

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

634E0382

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

SB 87 - 02/22/2001

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 on an outpatient basis, or administers such a plan, including third-party administrators for self-
5 insured plans and state-administered plans, shall issue to its primary insured a card or other
6 technology containing uniform prescription drug information. The director of the Division of
7 Insurance shall prescribe the format and elements of information for the uniform prescription
8 drug information card or technology and shall consider the format and elements of information
9 approved by the National Council for Prescription Drug Programs (NCPDP) and the required
10 and conditional or situational fields and the most recent pharmacy identification card or
11 technology implementation guide produced by NCPDP. A health benefit plan is not required to
12 issue a pharmacy identification card separate from another identification card issued to an insured
13 under the health benefit plan if the identification card contains the elements of information
14 required by the Division of Insurance.

1 Section 2. A health benefit plan shall issue a card or other technology required by section 1
2 of this Act upon enrollment. The card or technology shall be reissued upon any change in the
3 insured's coverage that impacts data contained on the card or upon any change in the format
4 adopted by the director of the Division of Insurance. However, the health benefit plan is not
5 required to issue a new card or technology more often than once each calendar year. Newly
6 issued cards or technology shall be updated with the latest coverage information and the director
7 of the Division of Insurance shall consider the NCPDP standards then in effect and the
8 implementation guide then in use.

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

- 16 (1) Accident;
- 17 (2) Credit;
- 18 (3) Disability income;
- 19 (4) Specified disease;
- 20 (5) Dental;
- 21 (6) Vision;
- 22 (7) Coverage issued as a supplement to liability insurance;
- 23 (8) Medical payments under automobile or homeowners;
- 24 (9) Insurance under which benefits are payable with or without regard to fault and that

1 is statutorily required to be contained in any liability policy or equivalent self-
2 insurance;

3 (10) Hospital income or indemnity;

4 (11) Long-term care; and

5 (12) Medicare supplement.

6 Section 4. This Act applies to health benefit plans that are delivered, issued for delivery, or
7 renewed on and after July 1, 2002. For purposes of this Act, renewal of a health benefit policy,
8 contract, or plan is presumed to occur on each anniversary of the date on which coverage was
9 first effective on the person or persons covered by the health benefit plan.

10 Section 5. The director of insurance shall enforce the provisions of this Act. The director of
11 insurance may promulgate rules pursuant to chapter 1-26 to establish the format and elements
12 of information for the uniform information card or technology to be used in the state following
13 the standards established in sections 1 and 2 of this Act.