GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 885 Judiciary II Committee Substitute Adopted 5/10/93

Short Title: Health Ins. – Pharmacy of Choice. (Public
Sponsors:
Referred to:
April 19, 1993
A BILL TO BE ENTITLED
AN ACT TO ENSURE THAT CONSUMERS HAVE THE RIGHT TO SELECT THE
PHARMACY OF THEIR CHOICE.
The General Assembly of North Carolina enacts:
Section 1. Chapter 58 of the General Statutes is amended by adding a new
section to read:
" <u>§ 58-51-58. Pharmacy of choice.</u>
(a) This section shall apply to all health benefit plans providing pharmaceutical
services benefits, including prescription drugs, to any resident of North Carolina. This
section shall also apply to insurance companies and health maintenance organizations
that provide or administer coverages and benefits for prescription drugs. This section
shall not apply to any entity that has its own facility, employs or contracts with
physicians, pharmacists, nurses, and other health care personnel, and that dispenses
prescription drugs from its own pharmacy to its employees and to enrollees of its health
benefit plan; provided, however, this section shall apply to an entity otherwise excluded
that contracts with an outside pharmacy or group of pharmacies to provide prescription

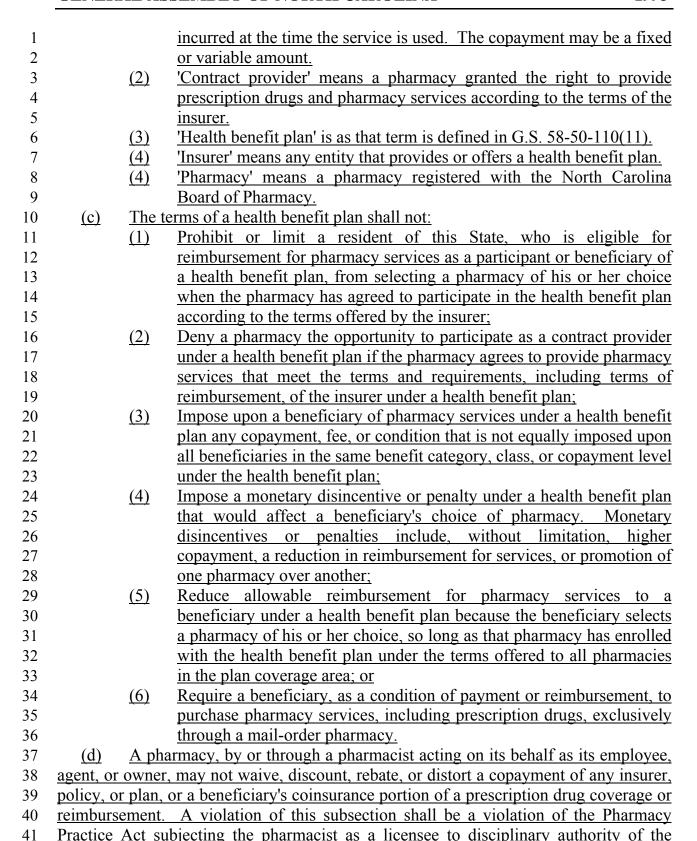
(b) As used in this section:

Statutes, when dispensing prescription drugs to its patients.

(1) 'Copayment' means a type of cost sharing whereby insured or covered persons pay a specified predetermined amount per unit of service with their insurer paying the remainder of the charge. The copayment is

drugs and services. This section shall not apply to any federal program, clinical trial

program, or hospital licensed pursuant to Chapter 131E or Chapter 122C of the General



(e) At least 60 days before the effective date of any health benefit plan providing reimbursement to North Carolina residents for prescription drugs, which restricts

North Carolina Board of Pharmacy pursuant to G.S. 90-85.38.

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- pharmacy participation, the entity providing the health benefit plan shall notify, in writing, all pharmacies within the geographical coverage area of the health benefit plan, and offer to the pharmacies the opportunity to participate in the health benefit plan. All pharmacies in the geographical coverage area of the plan shall be eligible to participate under identical reimbursement terms for providing pharmacy services, including prescription drugs. The entity providing the health benefit plan shall notify the beneficiaries of the plan in writing at regular intervals, but at least every six months, of the names and locations of pharmacies that are participating in the plan as providers of pharmacy services and prescription drugs.
 - (f) If rebates or marketing incentives are allowed to pharmacies or other dispensing entities providing services or benefits under a health benefit plan, these rebates or marketing incentives shall be offered on an equal basis to all pharmacies and other dispensing entities providing services or benefits under a health benefit plan when pharmacy services, including prescription drugs, are purchased in the same volume and under the same terms of payment.
 - (g) Any entity or insurer providing a health benefit plan is subject to G.S. 58-2-70. A violation of this section shall subject the entity providing a health benefit plan to the sanctions of revocation, suspension, or refusal to renew license in the discretion of the Commissioner pursuant to G.S. 58-3-100.
 - (h) A violation of this section creates a civil cause of action for damages or injunctive relief in favor of any person or pharmacy aggrieved by the violation.
 - (i) The Commissioner shall not approve any health benefit plan providing pharmaceutical services which does not conform to this section.
 - (j) Any provision in a health benefit plan which is executed, delivered, or renewed, or otherwise contracted for in this State that is contrary to any provision of this section shall, to the extent of the conflict, be void.
 - (k) It shall be a violation of this section for any insurer or any person to provide any health benefit plan providing for pharmaceutical services to residents of this State that does not conform to the provisions of this section."
 - Sec. 2. This act becomes effective October 1, 1993.