June 26, 2000.



(Sponsorship Updated As Of: 9/22/2000)

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1 AN ACT concerning <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification <sup>1</sup> cards and supplementing various parts of statutory law.

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**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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8 1. A hospital service corporation which provides hospital or 9 medical expense benefits for expenses incurred in the purchase of 10 prescription drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> 11 benefits identification<sup>1</sup> card as established pursuant to section 13 of 12 13 P.L., c. (C. )(pending before the Legislature as this bill) under 14 every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the 15 Commissioner of Banking and Insurance on or after the effective date 16 17 of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current subscriber and to each new subscriber upon enrollment, and reissued 18 upon any change <sup>1</sup>in coverage that affects the data elements on the 19 <u>card or any change</u><sup>1</sup> in the requirements pertaining to the form of the 20 card pursuant to section 13 of P.L., c. (C. )(pending before the 21

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Legislature as this bill).

24 2. A medical service corporation which provides hospital or 25 medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a 26 27 <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> 28 benefits identification<sup>1</sup> card as established pursuant to section 13 of 29 P.L., c. (C. )(pending before the Legislature as this bill) under 30 every such contract delivered, issued, executed or renewed in this 31 State, or approved for issuance or renewal in this State by the 32 Commissioner of Banking and Insurance on or after the effective date of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current 33 subscriber and to each new subscriber upon enrollment, and reissued 34 upon any change <sup>1</sup>in coverage that affects the data elements on the 35 card or any change<sup>1</sup> in the requirements pertaining to the form of the 36 card pursuant to section 13 of P.L., c. (C. )(pending before the 37 38 Legislature as this bill).

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3. A health service corporation which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>&</sup>lt;sup>1</sup> Assembly AHL committee amendments adopted June 19, 2000.

<sup>&</sup>lt;sup>2</sup> Assembly floor amendments adopted June 26, 2000.

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drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform 1 2 prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. 3 )(pending before the Legislature as this bill) under every such 4 5 contract delivered, issued, executed or renewed in this State, or 6 approved for issuance or renewal in this State by the Commissioner of 7 Banking and Insurance on or after the effective date of this act. The 8 <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current subscriber and to 9 each new subscriber upon enrollment, and reissued upon any change 10 <sup>1</sup>in coverage that affects the data elements on the card or any change 11 in the requirements pertaining to the form of the card pursuant to 12 section 13 of P.L., c. (C. )(pending before the Legislature as this 13 bill).

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15 4. A group health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription 16 17 drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits 18 19 identification<sup>1</sup> card as established pursuant to section 13 of 20 P.L., c. (C. )(pending before the Legislature as this bill) under 21 every such policy delivered, issued, executed or renewed in this State, 22 or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act. 23 24 The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current insured and 25 to each new insured upon enrollment, and reissued upon any change 26 <sup>1</sup>in coverage that affects the data elements on the card or any change 27 in the requirements pertaining to the form of the card pursuant to 28 section 13 of P.L., c. (C. )(pending before the Legislature as this 29 bill).

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5. An individual health insurer which provides hospital or medical 31 expense benefits for expenses incurred in the purchase of prescription 32 drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform 33 prescription drug information] standardized prescription benefits 34 35 identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill) under 36 37 every such policy delivered, issued, executed or renewed in this State, 38 or approved for issuance or renewal in this State by the Commissioner 39 of Banking and Insurance on or after the effective date of this act. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current insured and to 40 each new insured upon enrollment, and reissued upon any change <sup>1</sup>in 41 coverage that affects the data elements on the card or any change<sup>1</sup> in 42 the requirements pertaining to the form of the card pursuant to section 43 44 13 of P.L., c. (C. )(pending before the Legislature as this bill).

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1 6. A certificate of authority to establish and operate a health 2 maintenance organization in this State shall not be issued or continued 3 on or after the effective date of this act for a health maintenance 4 organization which provides health care services for prescription drugs under a contract, unless the health maintenance organization issues to 5 its enrollees a <sup>1</sup>[uniform prescription drug information] standardized 6 7 prescription benefits identification<sup>1</sup> card as established pursuant to 8 section 13 of P.L., c. (C. )(pending before the Legislature as this 9 bill) under every such health maintenance organization contract. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to 10 each new enrollee upon enrollment, and reissued upon any change <sup>1</sup>in 11 12 coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 14 13 of P.L., c. (C. )(pending before the Legislature as this bill).

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16 7. Effective immediately for an individual health benefits plan 17 issued on or after the effective date of this act and effective on the first 18 12-month anniversary date of an individual health benefits plan in 19 effect on the effective date of this act, each of the individual health 20 benefits plans required pursuant to section 3 of P.L.1992, c.161 21 (C.17B:27A-4) that provide benefits for expenses incurred in the 22 purchase of prescription drugs, shall issue to its covered persons a 23 <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> benefits identification<sup>1</sup> card as established pursuant to section 13 of 24 25 P.L., c. (C. )(pending before the Legislature as this bill) under every such health benefits plan. The <sup>1</sup>[information] <sup>1</sup> card shall be 26 issued to each current covered person and to new covered persons 27 upon enrollment, and reissued upon any change <sup>1</sup>in coverage that 28 affects the data elements on the card or any change<sup>1</sup> in the 29 requirements pertaining to the form of the card pursuant to section 13 30 31 of P.L., c. (C. )(pending before the Legislature as this bill).

