

FILED MAR 2 1988

w/d #5 (p. 1253)

H. F. 2113 substituted (p. 1001)

SENATE FILE **2255**  
BY COMMITTEE ON HUMAN RESOURCES

(formerly **SSB 2174**) Approved (p. 586)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

5516 1 An Act relating to the dispensing of prescription drugs by  
2 certain practitioners and through pharmacy services covered  
3 under group health insurance policies and group health  
4 maintenance organization plans.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2255

1 Section 1. Section 147.107, subsection 2, Code 1987, is  
2 amended by adding the following new unnumbered paragraphs:

3 NEW UNNUMBERED PARAGRAPH. A physician, dentist, or  
4 podiatrist who dispenses prescription drugs, other than drug  
5 samples, pursuant to this subsection, shall annually register  
6 the fact that the practitioner dispenses prescription drugs  
7 with the practitioner's respective examining board.

8 NEW UNNUMBERED PARAGRAPH. A physician, dentist, or  
9 podiatrist who dispenses prescription drugs, other than drug  
10 samples, pursuant to this subsection, shall offer to provide  
11 the patient a written prescription that may be dispensed from  
536312 a pharmacy of the patient's choice.

13 Sec. 2. Section 155A.3, Code Supplement 1987, is amended  
14 by adding the following new subsection:

15 NEW SUBSECTION. 14A. "Drug sample" means a drug that is  
16 distributed without consideration to a pharmacist or  
17 practitioner.

18 Sec. 3. NEW SECTION. 155A.38 DISPENSING DRUG SAMPLES.

19 A person authorized pursuant to this chapter to dispense  
20 shall, when dispensing drug samples, do so without additional  
21 charge to the patient.

5518, 536322 Sec. 4. NEW SECTION. 509.19 REQUIRED MAIL-ORDER  
23 PRESCRIPTIONS PROHIBITED.

24 An employer who provides a pharmacy service to dispense a  
25 prescription drug to an employee as part of a health care  
26 insurance program, shall not require that the employee obtain  
27 the prescription drug from a mail-order pharmacy. A health  
28 care insurance program or policy shall not contain either of  
29 the following provisions:

30 1. A requirement that an employee shall obtain a  
31 prescription drug from a mail-order pharmacy in order to  
32 obtain payment.

33 2. A provision which charges an employee who obtains a  
34 prescription drug from a source other than a mail-order  
35 pharmacy a fee or some other condition that is not imposed

1 upon an employee who uses a mail-order pharmacy when the other  
2 source provides the prescription drug at a fee which is equal  
3 to or less than the fee charged at the mail-order pharmacy.

4 This section applies to pharmacy services under group  
5 policies delivered or issued for delivery after July 1, 1988.  
6 The section does not apply to pharmacy services under policies  
7 which provide payment of all or a portion of the cost of a  
8 prescription drug without regard to the identity of the  
9 dispenser of the prescription drug. The section does not  
10 apply to pharmacy services under blanket, short-term travel,  
11 accident only, limited or specified disease, or individual or  
12 group conversion policies, or policies designed only for  
13 issuance to persons eligible for coverage under Title XVIII of  
14 the federal Social Security Act, or any other similar coverage  
15 under a state or federal government plan.

53616 Sec. 5. Section 514B.1, subsection 2, Code 1987, is  
17 amended by adding the following new unnumbered paragraph:

18 NEW UNNUMBERED PARAGRAPH. The health care services  
19 available to enrollees under prepaid group plans covering  
20 prescription drugs shall not contain a provision which  
21 requires the employee to obtain the prescription drug from a  
22 mail-order pharmacy. A prepaid group plan covering  
23 prescription drugs shall not contain either of the following  
24 provisions:

25 1. A requirement that an employee shall obtain a  
26 prescription drug from a mail-order pharmacy in order to  
27 obtain payment.

