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HOUSE BILL NO. 266

Offered January 14, 2004

Prefiled January 8, 2004

A BILL to amend and reenact § 38.2-3407.4:2 of the Code of Virginia, relating to electronic claims transmissions; prescription claims.

 Patron—Morgan

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 38.2-3407.4:2 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-3407.4:2. Requirements for prescription benefit cards.

A. Each (i) insurer proposing to issue individual or group accident and sickness insurance policies providing hospital, medical and surgical or major medical coverage on an expense incurred basis, (ii) corporation providing individual or group accident and sickness subscription contracts, and (iii) health maintenance organization providing a health care plan for health care services, whose policy, contract or plan, including any certificate or evidence of coverage issued in connection with such policy, contract or plan, includes coverage for prescription drugs on an outpatient basis, shall provide its insureds, subscribers or enrollees a prescription benefit card, health insurance benefit card or other technology that complies with the National Council for Prescription Drug Programs Pharmacy ID Card Implementation Guide in effect at the time of card issuance or includes, at a minimum, the following data elements:

1. The name or identifying trademark of the insurer, corporation, or health maintenance organization or, if another entity administers the prescription benefit, the name or identifying trademark of the benefit administrator;

2. The insured's, subscriber's, or enrollee's name and identification number;

3. The telephone number that providers may call for pharmacy benefit assistance; and

4. The electronic transaction routing information and other numbers required by the insurer, corporation, health maintenance organization or benefit administrator to electronically process a prescription claim.

B. The prescription benefit card, health insurance benefit card, or other technology shall be issued to each insured, subscriber or enrollee, and shall upon any changes in the required data elements set forth in subsection A, either reissue the card or provide the insured, subscriber or enrollee such corrective information as may be required to electronically process a prescription claim. Notwithstanding the requirements of § 38.2-4300 and subdivision A 2 of § 38.2-4306, a prescription benefit card, health benefit card or other technology issued pursuant to this section shall not be considered part of the evidence of coverage and shall not be required to be filed with or approved by the Commission.

C. An insurer, corporation, or health maintenance organization may comply with this section by issuing to each insured, subscriber or enrollee a health insurance benefit card that contains data elements related to both prescription and non-prescription health insurance benefits.

D. Compliance with any federal law or regulation that requires the prescription benefit data elements on a prescription benefit card or health insurance benefit card pursuant to subsection A shall be deemed to be compliance with this section.

E. *For each payable prescription claim received via electronic claims transmission from a prescription benefit provider, the insurer, corporation, or health maintenance organization shall pay the prescription benefit provider by electronic funds transfer or automated clearing house transfer within 30 days of receipt of such claim. The payment by the insurer, corporation, or health maintenance organization shall be made to an account designated by the prescription benefit provider or its authorized representative. Prior to payment, the insurer, corporation, or health maintenance organization shall provide documentation to the prescription benefit provider of the claims payment information identifying the individual claims that are included in the payment. The claims payment information shall be in a format mutually agreed to by the insurer, corporation, or health maintenance organization and the prescription benefit provider, and shall comply with the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 201 et seq.*

F. The provisions of this section shall not apply to (i) short-term travel, or accident-only, policies, (ii) short-term nonrenewable policies of not more than six months' duration, (iii) such an insurer, corporation, or health maintenance organization that does not include coverage for prescription drugs; or (iv) any health maintenance organization that operates or maintains its own pharmacies and dispenses, on an annual basis, over ninety-five percent of prescription drugs or devices to its enrollees at its own

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59 pharmacies.

60 F G. The provisions of this section shall apply to contracts, policies or plans delivered, issued for
61 delivery or renewed in this Commonwealth on and after July 1, 2002.