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8. Effective immediately for a small employer health benefits plan issued on or after the effective date of this act and effective on the first 12-month anniversary date of a small employer health benefits plan in effect on the effective date of this act, each of the small employer health benefits plans required pursuant to section 3 of P.L.1992, c.162 (C.17B:27A-19) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification <sup>1</sup> card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such health benefits plan. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current covered person and to each new covered person upon enrollment, and reissued upon any change <sup>1</sup> in coverage that affects the data elements on the card or any change <sup>1</sup> in the

requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).

9. A prepaid prescription service organization which provides benefits for expenses incurred in the purchase of prescription drugs under a contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act, shall issue to its enrollees a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill) under every such contract. The <sup>1</sup>[information] card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

10. The Commissioner of Health and Senior Services shall issue to all persons eligible for the "Pharmaceutical Assistance to the Aged and Disabled" program pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification card as established pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill). The <sup>1</sup>[information] card shall be issued to each current eligible person and to each new eligible person upon enrollment in the program, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C.) (pending before the Legislature as this bill).

<sup>2</sup>[11. The Commissioner of Human Services shall issue to all recipients of the Medicaid program pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill). The <sup>1</sup>[information] card shall be issued to each current recipient and to each new recipient upon enrollment in the program, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill).]<sup>2</sup>

<sup>2</sup>[12.] 11. The State Health Benefits Commission shall issue to all persons enrolled in the State Health Benefits Program a <sup>1</sup>[uniform

prescription drug information] standardized prescription benefits 1 identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. 2 3 (C. ) (pending before the Legislature as this bill). 4 <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to each new enrollee upon enrollment in the program, and reissued upon 5 any change <sup>1</sup>in coverage that affects the data elements on the card and 6 or change<sup>1</sup> in the requirements pertaining to the form of the card 7 pursuant to section 13 of P.L., c. (C. 8 )(pending before the 9 Legislature as this bill). 10 <sup>2</sup>[13.] 12.<sup>2</sup> a. The Commissioner of Banking and Insurance shall 11 regulation a <sup>1</sup>[uniform 12 prescription information] standardized prescription benefits identification<sup>1</sup> card for 13 use by all hospital, medical and health service corporations, individual, 14 15 small employer and large group insurers, health maintenance 16 organizations and prepaid prescription plan organizations that are 17 authorized to issue contracts, policies or health benefits plans in the 18 State that provide prescription drug benefits, and by the State <sup>2</sup>[Medicaid and] <sup>2</sup> Pharmaceutical Assistance to the Aged and Disabled 19 <sup>2</sup>[programs] program<sup>2</sup> and the State Health Benefits Commission 20 pursuant to the provisions of P.L., c. (C.) (pending before the 21 22 Legislature as this bill). The card shall conform to <sup>1</sup>[a national format]standards adopted 23 by the National Council for Prescription Drug Programs or any other 24 nationally accepted standards, <sup>1</sup> as determined by the commissioner. 25 26 b. The commissioner shall adopt rules and regulations pursuant to 27 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to carry out the purposes of this act. 28

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<sup>2</sup>[14.] 13.<sup>2</sup> This act shall take effect on <sup>1</sup>[the 90th day following enactment] <sup>2</sup>[January 1] July 1<sup>2</sup>, 2001<sup>1</sup>.

## STATEMENT TO

## [Second Reprint] ASSEMBLY, No. 2377

with Assembly Floor Amendments (Proposed By Assemblyman FELICE and Assemblywoman VANDERVALK)

ADOPTED: DECEMBER 11, 2000

These technical floor amendments (1) correct references in the bill to a section that was renumbered as the result of a previous amendment, and (2) provide that a provision authorizing the Commissioner of Banking and Insurance to promulgate regulations establishing the standardized prescription benefits identification card shall take effect immediately.

# [Third Reprint] ASSEMBLY, No. 2377

# STATE OF NEW JERSEY 209th LEGISLATURE

**INTRODUCED MAY 8, 2000** 

Sponsored by:

Assemblyman NICHOLAS R. FELICE District 40 (Bergen and Passaic) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

## Co-Sponsored by:

Assemblyman Thompson, Assemblywoman Quigley, Assemblyman Blee, Assemblywomen Weinberg and Murphy

## **SYNOPSIS**

Requires use of standardized prescription benefits identification card by all prescription drug plans.

## CURRENT VERSION OF TEXT

As amended by the General Assembly on December 11, 2000.



(Sponsorship Updated As Of: 9/22/2000)

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1 AN ACT concerning <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification <sup>1</sup> cards and supplementing various parts of statutory law.

4 5

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

6 7

8 1. A hospital service corporation which provides hospital or 9 medical expense benefits for expenses incurred in the purchase of 10 prescription drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform prescription drug information] <u>standardized prescription</u> 11 benefits identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 12 <u>12</u><sup>3</sup> of P.L. , c. (C. )(pending before the Legislature as this 13 14 bill) under every such contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the 15 Commissioner of Banking and Insurance on or after the effective date 16 of this <sup>3</sup>[act] section<sup>3</sup>. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to 17 18 each current subscriber and to each new subscriber upon enrollment, 19 and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to 20 the form of the card pursuant to section <sup>3</sup>[13] <u>12</u><sup>3</sup> of P.L., c. 21

)(pending before the Legislature as this bill).