28 2. A provision which charges an employee who obtains a  
29 prescription drug from a source other than a mail-order  
30 pharmacy a fee or some other condition that is not imposed  
31 upon an employee who uses a mail-order pharmacy when the other  
32 source provides the prescription drug at a fee which is equal  
33 to or less than the fee charged at the mail-order pharmacy.

34 This paragraph applies to pharmacy services provided under  
35 group plans made on or after July 1, 1988. This paragraph

1 does not apply to pharmacy services under group plans which  
2 provide payment of all or a portion of the cost of a  
3 prescription drug without regard to the identity of the  
4 dispenser of the prescription drug. This paragraph does not  
5 apply to enrollees eligible for coverage under Title XVIII of  
6 the federal Social Security Act or any other similar coverage  
7 under a state or federal government plan.

8 EXPLANATION

9 This bill relates to the dispensing of drugs by requiring  
10 that a drug sample shall be dispensed to a patient without  
11 additional charge. A physician, dentist, or podiatrist who  
12 dispenses prescription drugs, other than drug samples, shall  
13 register the fact that the practitioner dispenses prescription  
14 drugs with the practitioner's respective examining board, and  
15 shall provide patients with written prescriptions that may be  
16 filled by any pharmacy.

17 The bill also relates to group health insurance policies  
18 and group health maintenance organization plans by providing  
19 that reimbursement for pharmacy services and the offering of  
20 pharmacy services shall not be limited to only mail-order  
21 pharmacies. When pharmacy services are made available through  
22 both a local dispenser and a mail-order dispenser, the  
23 reimbursement practice shall be equivalent. The bill affects  
24 pharmacy services offered under group health insurance  
25 policies and group health maintenance organization plans which  
26 take effect on or after July 1, 1988.

27 SUCCESSOR TO SSB 2174 (7860SC)

28 SIMILAR TO H.F. 2113 (LSB 7783H) and H.F. 2203 (LSB 7784H)

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SENATE FILE 2255

S-5363

- 1 Amend Senate File 2255 as follows:
- 2 1. Page 1, line 12, by inserting after the word
- 3 "choice" the following: "or offer to transmit the
- 4 prescription to a pharmacy of the patient's choice".
- 5 2. By striking page 1, line 22 through page 3,
- 6 line 7.

S-5363

Filed March 15, 1988

*us/d 2/24 (p. 1001)*

BY LARRY MURPHY

SENATE FILE 2255

S-5518

- 1 Amend Senate File 2255 as follows:
- 2 1. By striking page 1, line 22 through page 3,
- 3 line 7.
- 4 2. Title page, by striking lines 1 through 4 and
- 5 inserting the following: "An Act relating to the
- 6 dispensing of prescription drugs."

S-5518

Filed March 23, 1988

*Adapted 2/24 (p. 1001)*

BY LARRY MURPHY

SSB 2174  
HUMAN RESOURCES

HUMAN RESOURCES: Murphy, Chair: Carr and Corning

SENATE FILE 2255  
BY (PROPOSED COMMITTEE ON HUMAN  
RESOURCES BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

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2 amended by adding the following new unnumbered paragraphs:

3 NEW UNNUMBERED PARAGRAPH. A physician, dentist, or  
4 podiatrist who dispenses prescription drugs, other than drug  
5 samples, pursuant to this subsection, shall annually register  
6 the fact that the practitioner dispenses prescription drugs  
7 with the practitioner's respective examining board.

8 NEW UNNUMBERED PARAGRAPH. A physician, dentist, or  
9 podiatrist who dispenses prescription drugs, other than drug  
10 samples, pursuant to this subsection, shall provide the  
11 patient with a written prescription that may be dispensed from  
12 a pharmacy of the patient's choice.

13 Sec. 2. Section 155A.3, Code Supplement 1987, is amended  
14 by adding the following new subsection:

15 NEW SUBSECTION. 14A. "Drug sample" means a drug that is  
16 distributed without consideration to a pharmacist or  
17 practitioner.

