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FISCAL IMPACT REPORT

SPONSOR: King DATE TYPED: 02/15/01 HB 537
 SHORT TITLE: Prescription Drug ID Cards SB _____
 ANALYST: Wilson

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|----------------------|---------------|
| FY01 | FY02 | FY01 | FY02 | | |
| | | See Narrative | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Public Regulation Commission
 Health Policy Commission (HPC)
 General Services Department (GSD)
 Attorney General's Office (AG)

SUMMARY

Synopsis of Bill

HB 537 requires the Superintendent of Insurance, following guidelines recommended by a national council for prescription drug programs, to design a uniform prescription drug identification card to be utilized by all health insurers, HMOs, managed care organizations, pharmacy benefit managers, and prescription drug purchasing cooperative functioning with a self-insurance plan or by any other method.

Significant Issues.

- c There is currently a lack of uniformity in cards used to provide evidence of coverage for prescription drugs.
- c HB 537 will not regulate ERISA plans.

FISCAL IMPLICATIONS

The PRC wrote that "the costs of implementing the provisions of HB 537 are unknown, but could be substantial.

ADMINISTRATIVE IMPLICATIONS

The PRC was not able to estimate the administrative costs.

TECHNICAL ISSUES

The AG states that HB 537 does not explicitly require regulations. They also note that HB 537 should specifically identify the “national council.”

OTHER SUBSTANTIVE ISSUES

- C The National Council for Prescription Drug Programs (NCPDP) is an organization developing standards for healthcare information specifically related to the prescription drug and pharmacy community.
- C Pharmacists would save time entering new patients and/or new insurance information into their computer, as they would readably be able to locate the necessary information for claims processing.
- C Pharmacists would not need to spend as much time on the telephone contacting Help Desks for information.
- C Patients would spend less time at the pharmacy waiting for prescriptions.
- C All cards may be lost, stolen or destroyed. Several issues come to mind when a card is lost or stolen. First, how is the card replaced: Who will do this and where will the data come from: If the card holds the medical record, will it be irretrievably lost.? Must the record begin anew at this point: If the card is found (or stolen) by an unethical person, and it contains a patient's medical record or the key to a medical record, how will it be disabled to avoid abuse? Will another individual be able to use the card for medical services, or obtain sensitive information? And finally, who will pay for the replacement?

DW/ar