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2. A medical service corporation which provides hospital or 24 25 medical expense benefits for expenses incurred in the purchase of prescription drugs under a contract, shall issue to its subscribers a 26 <sup>1</sup>[uniform prescription drug information] standardized prescription 27 benefits identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 28 12<sup>3</sup> of P.L., c. (C. )(pending before the Legislature as this bill) 29 under every such contract delivered, issued, executed or renewed in 30 31 this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date 32 33 of this <sup>3</sup>[act] section<sup>3</sup>. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current subscriber and to each new subscriber upon enrollment, 34 and reissued upon any change <sup>1</sup>in coverage that affects the data 35 elements on the card or any change<sup>1</sup> in the requirements pertaining to 36 the form of the card pursuant to section <sup>3</sup>[13] <u>12</u><sup>3</sup> of P.L., c. 37 (C. )(pending before the Legislature as this bill). 38

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3. A health service corporation which provides hospital or medical

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

- <sup>1</sup> Assembly AHL committee amendments adopted June 19, 2000.
- <sup>2</sup> Assembly floor amendments adopted June 26, 2000.
- <sup>3</sup> Assembly floor amendments adopted December 11, 2000.

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expense benefits for expenses incurred in the purchase of prescription 1 2 drugs under a contract, shall issue to its subscribers a <sup>1</sup>[uniform 3 prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of 4 P.L., c. (C. )(pending before the Legislature as this bill) under 5 every such contract delivered, issued, executed or renewed in this 6 7 State, or approved for issuance or renewal in this State by the 8 Commissioner of Banking and Insurance on or after the effective date of this <sup>3</sup>[act] section<sup>3</sup>. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to 9 each current subscriber and to each new subscriber upon enrollment, 10 and reissued upon any change <sup>1</sup>in coverage that affects the data 11 elements on the card or any change<sup>1</sup> in the requirements pertaining to 12 the form of the card pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L., c. 13 (C. )(pending before the Legislature as this bill). 14

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4. A group health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L., c. (C.) (pending before the Legislature as this bill) under every such policy delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this <sup>3</sup>[act] section<sup>3</sup>. The <sup>1</sup>[information]<sup>1</sup> card shall be issued to each current insured and to each new insured upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L., c. (C.) (pending before the Legislature as this bill).

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32 5. An individual health insurer which provides hospital or medical expense benefits for expenses incurred in the purchase of prescription 33 drugs under a policy, shall issue to its insureds a <sup>1</sup>[uniform 34 prescription drug information] standardized prescription benefits 35 identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of 36 P.L., c. (C. )(pending before the Legislature as this bill) under 37 every such policy delivered, issued, executed or renewed in this State, 38 or approved for issuance or renewal in this State by the Commissioner 39 of Banking and Insurance on or after the effective date of this <sup>3</sup>[act] 40 section<sup>3</sup>. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current 41 42 insured and to each new insured upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or 43 44 any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section <sup>3</sup>[13] <u>12</u><sup>3</sup> of P.L., c. (C. )(pending before the 45

Legislature as this bill).

6. A certificate of authority to establish and operate a health maintenance organization in this State shall not be issued or continued on or after the effective date of this <sup>3</sup>[act] section<sup>3</sup> for a health maintenance organization which provides health care services for prescription drugs under a contract, unless the health maintenance organization issues to its enrollees a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L. , c. (C. )(pending before the Legislature as this bill) under every such health maintenance organization contract. The <sup>1</sup>[information] card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change <sup>1</sup> in coverage that affects the data elements on the card or any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L. , c. (C. )(pending before the Legislature as this bill).

7. Effective immediately for an individual health benefits plan issued on or after the effective date of this <sup>3</sup>[act] section<sup>3</sup> and effective on the first 12-month anniversary date of an individual health benefits plan in effect on the effective date of this <sup>3</sup>[act] section<sup>3</sup>, each of the individual health benefits plans required pursuant to section 3 of P.L.1992, c.161 (C.17B:27A-4) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] <u>12</u><sup>3</sup> of P.L., c. (C. )(pending before the Legislature as this bill) under every such health benefits plan. The <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current covered person and to new covered persons upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section <sup>3</sup>[13] <u>12</u><sup>3</sup> of P.L., c. (C. )(pending before the Legislature as this bill). 

8. Effective immediately for a small employer health benefits plan issued on or after the effective date of this <sup>3</sup>[act] section<sup>3</sup> and effective on the first 12-month anniversary date of a small employer health benefits plan in effect on the effective date of this <sup>3</sup>[act] section<sup>3</sup>, each of the small employer health benefits plans required pursuant to section 3 of P.L.1992, c.162 (C.17B:27A-19) that provide benefits for expenses incurred in the purchase of prescription drugs, shall issue to its covered persons a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as

established pursuant to section <sup>3</sup>[13] <u>12</u><sup>3</sup> of P.L. , c. (C. )(pending before the Legislature as this bill) under every such health benefits plan. The <sup>1</sup>[information]<sup>1</sup> card shall be issued to each current covered person and to each new covered person upon enrollment, and reissued upon any change <sup>1</sup>in coverage that affects the data elements on the card or any change<sup>1</sup> in the requirements pertaining to the form of the card pursuant to section <sup>3</sup>[13] <u>12</u><sup>3</sup> of P.L., c. (C. )(pending before the Legislature as this bill).

9. A prepaid prescription service organization which provides benefits for expenses incurred in the purchase of prescription drugs under a contract delivered, issued, executed or renewed in this State, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this <sup>3</sup>[act] section<sup>3</sup>, shall issue to its enrollees a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L., c. (C.) (pending before the Legislature as this bill) under every such contract. The <sup>1</sup>[information] card shall be issued to each current enrollee and to each new enrollee upon enrollment, and reissued upon any change <sup>1</sup> in the requirements pertaining to the form of the card pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L., c. (C.) (pending before the Legislature as this bill).

