

SENATE BILL No. 153

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-27.

Synopsis: Insurance coverage of mail order and Internet pharmacies. Allows insurers to designate a mail order or Internet pharmacy to provide prescription drugs to an insured. Prohibits an insurer from requiring as a condition of coverage that an insured purchase prescription drugs from a designated mail order or Internet pharmacy. Prohibits an insurer from applying a financial penalty if an insured does not purchase prescription drugs from a designated mail order or Internet pharmacy.

Effective: July 1, 1999.

Gard

January 6, 1999, read first time and referred to Committee on Health and Provider Services.

C
o
p
y



Introduced

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

SENATE BILL No. 153

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 27-8-27 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 1999]: **Chapter 27. Insurer Designation of Mail Order and
4 Internet Pharmacies**

5 **Sec. 1. This chapter applies to every:**

- 6 (1) **policy of accident and sickness insurance (as defined in**
7 **IC 27-8-5-1), whether written on an individual basis, a group**
8 **basis, a franchise basis, or a blanket basis;**
9 (2) **group contract (as defined in IC 27-13-1-16) or individual**
10 **contract (as defined in IC 27-13-1-21) through which a health**
11 **maintenance organization furnishes health care services;**
12 (3) **health care plan of a state or local governmental entity**
13 **that provides coverage for health care services on a**
14 **self-insurance basis; and**
15 (4) **employee welfare benefit plan (as defined in 29 U.S.C.**
16 **1002) that is self-funded;**
17 **that is issued, delivered, executed, or renewed in Indiana on or**

1999

IN 153—LS 6655/DI 97+



C
O
P
Y

1 after July 1, 1999.

2 **Sec. 2.** As used in this chapter, "insurer" means a company, a
3 firm, a partnership, an entity, an association, an order, a society,
4 or a system:

- 5 (1) making any of the kinds of insurance;
6 (2) entering into any of the kinds of contracts; or
7 (3) providing any of the coverage;

8 described in section 1 of this chapter.

9 **Sec. 3.** As used in this chapter, "insured" means an individual
10 who is entitled to coverage under any policy, contract, or plan
11 described in section 1 of this chapter.

12 **Sec. 4.** (a) An insurer that provides coverage for prescription
13 drugs may designate:

- 14 (1) a mail order pharmacy that dispenses prescription drugs
15 through the United States Postal Service or other delivery
16 services to patients in Indiana; or
17 (2) a pharmacy that dispenses prescription drugs after
18 receiving a request for the prescription drugs through the
19 Internet;

20 to provide prescription drugs to an insured.

21 (b) An insurer may not:

- 22 (1) require an insured to obtain prescription drugs from a
23 pharmacy designated under subsection (a) as a condition of
24 coverage; or
25 (2) impose an additional fee or other financial penalty upon an
26 insured if the insured obtains prescription drugs from a
27 pharmacy not designated in subsection (a) that agrees to
28 provide pharmaceutical services under the terms and
29 conditions that apply to a pharmacy designated in subsection
30 (a).

C
O
P
Y

