

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE

House Bill 274 (Delegate King)  
Health and Government Operations

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Health Insurance - Benefit Cards - Copayments

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This bill requires an insurer, nonprofit health service plan, HMO, or managed care organization (carrier) to provide, on the health insurance benefit card, prescription drug benefit card, or other technology issued to enrollees, information on required copayments for prescription drug benefits, primary care, specialty care, and emergency department visits. If required copayments change, carriers must provide new benefit cards reflecting the change.

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Fiscal Summary

**State Effect:** Minimal special fund increase in Maryland Health Insurance Plan (MHIP) expenditures to reprint prescription drug benefit cards for existing members in FY 2011. Future years are not affected. No effect on revenues.

**Local Effect:** Minimal expenditure increase for local governments to reprint health insurance and prescription drug benefit cards for existing employees in FY 2011. Future years are not affected.

**Small Business Effect:** None. The bill does not apply to the small group market.

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Analysis

**Bill Summary:** The bill also removes the requirement for a carrier to reissue a card or provide an enrollee with corrective information if a change occurs in any of the following data elements: (1) the carrier's name; (2) the enrollee's name and identification number; (3) the telephone number that provides may call for pharmacy benefit assistance; and

(4) all electronic transaction routing information required by the carrier to process a prescription claim electronically.

**Current Law/Background:** State law requires carriers to issue a health insurance benefit card, prescription benefit card, or other technology that either complies with the standards set forth in the National Council for Prescription Drug Programs' (NCPDP) pharmacy identification card implementation guide in effect at the time of issuance of the card, or includes the following data elements: (1) the carrier's name; (2) the enrollee's name and identification number; (3) the telephone number that providers may call for pharmacy benefit assistance; and (4) all electronic transaction routing information required by the carrier to process a prescription claim electronically. The Department of Health and Mental Hygiene (DHMH) adopts regulations to enable Medicaid managed care organizations (MCOs) to comply with the requirements.

The Maryland Health Insurance Plan (MHIP) is an independent unit of State government. The purpose of MHIP is to decrease uncompensated care costs by providing access to affordable, comprehensive health benefits for medically uninsurable residents. Medical eligibility for the program requires that applicants have been denied individual coverage, have been offered coverage that excludes or limits coverage for a medical condition, or have specific health conditions.

MHIP is regulated by the Insurance Commissioner; however, it is not subject to State insurance laws other than those related to MIA examinations, provider panels and provider reimbursement, continuation coverage provisions, specialist referrals, prescription drug coverage, utilization review, the complaint process for adverse decisions or grievances, private review agents, the complaint process for coverage decisions, and unfair trade practices. Therefore, the bill's provision requiring carriers to provide, on the prescription drug benefit card, information on required copayments for prescription drug benefits is the only provision that applies to MHIP.

NCPDP sets administrative standards for pharmacy claims transmissions and has developed a standard prescription drug card to ease pharmacies' administrative burdens. Each carrier can customize the standardized card because it contains both mandatory and conditional data fields.

The Department of Budget and Management advises that the printing of benefit cards for the State Employee and Retiree Health and Welfare Benefit Program is built into the administrative fee paid to the contracting administrator.

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** CareFirst Blue Cross/Blue Shield, Department of Budget and Management, Maryland Health Insurance Plan, Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

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