10. The Commissioner of Health and Senior Services shall issue to all persons eligible for the "Pharmaceutical Assistance to the Aged and Disabled" program pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification card as established pursuant to section [13] 12 of P.L., c. (C.) (pending before the Legislature as this bill). The <sup>1</sup>[information] card shall be issued to each current eligible person and to each new eligible person upon enrollment in the program, and reissued upon any change in coverage that affects the data elements on the card or any change in the requirements pertaining to the form of the card pursuant to section [13] 12 of P.L., c. (C.) (pending before the Legislature as this bill).

<sup>2</sup>[11. The Commissioner of Human Services shall issue to all recipients of the Medicaid program pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) a <sup>1</sup>[uniform prescription drug information] standardized prescription benefits identification<sup>1</sup> card as established pursuant to section 13 of P.L., c. (C. )(pending before the Legislature as this bill). The <sup>1</sup>[information]<sup>1</sup> card shall be issued to each current recipient and to each new recipient upon enrollment in the

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program, and reissued upon any change <sup>1</sup>in coverage that affects the 1 data elements on the card or any change<sup>1</sup> in the requirements 2 3 pertaining to the form of the card pursuant to section 13 of P.L., (C. )(pending before the Legislature as this bill).]<sup>2</sup> 4 5 <sup>2</sup>[12.] 11.<sup>2</sup> The State Health Benefits Commission shall issue to 6 all persons enrolled in the State Health Benefits Program a <sup>1</sup>[uniform 7 prescription drug information] standardized prescription benefits 8 identification<sup>1</sup> card as established pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of 9 P.L., c. (C.) (pending before the Legislature as this bill). The 10 <sup>1</sup>[information] <sup>1</sup> card shall be issued to each current enrollee and to 11 each new enrollee upon enrollment in the program, and reissued upon 12 any change <sup>1</sup>in coverage that affects the data elements on the card and 13 or change<sup>1</sup> in the requirements pertaining to the form of the card 14 pursuant to section <sup>3</sup>[13] 12<sup>3</sup> of P.L., c. (C. )(pending before 15 the Legislature as this bill). 16 17 <sup>2</sup>[13.] 12.<sup>2</sup> a. The Commissioner of Banking and Insurance shall 18 by regulation a <sup>1</sup>[uniform prescription 19 information] standardized prescription benefits identification<sup>1</sup> card for 20 21 use by all hospital, medical and health service corporations, individual, 22 small employer and large group insurers, health maintenance 23 organizations and prepaid prescription plan organizations that are authorized to issue contracts, policies or health benefits plans in the 24 State that provide prescription drug benefits, and by the State 25 <sup>2</sup>[Medicaid and] <sup>2</sup> Pharmaceutical Assistance to the Aged and Disabled 26 <sup>2</sup>[programs] program<sup>2</sup> and the State Health Benefits Commission 27 pursuant to the provisions of P.L., c. (C.) (pending before the 28 29 Legislature as this bill). The card shall conform to <sup>1</sup>[a national format]standards adopted 30 by the National Council for Prescription Drug Programs or any other 31 nationally accepted standards, <sup>1</sup> as determined by the commissioner. 32 33 b. The commissioner shall adopt rules and regulations pursuant to 34 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et 35 seq.) to carry out the purposes of this act. 36 <sup>2</sup>[14.] 13.<sup>2</sup> This act shall take effect on <sup>1</sup>[the 90th day following 37 enactment] <sup>2</sup>[January 1] July 1<sup>2</sup>, 2001<sup>1 3</sup>, except that section 12 shall 38 take effect immediately<sup>3</sup>. 39

# ASSEMBLY SUBSTITUTE FOR ASSEMBLY, No. 2377

## STATE OF NEW JERSEY

## 209th LEGISLATURE

ADOPTED MARCH 26, 2001

## Sponsored by:

Assemblyman NICHOLAS R. FELICE District 40 (Bergen and Passaic) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

## Co-Sponsored by:

Assemblyman Thompson, Assemblywoman Quigley, Assemblyman Blee, Assemblywomen Weinberg, Murphy and Assemblyman Conaway

#### **SYNOPSIS**

Requires health insurers that provide prescription drug coverage to issue standardized pharmacy identification cards.

### **CURRENT VERSION OF TEXT**

Substitute as adopted by the General Assembly.



(Sponsorship Updated As Of: 4/20/2001)

1 **AN ACT** concerning standardized pharmacy identification cards and supplementing Title 17B of the New Jersey Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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### 1. As used in this act:

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State.

12 "Health benefits plan" means: a health benefits plan that is 13 delivered or issued for delivery in this State by or through a carrier; a 14 plan provided by a multiple employer welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted by 15 16 the "Employee Retirement Income Security Act of 1974," Pub.L.93-17 406 (29 U.S.C. s.1001 et seq.), or by any waiver of or other exception 18 to that act provided under federal law or regulation. "Health benefits 19 plan" shall not include accident-only insurance; credit accident and 20 health insurance; Medicare supplement insurance; a Medicaid managed care plan; disability income insurance; long-term care insurance; 21 specified disease insurance; dental or vision care plan; hospital 22 23 indemnity insurance; coverage issued as a supplement to liability 24 insurance; medical payments under automobile or homeowners 25 insurance; or insurance under which benefits are payable without 26 regard to fault and that are statutorily required to be included in a liability policy or equivalent self-insurance program. 27

