

1 SB483
2 136056-1
3 By Senator Bedford
4 RFD: Banking and Insurance
5 First Read: 05-APR-12

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8 SYNOPSIS: To repeal portions of Title 27 of the Code
9 of Alabama 1975.

10
11 A BILL
12 TO BE ENTITLED
13 AN ACT
14

15 Relating to the Alabama Insurance Code, to repeal
16 the following:

17 27-1-21 (a) For the purposes of this section, the
18 following words shall have the following meanings: (1)
19 ENROLLEE. A person enrolled in a health benefit plan. (2)
20 HEALTH BENEFIT PLAN. Any individual or group plan, policy, or
21 contract for health care services issued, delivered, issued
22 for delivery, renewed in this state by a health care insurer,
23 health maintenance organization, accident and sickness
24 insurer, fraternal benefit society, nonprofit hospital service
25 corporation, nonprofit medical service corporation, health
26 care service plan, or any other person, firm, corporation,

1 joint venture, or other similar business entity that pays for,
2 purchases, or furnishes health care services to patients,
3 insureds, or beneficiaries in this state. The term includes,
4 but is not limited to, entities created pursuant to Article 6
5 of Chapter 4 of Title 10. The term shall not include any
6 collective bargaining agreement or any employee welfare
7 benefit plan as defined in 29 U.S.C. Section 1002 (1) or any
8 third party administrator to the extent it provides services
9 to an employee welfare benefit plan. For the purposes of this
10 section, a health benefit plan located or domiciled outside of
11 the State of Alabama is deemed to be subject to the provisions
12 of this section if it receives, processes, adjudicates, pays,
13 or denies claims for health care services submitted by or on
14 behalf of patients, insureds, or beneficiaries who reside in
15 the State of Alabama or who receive health care services in
16 the State of Alabama. (b) Each health benefit plan shall
17 apply the same coinsurance, copayment, deductible, and
18 quantity limit factors within the same employee group and
19 other plan-sponsored group factors to all drug prescriptions
20 filled by a pharmacy provider, whether by a retail provider or
21 a mail service provider, provided the retail provider complies
22 with the same terms, conditions, services, and price as a mail
23 service provider. Nothing in this section shall be construed
24 to prohibit the health benefit plan from applying different
25 coinsurance, copayment, and deductible factors within the same
26 employer group and other plan-sponsored group between generic

1 and brand name drugs, nor prohibit an employer or other
2 plan-sponsored group from offering multiple options or choices
3 of health benefit plans, including, but not limited to,
4 cafeteria benefit plans. (c) A health benefit plan shall not
5 set a limit on the quantity of drugs which an enrollee may
6 obtain at any one time with a prescription, unless the limit
7 is applied uniformly to all pharmacy providers who comply with
8 the same terms, conditions, services, and price as mail
9 service providers.

10 27-1-22 (a) Every health benefit plan that provides
11 coverage for prescription drugs or devices, or administers a
12 plan, including, but not limited to, third party
13 administrators for self-insured plans and state administered
14 plans, excluding the Alabama Medicaid Program, shall issue to
15 its insureds a card or other technology containing
16 prescription drug information. The uniform prescription drug
17 information card or technology shall be in the format approved
18 by the National Council for Prescription Drug Programs (NCPDP)
19 and shall include all of the required fields and conform to
20 the most recent pharmacy ID card or technology implementation
21 guide produced by NCPDP or conform to a national format
22 acceptable to the Commissioner of Insurance. If a health care
23 plan includes a conditional or situational field, it shall
24 conform to the most recent pharmacy information card or
25 technology implementation guide by the NCPDP or conform to a
26 national format acceptable to the Commissioner of Insurance.

1 (b) A new uniform prescription drug information card or
2 technology, as required under subsection (a), shall be issued
3 by an insurer upon enrollment and revised upon any change in
4 the certificate holder's coverage that impacts data contained
5 on the card or upon any change in the NCPDP implementation
6 guide or successor document, provided that the change affects
7 data elements contained on the card. Newly issued cards or
8 technology shall be updated with the latest coverage
9 information and shall conform to the NCPDP standards in effect
10 and to the implementation guide then in use. (c) For purposes
11 of this section, a "health benefit plan" is a health insurance
12 policy, including a self-insured health plan, that covers
13 hospital, medical, or surgical expenses, health maintenance
14 organizations, preferred provider organizations, medical
15 service organizations, physician-hospital organizations, or
16 any other person, firm, corporation, joint venture, or other
17 similar business entity that pays for, purchases, or furnishes
18 health care services to patients, insureds, or beneficiaries
19 in this state. The term does not include accident-only,
20 specified disease, individual hospital indemnity, credit,
21 dental-only, Medicare-supplement, long-term care, or
22 disability income insurance; coverage issued as a supplement
23 to liability insurance, workers' compensation, or similar
24 insurance; or automobile medical-payment insurance. For the
25 purposes of this section, a health benefit plan located or
26 domiciled outside of the State of Alabama is deemed to be

1 subject to the provisions of this section if it receives,
2 processes, adjudicates, pays, or denies claims for health care
3 services submitted by or on behalf of patients, insureds, or
4 beneficiaries who reside in the State of Alabama or who
5 receive health care services in the State of Alabama. The term
6 includes, but is not limited to, entities created pursuant to
7 Article 6 of Chapter 4 of Title 10. (d) Enforcement of this
8 section shall be the responsibility of the Commissioner of
9 Insurance. The Commissioner of Insurance shall promulgate
10 rules necessary to effectuate this section. A health benefit
11 plan may not conduct business in this state if the plan
12 violates this section. (e) For purposes of this section,
13 renewal of a health benefit policy, contract, or plan is
14 presumed to occur on each anniversary of the date on which
15 coverage was first effective on the person or persons covered
16 by the health benefit plan.

17 27-1-23 (a) A personal auto insurance carrier of a
18 full-time law enforcement officer or firefighter of a
19 municipality or a county or the State of Alabama or a member
20 of a volunteer fire department, volunteer rescue squad, or
21 volunteer emergency medical service shall not consider any
22 motor vehicle accident of the full-time law enforcement
23 officer or firefighter or member of a volunteer fire
24 department, volunteer rescue squad, or volunteer emergency
25 medical service in fixing insurance premiums or cause any
26 increase in the employee's personal automobile insurance

1 premiums if, at the time of the accident, any of the following
2 conditions exist: (1) The full-time law enforcement officer
3 or firefighter or member of a volunteer fire department,
4 volunteer rescue squad, or volunteer emergency medical service

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Sections 27-1-21 to 27-1-23, Code of
7 Alabama 1975, are repealed

8 Section 2. This act shall become effective
9 immediately following its passage and approval by the
10 Governor, or its otherwise becoming law.