



March 17, 2017

**ENGROSSED
SENATE BILL No. 73**

DIGEST OF SB 73 (Updated March 15, 2017 11:22 am - DI 97)

Citations Affected: IC 27-1.

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, Charbonneau,
Randolph Lonnie M, Houchin**

(HOUSE SPONSORS — DAVISSON, CLERE, STEMLER, SCHAIBLEY)

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

January 23, 2017, reported favorably — Do Pass.

January 26, 2017, read second time, ordered engrossed. Engrossed.

January 30, 2017, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 28, 2017, read first time and referred to Committee on Insurance.

March 16, 2017, amended, reported — Do Pass.

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March 17, 2017

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.

ENGROSSED 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.**
7 **Sec. 2. As used in this chapter, "health plan" means any of the**
8 **following that provides coverage for prescription drugs:**
9 (1) **A policy of accident and sickness insurance (as defined in**
10 **IC 27-8-5-1).**
11 (2) **A contract with a health maintenance organization (as**
12 **defined in IC 27-13-1-19).**
13 **The term includes a person that administers a policy or contract**
14 **described in subdivision (1) or (2).**
15 **Sec. 3. As used in this chapter, "prior authorization" includes**
16 **a health plan requirement that a prescription drug be authorized**
17 **for payment by the health plan before the prescription drug is**

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1 provided to a particular covered individual.
2 **Sec. 4. A health plan shall accept and respond to a request for**
3 **prior authorization delivered to the health plan by a covered**
4 **individual's:**
5 (1) prescribing health care provider; or
6 (2) dispensing pharmacist;
7 **through an electronic transmission that complies with the technical**
8 **standards developed by the National Council for Prescription Drug**
9 **Programs for electronic prior authorization transactions (NCPDP**
10 **SCRIPT).**
11 **Sec. 5. Section 4 of this chapter does not apply if a prescribing**
12 **health care provider or dispensing pharmacist lacks:**
13 (1) broadband Internet access;
14 (2) an electronic medical record system; or
15 (3) a sufficient number of covered individuals as patients or
16 customers, as determined by the commissioner, to warrant the
17 financial expense that compliance with section 4 of this
18 chapter would require.
19 **Sec. 6. A contractual provision that:**
20 (1) is contained in a contract that is entered into, amended, or
21 renewed after December 31, 2017; and
22 (2) contradicts this chapter;
23 **is void.**
24 **Sec. 7. The commissioner may adopt rules under IC 4-22-2 to**
25 **implement this chapter.**



COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 73, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 73 as introduced.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 11, Nays 1

 COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred Senate Bill 73, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "plan contract." and insert "**plan.**".

Page 1, delete lines 9 through 10.

Page 1, line 11, delete "(2)" and insert "**(1)**".

Page 1, line 13, delete "(3)" and insert "**(2)**".

Page 1, line 15, delete "plan, policy," and insert "**policy**".

Page 1, line 16, delete "(1), (2), or (3)." and insert "**(1) or (2).**".

Page 2, after line 25, begin a new paragraph and insert:

"Sec. 7. The commissioner may adopt rules under IC 4-22-2 to implement this chapter."

and when so amended that said bill do pass.

(Reference is to SB 73 as printed January 24, 2017.)

CARBAUGH

Committee Vote: yeas 10, nays 0.