18 Sec. 3. NEW SECTION. 155A.38 DISPENSING DRUG SAMPLES.

19 A person authorized pursuant to this chapter to dispense  
20 shall, when dispensing drug samples, do so without additional  
21 charge to the patient.

22 Sec. 4. NEW SECTION. 509.19 REQUIRED MAIL-ORDER  
23 PRESCRIPTIONS PROHIBITED.

24 An employer who provides a pharmacy service to dispense a  
25 prescription drug to an employee as part of a health care  
26 insurance program, shall not require that the employee obtain  
27 the prescription drug from a mail-order pharmacy. A provision  
28 of a health care insurance program or policy which requires an  
29 employee to obtain a prescription drug from a mail-order  
30 pharmacy in order to receive payment, or a provision which  
31 charges an employee who obtains a prescription drug from a  
32 source other than a mail-order pharmacy a fee or imposes some  
33 other condition that is not imposed upon an employee who uses  
34 a mail-order pharmacy, is void as against public policy.

35 This section applies to pharmacy services under group

1 policies delivered or issued for delivery after July 1, 1988.  
2 The section does not apply to pharmacy services under policies  
3 delivered or issued for delivery on or before January 1, 1987,  
4 and renewed continually thereafter. The section does not  
5 apply to pharmacy services under policies which provide  
6 payment of all or a portion of the cost of a prescription drug  
7 without regard to the identity of the dispenser of the  
8 prescription drug. The section does not apply to pharmacy  
9 services under blanket, short-term travel, accident only,  
10 limited or specified disease, or individual or group  
11 conversion policies, or policies designed only for issuance to  
12 persons eligible for coverage under Title XVIII of the federal  
13 Social Security Act, or any other similar coverage under a  
14 state or federal government plan.

15 Sec. 5. Section 514B.1, subsection 2, Code 1987, is  
16 amended by adding the following new unnumbered paragraph:

17 NEW UNNUMBERED PARAGRAPH. The health care services  
18 available to enrollees under prepaid group plans covering  
19 prescription drugs shall not contain a provision which  
20 requires the employee to obtain the prescription drug from a  
21 mail-order pharmacy. A provision which requires an enrollee  
22 to obtain a prescription drug from a mail-order pharmacy in  
23 order to receive payment, or a provision which charges an  
24 employee who obtains a prescription drug from a source other  
25 than a mail-order pharmacy a fee or imposes some other  
26 condition that is not imposed upon an employee who uses a  
27 mail-order pharmacy, is void as against public policy. This  
28 paragraph applies to pharmacy services provided under group  
29 plans made on or after July 1, 1988. This paragraph does not  
30 apply to group plans made on or before January 1, 1987, which  
31 remain in force. This paragraph does not apply to pharmacy  
32 services under group plans which provide payment of all or a  
33 portion of the cost of a prescription drug without regard to  
34 the identity of the dispenser of the prescription drug. This  
35 paragraph does not apply to enrollees eligible for coverage

1 under Title XVIII of the federal Social Security Act or any  
2 other similar coverage under a state or federal government  
3 plan.

4 EXPLANATION

5 This bill relates to the dispensing of drugs by requiring  
6 that a drug sample shall be dispensed to a patient without  
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13 The bill also relates to group health insurance policies  
14 and group health maintenance organization plans by providing  
15 that reimbursement for pharmacy services and the offering of  
16 pharmacy services shall not be limited to only mail-order  
17 pharmacies. When pharmacy services are made available through  
18 both a local dispenser and a mail-order dispenser, the  
19 reimbursement practice shall be equivalent. The bill affects  
20 pharmacy services offered under group health insurance  
21 policies and group health maintenance organization plans which  
22 take effect on or after July 1, 1988. An exception is made  
23 for policies or plans in force by January 1, 1987.

24 SIMILAR TO H.F. 2113 (LSB 7783H & LSB 7784H)

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