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- 2. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents, contractors or administrators, including but not limited to a pharmacy benefits manager or third party administrator for a self-insured health benefits plan, that provides, administers or manages coverage for prescription drugs provided on an outpatient basis, shall issue or require the issuance to the primary insured of a card or other technology that includes standardized pharmacy identification information.
- b. The card shall comply with the standards set forth in the National Council for Prescription Drug Programs Pharmacy ID Card Implementation Guide in effect at the time of card issuance, or, at a minimum, contain the following information:
- (1) the name and identification number of the health benefits plan, when required for proper claims adjudication;
- 43 (2) the American National Standards Institute International 44 Identification Number assigned to the administrator or pharmacy 45 benefits manager of the health benefits plan, labeled as RxBIN, when 46 required for proper claims adjudication;

- (3) the processor control number, labeled as RxPCN, when 1 2 required for proper claims adjudication;
- 3 (4) the insured's group number, labeled as RxGRP, when required for proper claims adjudication;
  - (5) the insured's identification number;
- 6 (6) the insured's name; except that, if a separate card is issued for another person included under the primary insured's coverage, the 7 8 name of the covered person to whom the card is issued may be listed 9 instead of the name of the primary insured;
  - (7) the telephone number that providers may call for pharmacy benefits assistance; and
  - (8) any other information necessary for proper claims adjudication, except for information provided on the prescription as required by law or regulation.

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- 3. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to issue a pharmacy identification card separate from another identification card issued to an insured under a health benefits plan if the identification card contains the information required pursuant to section 2 of this act.
- b. A carrier, multiple employer welfare arrangement or other health benefits plan provider may use data elements that are required by State or federal regulations adopted pursuant to the "Health Insurance Portability and Accountability Act of 1996," Pub.L.104-191, in place of the information required pursuant to section 2 of this act.

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4. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall provide each primary insured with a new pharmacy identification card within a reasonable time, not to exceed 180 days, after a change in the insured's coverage that changes the information required to be on the card pursuant to section 2 of this act, if the issuance of a new card is required for proper claims adjudication. The carrier, multiple employer welfare arrangement or other health benefits plan provider shall not, however, be required to issue a new card more than once in a calendar year. Except as required by this section, a carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to reissue a pharmacy identification card with any particular frequency.

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5. The Commissioner of Banking and Insurance shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to carry out the purposes of this act.

6. This act shall take effect on the 180th day after enactment and shall apply to policies or contracts issued or renewed after the effective date.

## STATEMENT

This Assembly substitute requires providers of most health benefits plans that include prescription drug coverage to issue to their insureds an identification card containing standardized pharmacy information.

The substitute would apply to any health insurance carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents (including any pharmacy benefits manager or third party administrator for a self-insured health benefits plan), that provides, administers or manages coverage for prescription drugs provided on an outpatient basis. The bill explicitly would not apply to providers of Medicaid managed care plans, Medicare supplemental insurance, disability income and long-term care plans, hospitality indemnity insurance, and various other plans offering restricted health benefit coverage.

The substitute stipulates that the card shall comply with the standards set forth in the National Council for Prescription Drug Programs Pharmacy ID Card Implementation Guide in effect at the time of card issuance or, at a minimum, contain the following information:

- (1) the insured's identification number;
- (2) the insured's name or, if the card is issued for another person included under the primary insured's coverage, that person's name;
  - (3) if required for proper claims adjudication,
- 30 < the name and identification number of the health benefits plan,
- 31 < the American National Standards Institute International</li>
   32 Identification Number assigned to the plan's administrator or
   33 pharmacy benefits manager,
- 34 < the processor control number, and
- 35 < the insured's group number;
  - (4) the telephone number that providers may call for pharmacy benefits assistance; and
  - (5) any other information needed for proper claims adjudication, except for information required to be provided on the prescription.

The substitute provides that a plan provider need not issue a special pharmacy identification card to an insured who has already been issued a general plan member identification card containing the information required under the substitute. Also, it allows providers to use data elements that are required by State or federal regulations adopted under the federal "Health Insurance Portability and Accountability Act of 1996" ("HIPAA") in place of the information required under the substitute.

## AS for **A2377** FELICE, VANDERVALK

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1	The substitute directs a plan provider to issue to each primary
2	insured a new pharmacy identification card within 180 days after a
3	change in the insured's coverage that changes the information required
4	to be included on the card, if necessary for proper claims adjudication
5	The plan provider would not, however, have to issue a new card more
6	than once in a calendar year.
7	The substitute is to take effect on the 180th day after enactment
8	and apply to policies or contracts issued or renewed after that date.
9	This substitute is identical to the Senate Committee Substitute for
10	Senate Bill No. 1330 (1R) (Littell/Sinagra), which is pending before the

11 Senate.

## STATEMENT TO

## ASSEMBLY SUBSTITUTE FOR ASSEMBLY, No. 2377

with Assembly Floor Amendments (Proposed By Assemblyman FELICE)

ADOPTED: JUNE 14, 2001

These amendments provide that Medicaid fee-for-service (administered by the Medicaid program directly), rather than Medicaid managed care plans (administered by health maintenance organizations under contract with Medicaid), would be exempt from the requirement to issue a standardized pharmacy identification information card and the other requirements in the bill.

Amendments make a technical correction to section 2 to provide that the stardardized card contain the name or identification number of the health benefits plan, rather than the name and identification number, since some plans only use a name, whereas others use a number.

Amendments also change the effective date of the bill (from 180 days after enactment) to September 1, 2002, to ensure that carriers have sufficient time to comply with the bill's requirements.

