

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

634E0382

SENATE BILL NO. 87

Introduced by: Senators Diedtrich (Elmer), Moore, and Whiting and Representatives
Solum, Davis, McCoy, Slaughter, and Van Etten

1 FOR AN ACT ENTITLED, An Act to provide for uniform prescription drug information cards.
2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. Any health benefit plan that provides coverage for prescription drugs or devices,
4 or administers such a plan, including third-party administrators for self-insured plans and state-
5 administered plans, shall issue to its insureds a card or other technology containing uniform
6 prescription drug information. The uniform prescription drug information card or technology
7 shall be in the format approved by the National Council for Prescription Drug Programs
8 (NCPDP) and shall include all of the required and conditional or situational fields and conform
9 to the most recent pharmacy identification card or technology implementation guide produced
10 by NCPDP or conform to a national format acceptable to the director of the Division of
11 Insurance.

12 Section 2. A health benefit plan shall issue a card or other technology required by section 1
13 of this Act upon enrollment. The card or technology shall be reissued upon any change in the
14 insured's coverage that impacts data contained on the card or upon any change in the NCPDP
15 implementation guide. Newly issued cards or technology shall be updated with the latest

1 coverage information and shall conform to the NCPDP standards then in effect and to the
2 implementation guide then in use.

3 Section 3. As used in this Act, the term, health benefit plan, means an accident and health
4 insurance policy or certificate; a nonprofit hospital or medical service corporation contract; a
5 health maintenance organization subscriber contract; a plan provided by a multiple employer
6 welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted
7 by the Employee Retirement Income Security Act of 1974, as amended to January 1, 2001, or
8 by any waiver of or other exception to that Act provided under federal law or regulation. The
9 term does not apply to any plan, policy, or contract that provides coverage only for:

- 10 (1) Accident;
- 11 (2) Credit;
- 12 (3) Disability income;
- 13 (4) Specified disease;
- 14 (5) Dental;
- 15 (6) Vision;
- 16 (7) Coverage issued as a supplement to liability insurance;
- 17 (8) Medical payments under automobile or homeowners;
- 18 (9) Insurance under which benefits are payable with or without regard to fault and that
19 is statutorily required to be contained in any liability policy or equivalent self-
20 insurance; and
- 21 (10) Hospital income or indemnity.

22 Section 4. This Act applies to health benefit plans that are delivered, issued for delivery, or
23 renewed on and after July 1, 2001. For purposes of this Act, renewal of a health benefit policy,
24 contract, or plan is presumed to occur on each anniversary of the date on which coverage was

1 first effective on the person or persons covered by the health benefit plan.

2 Section 5. The director of insurance shall enforce the provisions of this Act. The director of
3 insurance may promulgate rules pursuant to chapter 1-26 to establish the format for the uniform
4 information card or technology to be used in the state following the standards established in
5 sections 1 and 2 of this Act. No health benefit plan may conduct business in this state if the plan
6 is in violation of this Act.