



Standardized Prescription Drug Identification Card

Background

In the United States today, upwards of 70% of prescriptions are paid for by one of many insurance programs... each with its own unique benefits card. Dealing with the administrative burdens created by inconsistent and confusing prescription drug cards creates unnecessary barriers to pharmacists providing care to their patients.

Surveys of pharmacists by the Pharmaceutical Society of the State of New York, The American Pharmaceutical Association and a study funded by the National Association of Chain Drug Stores indicate that lack of a single card format is a primary impediment to productivity of pharmacists. The problem will only become more acute as prescriptions increase and the current shortage of pharmacists persists.

Mandating the use of a single standardized benefit card will benefit both pharmacists and patients by decreasing stress and frustration, increasing job satisfaction and enhancing opportunities for patient interaction including medication therapy management services, counseling and drug utilization review. Better use of medications, improved health outcomes, reduced health care costs, and convenience for the consumer will result.

Status

In response to requests from APhA and NACDS, the National Council for Prescription Drug Programs (NCPDP), the standards setting organization for pharmacy claims transmission, has developed a standard card containing both mandatory and conditional fields. They have also developed an implementation guide to specify where on the card information should be placed and displayed and other specifications to insure state-to-state uniformity. A coalition of pharmacy organizations (APhA, NCPA, and NACDS) has drafted model legislation requiring the use of the card while allowing the card to evolve as advances in technology and feasibility occur. A copy of the model legislative language developed by APhA, NACDS, and NCPA is attached.

As of March 2003, 24 states, have passed legislation or reached agreements with insurance providers to provide prescription drug benefit enrollees with standard benefit identification cards:

- Alabama (2000)
- Arkansas (2001)
- California (2001)
- Colorado (2002)

- Florida (2002)
- Georgia (2000)
- Illinois (2000)
- Indiana (2001)
- Iowa (2001)
- Maryland (2001)
- Minnesota (2001)
- Mississippi (2002)
- Nevada (2001)
- New Jersey (2001)
- North Carolina (1999)
- North Dakota (2001)
- Oklahoma (2002)
- Oregon (2001)
- South Carolina (2001)
- South Dakota (2001)
- Tennessee (2000)
- Texas (1999)
- Virginia (2000; modified 2001)
- Washington (2001)

At the time this document was prepared, legislation in New Mexico authorizing a standard benefit card was on the Governor's desk for his signature.

APhA Position

- Policymakers should recognize the consumer and health care benefits of administrative efficiencies achieved with a standardized card.
- States should expedite passage of uniform legislation mandating use of a standardized card.
- The lack of a standard card results in consumers' dissatisfaction with delays in receiving medications in a timely fashion and lack of interaction with the pharmacist.
- The profession of pharmacy supports passage of flexible legislation, under state insurance commissioners, to allow for enhancements in card technology.
- A Medicare pharmacy benefit must include a standard benefit identification card for beneficiaries.

Model Legislative Language Developed by APhA, NACDS, and NCPA

Article xx of Chapter xx of the xxxx is amended by adding the following section to read:

Uniform prescription drug information cards.

Legislative Intent.

It is the intent of the legislature to improve care to patients by minimizing confusion, eliminating unnecessary paperwork, decreasing administrative burdens and streamlining dispensing of prescription products paid for by third party payors. This Act should be broadly applied and interpreted to effectuate this purpose.

Section 1

(a) A health benefit plan that provides coverage for prescription drugs or devices and issues a card or other technology for claims processing and an administrator of such a plan including, but not limited to, third-party administrators for self-insured plans, pharmacy benefits managers and state-administered plans shall issue to its insured a uniform card or other technology containing uniform prescription drug information. The uniform prescription drug information card or technology shall be in the format approved by the National Council for Prescription Drug Programs (NCPDP) and shall include all of the fields required by the plan to submit a claim and conform to the most recent pharmacy information card or technology implementation guide produced by NCPDP or conform to a national format acceptable to the Insurance Commissioner. All information that is necessary for claims submission of prescription drug benefits, exclusive of information provided on the prescription as required by law or regulation, shall be included in a clear, readable and understandable manner on the card or other technology issued by the plan to the insured for claims processing. All information included on the card or other technology as required under this law but not specified by NCPDP shall conform to a content and format acceptable to the Insurance Commissioner. All information on the card must be

formatted and arranged in a manner that corresponds both in content and format to the current content and format required by the plan to process the claim. If a health benefit plan requires a conditional or situational field as defined by NCPDP, it shall conform to the most recent pharmacy information card or technology implementation guide produced by the NCPDP or conform to a national format acceptable to the Insurance Commissioner. (b) A new uniform prescription drug information card or technology, as required under paragraph (a) shall be issued by a health benefit plan upon enrollment and reissued upon any change in the certificate holder's coverage that impacts data in content or format as contained on the card that affects the data content or format required to be on the card or other technology as required by subsection (a) or upon a change in the NCPDP implementation guide or successor document that affects data content or format contained on the card or other technology as required by subsection (a). Newly issued cards or technology shall be updated with the latest coverage information and shall conform to the NCPDP standards then in effect and to the implementation guide then in use or the format specified by the Insurance Commissioner. Provided, however, that the plan may issue stickers or to their insureds other methodologies to update cards temporarily as may be acceptable to the Insurance Commissioner.

(c) The card or other technology may be used for any and all health insurance coverage. Nothing in this section requires any person issuing the card or other technology to issue a separate card for prescription coverage, provided that the card or other technology can accommodate the information necessary to process the claim as required by subsection (a).

(d) As used in this section, "health benefit plan" means an accident and health insurance policy or certificate; a nonprofit hospital or medical service corporation contract; a health maintenance organization subscriber contract; 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, as amended, or by any waiver of or other exception to that Act provided under federal law or regulation. Without limitation, "health benefit plan" does not mean any of the following types of insurance:

- 1) Accident,
- 2) Credit,
- 3) Disability income
- 4) Specified disease,
- 5) Dental or vision,
- 6) Coverage issued as a supplement to liability insurance,
- 7) Medical payments under automobile or homeowners,
- 8) Insurance under which benefits are payable with or without regard to fault and this is statutorily required to be contained in any liability policy or equivalent self-insurance, and
- 9) Hospital income or indemnity.

Section 2.

(a) This Act is effective from passage and applies to health benefit plans that are delivered, issued for delivery, or renewed within 2 years after enactment. For purposes of this Act, renewal of a health benefit policy, contract, or plan is presumed to occur on each anniversary of the date on which coverage was first effective on the person or persons covered by the health benefit plan.

(b) Enforcement of this Act shall be the responsibility of the State Insurance Commissioner. The Insurance Commissioner shall promulgate rules necessary to effectuate this Act. No health benefit plan will be permitted to conduct business in this state if they are in violation of this section.