## [First Reprint]

# ASSEMBLY SUBSTITUTE FOR ASSEMBLY, No. 2377

# STATE OF NEW JERSEY 209th LEGISLATURE

ADOPTED MARCH 26, 2001

Sponsored by:

Assemblyman NICHOLAS R. FELICE District 40 (Bergen and Passaic) Assemblywoman CHARLOTTE VANDERVALK District 39 (Bergen)

## Co-Sponsored by:

Assemblywoman Thompson, Assemblywoman Quigley, Assemblyman Blee, Assemblywomen Weinberg, Murphy, Assemblyman Conaway and Assemblywoman Heck

## **SYNOPSIS**

Requires health insurers that provide prescription drug coverage to issue standardized pharmacy identification cards.

## **CURRENT VERSION OF TEXT**

As amended by the General Assembly on June 14, 2001.



(Sponsorship Updated As Of: 6/29/2001)

1 **AN ACT** concerning standardized pharmacy identification cards and supplementing Title 17B of the New Jersey Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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#### 1. As used in this act:

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State.

"Health benefits plan" means: a health benefits plan that is 12 13 delivered or issued for delivery in this State by or through a carrier; a 14 plan provided by a multiple employer welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted by 15 the "Employee Retirement Income Security Act of 1974," Pub.L.93-16 17 406 (29 U.S.C.s.1001 et seq.), or by any waiver of or other exception 18 to that act provided under federal law or regulation. "Health benefits 19 plan" shall not include accident-only insurance; credit accident and health insurance; Medicare supplement insurance; <sup>1</sup>[a] <sup>1</sup> Medicaid 20 21 <sup>1</sup>[managed care plan] <u>fee-for-service</u><sup>1</sup>; disability income insurance; 22 long-term care insurance; specified disease insurance; dental or vision 23 care plan; hospital indemnity insurance; coverage issued as a 24 supplement to liability insurance; medical payments under automobile 25 or homeowners insurance; or insurance under which benefits are payable without regard to fault and that are statutorily required to be 26 27 included in a liability policy or equivalent self-insurance program.

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- 2. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents, contractors or administrators, including but not limited to a pharmacy benefits manager or third party administrator for a self-insured health benefits plan, that provides, administers or manages coverage for prescription drugs provided on an outpatient basis, shall issue or require the issuance to the primary insured of a card or other technology that includes standardized pharmacy identification information.
- b. The card shall comply with the standards set forth in the National Council for Prescription Drug Programs Pharmacy ID Card Implementation Guide in effect at the time of card issuance, or, at a minimum, contain the following information:
- 41 (1) the name <sup>1</sup>[and] or <sup>1</sup> identification number of the health

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

<sup>&</sup>lt;sup>1</sup> Assembly floor amendments adopted June 14, 2001.

benefits plan, when required for proper claims adjudication;

- 2 (2) the American National Standards Institute International 3 Identification Number assigned to the administrator or pharmacy 4 benefits manager of the health benefits plan, labeled as RxBIN, when 5 required for proper claims adjudication;
- 6 (3) the processor control number, labeled as RxPCN, when required for proper claims adjudication;
  - (4) the insured's group number, labeled as RxGRP, when required for proper claims adjudication;
  - (5) the insured's identification number;
  - (6) the insured's name; except that, if a separate card is issued for another person included under the primary insured's coverage, the name of the covered person to whom the card is issued may be listed instead of the name of the primary insured;
  - (7) the telephone number that providers may call for pharmacy benefits assistance; and
  - (8) any other information necessary for proper claims adjudication, except for information provided on the prescription as required by law or regulation.

- 3. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to issue a pharmacy identification card separate from another identification card issued to an insured under a health benefits plan if the identification card contains the information required pursuant to section 2 of this act.
- b. A carrier, multiple employer welfare arrangement or other health benefits plan provider may use data elements that are required by State or federal regulations adopted pursuant to the "Health Insurance Portability and Accountability Act of 1996," Pub.L.104-191, in place of the information required pursuant to section 2 of this act.

4. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall provide each primary insured with a new pharmacy identification card within a reasonable time, not to exceed 180 days, after a change in the insured's coverage that changes the information required to be on the card pursuant to section 2 of this act, if the issuance of a new card is required for proper claims adjudication. The carrier, multiple employer welfare arrangement or other health benefits plan provider shall not, however, be required to issue a new card more than once in a calendar year. Except as required by this section, a carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to reissue a pharmacy identification card with any particular frequency.

5. The Commissioner of Banking and Insurance shall adopt rules

## [1R] AS for A2377 FELICE, VANDERVALK

- and regulations pursuant to the "Administrative Procedure Act,"
- 2 P.L.1968, c.410 (C.52:14B-1 et seq.), to carry out the purposes of this
- 3 act.

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- 5 6. This act shall take effect on <sup>1</sup>[the 180th day after
- 6 enactment] September 1, 2002<sup>1</sup> and shall apply to policies or
- 7 contracts issued or renewed after the effective date.

## P.L. 2001, CHAPTER 200, approved August 8, 2001 Senate Committee Substitute (First Reprint) for Senate, No. 1330

1 **AN ACT** concerning standardized pharmacy identification cards and supplementing Title 17B of the New Jersey Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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#### 1. As used in this act:

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State.

