

SENATE BILL No. 73

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-37.4.

Synopsis: Electronic authorization for prescription drugs. Requires certain health plans to accept and respond to electronic prior authorization requests according to a particular electronic transaction standard.

Effective: January 1, 2018.

Grooms

January 3, 2017, read first time and referred to Committee on Health and Provider Services.



First Regular Session 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

SENATE BILL No. 73

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-37.4 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2018]:

4 **Chapter 37.4. Electronic Prescription Drug Prior Authorization**

5 **Sec. 1. As used in this chapter, "covered individual" means an**
6 **individual who is entitled to coverage under a health plan contract.**

7 **Sec. 2. As used in this chapter, "health plan" means any of the**
8 **following that provides coverage for prescription drugs:**

9 (1) **An employee welfare benefit plan (as defined in 29 U.S.C.**
10 **1002 et seq.).**

11 (2) **A policy of accident and sickness insurance (as defined in**
12 **IC 27-8-5-1).**

13 (3) **A contract with a health maintenance organization (as**
14 **defined in IC 27-13-1-19).**

15 **The term includes a person that administers a plan, policy, or**
16 **contract described in subdivision (1), (2), or (3).**

17 **Sec. 3. As used in this chapter, "prior authorization" includes**



1 a health plan requirement that a prescription drug be authorized
2 for payment by the health plan before the prescription drug is
3 provided to a particular covered individual.

4 **Sec. 4. A health plan shall accept and respond to a request for**
5 **prior authorization delivered to the health plan by a covered**
6 **individual's:**

7 (1) prescribing health care provider; or

8 (2) dispensing pharmacist;

9 through an electronic transmission that complies with the technical
10 standards developed by the National Council for Prescription Drug
11 Programs for electronic prior authorization transactions (NCPDP
12 SCRIPT).

13 **Sec. 5. Section 4 of this chapter does not apply if a prescribing**
14 **health care provider or dispensing pharmacist lacks:**

15 (1) broadband Internet access;

16 (2) an electronic medical record system; or

17 (3) a sufficient number of covered individuals as patients or
18 customers, as determined by the commissioner, to warrant the
19 financial expense that compliance with section 4 of this
20 chapter would require.

21 **Sec. 6. A contractual provision that:**

22 (1) is contained in a contract that is entered into, amended, or
23 renewed after December 31, 2017; and

24 (2) contradicts this chapter;

25 is void.

