

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1237
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Economic Development
3/31/1999
Committee Report (Substituted)

DIGEST

Currently, under Texas law, insurers are not required to include standardized information on enrollees' pharmacy identification cards. This bill would require health benefit plans to provide uniform pharmacy identification cards for each enrollee, to include certain standardized information.

PURPOSE

As proposed, C.S.S.B. 1237 requires health benefit plans to provide to each enrollee uniform pharmacy identification cards, which shall include certain standardized information.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the insurance commissioner in SECTION 2 (Section 19A(b), Article 21.07-6, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1(1), Article 21.07-6, Insurance Code, to redefine "administrator."

SECTION 2. Amends Article 21.07-6, Insurance Code, by adding Section 19A, as follows:

Sec. 19A. IDENTIFICATION CARDS FOR CERTAIN PLANS. Requires an administrator for a plan that provides pharmacy benefits to issue an identification card to each individual covered by the plan who is at least 17 years of age. Requires the insurance commissioner (commissioner), by rule, to adopt standard information to be included on the identification card. Requires the standard form to include certain information. Requires an administrator for a plan that provides pharmacy benefits to issue to an individual an identification card by a certain date.

SECTION 3. Amends Chapter 21E, Insurance Code, by adding Article 21.53L, as follows:

Art. 21.53L. PHARMACY BENEFIT CARDS

Sec. 1. DEFINITION. Defines "health benefit plan."

Sec. 2. SCOPE OF ARTICLE. Provides that this article applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness. Provides that this article does not apply to certain plans and policies.

Sec. 3. IDENTIFICATION CARD; PHARMACY BENEFITS. Sets forth required information to be included on the identification cards issued by a health benefit plan that provides pharmacy benefits. Provides that this section does not require a health benefit plan that administers its own pharmacy benefits to issue an identification card separate from any identification card issued to an enrollee to evidence coverage under the health benefit plan, if the identification card contains the information required by Subsection (a) of this section. Makes conforming changes.

SECTION 4. Effective date: September 1, 1999.

SECTION 5. Makes application of this Act prospective to January 1, 2000. Provides that an administrator is not required to issue a new identification card to an individual, as required by Section 19A, Article 21.07-6, Insurance Code, if the identification card held by the individual on the effective date of this

Act contains the required information, described by Sections 19A(b)(2)-(5), Article 21.07-6, Insurance Code. Requires a new card complying with Section 19A, Article 21.07-6, Insurance Code, to be issued at the time the individual's coverage is modified. Provides that a health benefit plan is not required to issue a new identification card to an enrollee, as required by Section 3, Article 21.53L, Insurance Code, if the identification card held by the enrollee on the effective date of this Act contains the information required by Sections 3(a)(2)-(5), Article 21.53L, Insurance Code. Requires a new card complying with Article 21.53L, Insurance Code, to be issued at the time the enrollee's coverage is modified.

SECTION 6. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 2.

Amends Section 19A, Article 21.07-6, Insurance Code, to require an administrator for a plan that provides pharmacy benefits to issue an identification card to each individual covered by the plan who is at least 17 years of age. Requires the commissioner, by rule, to adopt standard information to be included on the identification card, rather than a standard form for the identification card. Requires the standard form to include certain information, including the name or logo of the entity that is administering the pharmacy benefits, the International Identification Number that is assigned by the American National Standards Institute for the entity that is administering the pharmacy benefits, and the effective date, rather than the expiration date, of the coverage evidenced by the card. Requires an administrator for a plan that provides pharmacy benefits to issue to an individual an identification card by a certain date.

SECTION 3.

Amends Chapter 21E, Insurance Code, by adding Article 21.53L, to require pharmacy benefit cards under health benefit plans to include certain required information. Deletes existing SECTION 3 applying Article 21.07-6, Insurance Code, to an entity that acts as an administrator with respect to pharmacy benefits.

SECTION 5.

Provides that an administrator or a health benefit plan is not required to issue a new identification card to an individual, or enrollee, as required, by this Act, if the identification card held by the individual, or enrollee, on the effective date of this Act contains the required information. Requires a new card complying with this Act to be issued at the time the individual's or enrollee's coverage is modified. Deletes text providing that an administrator is not required to provide an identification card to an individual, as required, before January 1, 2000.