
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 784 Session of
2003

INTRODUCED BY ALLEN, READSHAW, FAIRCHILD, EACHUS, BAKER, BEBKO-
JONES, BELFANTI, BROWNE, COY, DALEY, DeLUCA, FLEAGLE,
FORCIER, GEIST, GEORGE, GOODMAN, GRUCELA, HARHART, HARRIS,
HENNESSEY, HERMAN, HORSEY, McCALL, MELIO, R. MILLER,
PETRARCA, RAYMOND, REICHLEY, SATHER, SCAVELLO, SHANER,
STABACK, TANGRETTI, E. Z. TAYLOR, THOMAS, TIGUE, TRUE, WALKO,
WASHINGTON, WATSON, WILT, YOUNGBLOOD, YUDICHAK AND ZUG,
MARCH 10, 2003

REFERRED TO COMMITTEE ON INSURANCE, MARCH 10, 2003

AN ACT

1 Providing for the content and format of a uniform prescription
2 drug beneficiary identification card, for prohibitions
3 relating to discounts from pharmacies and for remedies and
4 penalties.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Uniform
9 Prescription Drug Beneficiary Identification Card Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Health benefit plan." Includes:

15 (1) An accident and health insurance policy or
16 certificate.

1 (2) Prescription services provided under medical
2 assistance or the Pharmaceutical Assistance Contract for the
3 Elderly (PACE).

4 (3) A nonprofit hospital or medical service corporation
5 contract.

6 (4) A health maintenance organization subscriber
7 contract.

8 (5) A plan provided by a multiple employer welfare
9 arrangement.

10 (6) A plan provided by another benefit arrangement, to
11 the extent permitted by the Employee Retirement Income
12 Security Act of 1974 (Public Law 93-406, 88 Stat. 829), or by
13 any waiver of or other exception to that act provided under
14 Federal law or regulation.

15 Section 3. Prescription drug cash discount cards.

16 (a) Unlawful practices.--It shall be unlawful and a
17 violation of this act for any person to sell, market, promote,
18 advertise or otherwise distribute any card or other purchasing
19 mechanism or device, which is not insurance, that purports to
20 offer discounts or access to discounts from pharmacies for the
21 purchase or receipt of prescription drugs or devices where:

22 (1) The card or other purchasing mechanism or device
23 does not expressly provide in bold and prominent type that
24 the discounts are not an insurance benefit.

25 (2) The discounts are not specifically authorized by an
26 individual and separate contract with each pharmacy listed in
27 conjunction with the card or other purchasing mechanism or
28 device.

29 (3) The discounts or access to discounts offered or the
30 range of discounts or access to the range of discounts

1 offered are misleading, deceptive or fraudulent, regardless
2 of the literal wording used.

3 (b) Construction.--Nothing in this section shall be
4 construed to apply to a customer discount or membership card
5 issued by a pharmacy.

6 Section 4. Uniform prescription drug beneficiary identification
7 card.

8 (a) General rule.--A health benefit plan that provides
9 coverage for prescription drugs or devices or the administrator
10 of such a plan, including, but not limited to, third-party
11 administrators for self-insured plans and State-administered
12 plans, shall issue to the beneficiaries of the coverage an
13 identification card, purchasing device or mechanism which, at a
14 minimum, shall include the following information:

15 (1) Name or logo of the plan or benefit administrator
16 issuing the identification card. This information is to be
17 located at the top, front side of the identification card.

18 (2) Beneficiary name or names and identification number
19 or numbers. This information is to be left justified and
20 located on the front side of the identification card.

21 (3) Name and address of the administrator to be used for
22 sending nonelectronic prescription claims or other patient or
23 provider correspondence. This information is to be located on
24 the reverse side of the identification card.

25 (4) Telephone number that providers may call for
26 assistance. This information is to be located on the reverse
27 side of the identification card.

28 (5) Complete electronic transaction routing information
29 including, at a minimum, the international identification
30 number. Processor control numbers and group numbers are

1 required if needed by the benefit administrator to
2 electronically process the prescription claim. This
3 information is to be left justified and located on the front
4 side of the identification card.

5 (6) Any additional information required by the plan or
6 benefit administrator to process a prescription claim.

7 (b) Format standards.--The format of the identification
8 card, purchasing device or mechanism shall further conform to
9 standards approved by the National Council for Prescription Drug
10 Programs (NCPDP) or to a nationally recognized format approved
11 by the Insurance Commissioner.

12 (c) Card issuance.--A new uniform prescription drug
13 beneficiary identification card, purchasing device or mechanism
14 as required under subsection (a) shall be issued by health
15 benefit plans or administrators to beneficiaries upon enrollment
16 and reissued on the occasion of any change in benefits or other
17 elements contained within the identification card, purchasing
18 device or mechanism.

19 Section 5. Remedies and penalties.

20 (a) Injunctive relief and damages.--The Insurance
21 Commissioner, Attorney General or any person, firm, private
22 corporation, municipal or public corporation or trade
23 association may maintain an action to enjoin a continuance of
24 any acts in violation of this act and for the recovery of
25 damages.

26 (b) Application of unfair insurance practices act.--A
27 violation of this act shall constitute a violation of the act of
28 July 22, 1974 (P.L.589, No.205), known as the Unfair Insurance
29 Practices Act, and shall be subject to the administrative and
30 civil penalties contained in that act.

1 Section 6. Effective date.

2 This act shall take effect as follows:

3 (1) Section 4 shall take effect January 1, 2004.

4 (2) The remainder of this act shall take effect
5 immediately.