12 "Health benefits plan" means: a health benefits plan that is 13 delivered or issued for delivery in this State by or through a carrier; a 14 plan provided by a multiple employer welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted by 15 the "Employee Retirement Income Security Act of 1974," Pub.L.93-16 17 406 (29 U.S.C. s.1001 et seq.), or by any waiver of or other exception 18 to that act provided under federal law or regulation. "Health benefits 19 plan" shall not include accident-only insurance; credit accident and health insurance; Medicare supplement insurance; <sup>1</sup>[a]<sup>1</sup> Medicaid 20 <sup>1</sup>[managed care plan] <u>fee-for-service</u><sup>1</sup>; disability income insurance; 21 long-term care insurance; specified disease insurance; dental or vision 22 23 care plan; hospital indemnity insurance; coverage issued as a 24 supplement to liability insurance; medical payments under automobile 25 or homeowners insurance; or insurance under which benefits are payable without regard to fault and that are statutorily required to be 26 27 included in a liability policy or equivalent self-insurance program.

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- 2. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents, contractors or administrators, including but not limited to a pharmacy benefits manager or third party administrator for a self-insured health benefits plan, that provides, administers or manages coverage for prescription drugs provided on an outpatient basis, shall issue or require the issuance to the primary insured of a card or other technology that includes standardized pharmacy identification information.
- b. The card shall comply with the standards set forth in theNational Council for Prescription Drug Programs Pharmacy ID Card

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined  $\underline{thus}$  is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>&</sup>lt;sup>1</sup> Senate floor amendments adopted June 7, 2001.

Implementation Guide in effect at the time of card issuance, or, at a
 minimum, contain the following information:

- (1) the name <sup>1</sup>[and] or <sup>1</sup> identification number of the health benefits plan, when required for proper claims adjudication;
- (2) the American National Standards Institute International Identification Number assigned to the administrator or pharmacy benefits manager of the health benefits plan, labeled as RxBIN, when required for proper claims adjudication;
- (3) the processor control number, labeled as RxPCN, when required for proper claims adjudication;
- 11 (4) the insured's group number, labeled as RxGRP, when required 12 for proper claims adjudication;
  - (5) the insured's identification number;
  - (6) the insured's name; except that, if a separate card is issued for another person included under the primary insured's coverage, the name of the covered person to whom the card is issued may be listed instead of the name of the primary insured;
  - (7) the telephone number that providers may call for pharmacy benefits assistance; and
  - (8) any other information necessary for proper claims adjudication, except for information provided on the prescription as required by law or regulation.

- 3. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to issue a pharmacy identification card separate from another identification card issued to an insured under a health benefits plan if the identification card contains the information required pursuant to section 2 of this act.
- b. A carrier, multiple employer welfare arrangement or other health benefits plan provider may use data elements that are required by State or federal regulations adopted pursuant to the "Health Insurance Portability and Accountability Act of 1996," Pub.L.104-191, in place of the information required pursuant to section 2 of this act.

4. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall provide each primary insured with a new pharmacy identification card within a reasonable time, not to exceed 180 days, after a change in the insured's coverage that changes the information required to be on the card pursuant to section 2 of this act, if the issuance of a new card is required for proper claims adjudication. The carrier, multiple employer welfare arrangement or other health benefits plan provider shall not, however, be required to issue a new card more than once in a calendar year. Except as required by this section, a carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to reissue a pharmacy identification card with any particular frequency.

## [1R] SCS for S1330 3

1	5. The Commissioner of Banking and Insurance shall adopt rules
2	and regulations pursuant to the "Administrative Procedure Act,"
3	P.L.1968, c.410 (C.52:14B-1 et seq.), to carry out the purposes of this
4	act.
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6	6. This act shall take effect on <sup>1</sup> [the 180th day after enactment]
7	September 1, 2002 <sup>1</sup> and shall apply to policies or contracts issued or
8	renewed after the effective date.
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13	Requires health insurers that provide prescription drug coverage to
14	issue standardized pharmacy identification cards.

#### **CHAPTER 200**

**AN ACT** concerning standardized pharmacy identification cards and supplementing Title 17B of the New Jersey Statutes.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

C.17B:30-35 Definitions relative to standardized pharmacy identification cards.

1. As used in this act:

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State.

"Health benefits plan" means: a health benefits plan that is delivered or issued for delivery in this State by or through a carrier; a plan provided by a multiple employer welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted by the "Employee Retirement Income Security Act of 1974," Pub.L.93-406 (29 U.S.C. s.1001 et seq.), or by any waiver of or other exception to that act provided under federal law or regulation. "Health benefits plan" shall not include accident-only insurance; credit accident and health insurance; Medicare supplement insurance; Medicaid fee-for-service; disability income insurance; long-term care insurance; specified disease insurance; dental or vision care plan; hospital indemnity insurance; coverage issued as a supplement to liability insurance; medical payments under automobile or homeowners insurance; or insurance under which benefits are payable without regard to fault and that are statutorily required to be included in a liability policy or equivalent self-insurance program.

C.17B:30-36. Issuance of standardized pharmacy identification information, card to primary insured.

