



February 26, 1999

SENATE BILL No. 153

DIGEST OF SB 153 (Updated February 25, 1999 4:31 pm - DI 97)

Citations Affected: IC 27-8.

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. Requires a mail order or Internet pharmacy to comply with the laws of the state of domicile and with the Indiana generic drug law.

Effective: July 1, 1999.

Gard, Sipes, Lubbers

January 6, 1999, read first time and referred to Committee on Health and Provider Services.
February 25, 1999, amended, reported favorably — Do Pass.

SB 153—LS 6655/DI 97+



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February 26, 1999

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.

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SENATE BILL No. 153



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

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**

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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. As used in this chapter, "mail order or Internet based
13 pharmacy" means a pharmacy that is located in Indiana or is a
14 nonresident pharmacy (as defined in IC 25-26-17-2) that dispenses
15 prescription drugs:

- 16 (1) through the United States Postal Service or other delivery
17 services; or
18 (2) after receiving a request for prescription drugs through
19 the Internet;

20 to patients in Indiana.

21 Sec. 5. (a) An insurer that provides coverage for prescription
22 drugs may designate a mail order or Internet based pharmacy to
23 provide prescription drugs to an insured.

24 (b) An insurer may not:

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

34 Sec. 6. A mail order or Internet based pharmacy shall comply
35 with the following:

- 36 (1) The licensure laws of the state in which the mail order or
37 Internet based pharmacy is domiciled.
38 (2) The generic drug laws of Indiana under IC 16-42-22.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 153, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

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

Page 2, between lines 11 and 12, begin a new paragraph and insert:

"Sec. 4. As used in this chapter, "mail order or Internet based pharmacy" means a pharmacy that is located in Indiana or is a nonresident pharmacy (as defined in IC 25-26-17-2) that dispenses prescription drugs:

- (1) through the United States Postal Service or other delivery services; or**
- (2) after receiving a request for prescription drugs through the Internet;**

to patients in Indiana."

Page 2, line 12, delete "4" and insert "5".

Page 2, line 13, delete ":" and insert "**a mail order or Internet based pharmacy**".

Page 2, delete lines 14 through 19.

Page 2, run in lines 13 through 20.

Page 2, after line 30, begin a new paragraph and insert:

"Sec. 6. A mail order or Internet based pharmacy shall comply with the following:

- (1) The licensure laws of the state in which the mail order or Internet based pharmacy is domiciled.**
- (2) The generic drug laws of Indiana under IC 16-42-22."**

and when so amended that said bill do pass.

(Reference is to SB 153 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 2.



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