- 2. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider, or its agents, contractors or administrators, including but not limited to a pharmacy benefits manager or third party administrator for a self-insured health benefits plan, that provides, administers or manages coverage for prescription drugs provided on an outpatient basis, shall issue or require the issuance to the primary insured of a card or other technology that includes standardized pharmacy identification information.
- b. The card shall comply with the standards set forth in the National Council for Prescription Drug Programs Pharmacy ID Card

Implementation Guide in effect at the time of card issuance, or, at a minimum, contain the following information:

- (1) the name or identification number of the health benefits plan, when required for proper claims adjudication;
- (2) the American National Standards Institute International Identification Number assigned to the administrator or pharmacy benefits manager of the health benefits plan, labeled as RxBIN, when required for proper claims adjudication;
- (3) the processor control number, labeled as RxPCN, when required for proper claims adjudication;
- (4) the insured's group number, labeled as RxGRP, when required for proper claims adjudication;
  - (5) the insured's identification number;
- (6) the insured's name; except that, if a separate card is issued for another person included under the primary insured's coverage, the name of the covered person to whom the card is issued may be listed instead of the name of the primary insured;
  - (7) the telephone number that providers may call for pharmacy benefits assistance; and
- (8) any other information necessary for proper claims adjudication, except for information provided on the prescription as required by law or regulation.

## C.17B:30-37 Exceptions for issuance of card.

3. a. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to issue a pharmacy identification card separate from another identification card issued to an insured under a health benefits plan if the identification card contains the information required pursuant to section 2 of this act.

b. A carrier, multiple employer welfare arrangement or other health benefits plan provider may use data elements that are required by State or federal regulations adopted pursuant to the "Health Insurance Portability and Accountability Act of 1996," Pub.L.104-191, in place of the information required pursuant to section 2 of this act.

#### C.17B:30-38 Provision of new pharmacy identification card.

4. A carrier, multiple employer welfare arrangement or other health benefits plan provider shall provide each primary insured with a new pharmacy identification card within a reasonable time, not to exceed 180 days, after a change in the insured's coverage that changes the information required to be on the card pursuant to section 2 of this act, if the issuance of a new card is required for proper claims adjudication. The carrier, multiple employer welfare arrangement or other health benefits plan provider shall not, however, be required to issue a new card more than once in a calendar year. Except as required by this section, a carrier, multiple employer welfare arrangement or other health benefits plan provider shall not be required to reissue a pharmacy identification card with any particular frequency.

### C.17B:30-39 Rules, regulations.

- 5. The Commissioner of Banking and Insurance shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to carry out the purposes of this act.
- 6. This act shall take effect on September 1, 2002 and shall apply to policies or contracts issued or renewed after the effective date.

Approved August 8, 2001.

## Office of the Governor

**NEWS RELEASE** 

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RELEASE: Aug 8, 2001

## Acting Governor Donald T. DiFrancesco signed the following legislation today:

SCS-1833, 839, sponsored by Senators Peter Inverso (R-Mercer/Middlesex), Anthony Bucco (R-Morris) and Diane Allen (R-Burlington/Camden) and Assembly members Rose Heck (R-Bergen) and Kevin O'Toole (R-Essex/Union), allows police and firefighters who transferred to the Police and Firemen's Retirement System (PFRS) under a 1993 law to receive full benefits under PFRS for public safety service rendered prior to the transfer without having to pay the increased cost to the system of providing those benefits.

**A-2118**, sponsored by Senator Leonard Connors (R-Atlantic/Burlington/Ocean) and Assemblymen John Kelly (R-Bergen/Essex/Passaic) and Kevin O'Toole (R- Essex/Union), increases the number of members of the fire safety commission from 21 to 23. The role of the commission is to assist and advise the Commissioner of Community Affairs in the enforcement of the state's fire safety laws.

**A-3050**, sponsored by Assemblymen Neil Cohen (D-Union) and Nia Gill (D-Essex), termed "Leonard Cohen's Law," prohibits a licensed hospital from transferring a patient to another health care facility unless the patient is accompanied by a complete discharge summary from the transferring hospital at the time of the transfer.

**S-2050**, sponsored by Senators Andrew Ciesla (R-Monmouth/Ocean) and Richard Codey (D-Essex) and Assemblyman Alex DeCroce (R-Essex/Morris/ Passaic), provides that a court, in its discretion, may award prejudgment interest on the whole or part of a judgment arising out of or relating to claims for the construction or installation of improvements to real property in accordance with principles of equity.

**S-1330**, sponsored by Senators Robert Littell (R-Sussex/Hunterdon/Morris) and Jack Sinagra (R-Middlesex) and Assembly members Nicholas Felice (R-Bergen/Passaic) and Charlotte Vandervalk (R-Bergen), requires health insurers that provide prescription drug coverage to issue standardized pharmacy identification cards to decrease administrative burdens and to streamline the dispensing of prescription drugs and devices.

**A-2913**, sponsored by Senator Joseph Palaia (R-Monmouth) and Assembly members Michael Arnone (R-Monmouth) and Anthony Impreveduto (D-Bergen/Hudson), prohibits "no damage for delay" clauses in certain contracts made with local units under the "Local Public Contracts Law" and the "Public Schools Contracts Law."

**A-1203**, sponsored by Assemblyman Steve Corodemus (R-Monmouth), establishes the World Language Instruction Committee in the Department of Education and provides credit toward

high school graduation requirements for world language courses offered by religious and non-public school organizations.

**A-2204**, sponsored by Senators Diane Allen (R-Burlington/Camden) and Richard Codey (D-Essex) and Assemblymen Frank Blee (R-Atlantic) and Joseph Charles (D-Hudson), renames the Office of Minority Health in the Department of Health and Senior Services (DHSS) as Office on Minority and Multicultural Health and provides additional responsibilities for the office and appropriates \$1.5 million to the new office to implement the bill.

**AJR-35**, sponsored by Assemblymen Joseph Azzolina (R-Middlesex/Monmouth) and Samuel Thompson (R-Middlesex/Monmouth), designates the third Monday in April of each year as "Patriots Day" in New Jersey.