STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

SENATE BILL 1128 By: Yen

AS INTRODUCED

An Act relating to the Uniform Controlled Dangerous Substances Act; providing definitions; requiring certain entities to establish, maintain and use an electronic prescribing system; providing standards; providing certain construction; standardizing platform for transmission of prescriptions; acknowledging HIPAA requirements; specifying transactions subject to standardized transmission; directing Commissioner of Health to develop and make available certain form; requiring certain form to be used and accepted by certain entities; directing Commissioner to develop certain outline and standard companion guide for prior authorizations; requiring certain requests to be used and accepted by certain entities; providing certain constructions; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-316 of Title 63, unless there is created a duplication in numbering, reads as follows:

For the purposes of this act:

A. "Backward compatible" means that the newer version of a data transmission standard would retain, at a minimum, the full functionality of the versions previously adopted, and would permit

the successful completion of the applicable transactions with entities that continue to use the older versions.

B. "Dispense" or "dispensing" has the meaning given in Section 353.1 of Title 59 of the Oklahoma Statutes. For the purposes of this act, dispensing does not include the direct administering of a controlled substance to a patient by a licensed health care professional.

C. "Dispenser" has the meaning given in Section 353.1 of Title 59 of the Oklahoma Statutes.

D. "E-prescribing" means the transmission using electronic media of prescription or prescription-related information between a prescriber, dispenser, pharmacy benefit manager, or group purchaser, either directly or through an intermediary, including an e-prescribing network. E-prescribing includes, but is not limited to, two-way transmissions between the point of care and the dispenser and two-way transmissions related to eligibility, formulary, and medication history information.

E. "Electronic prescription drug program" means a program that provides for e-prescribing.

F. "Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services. "Group purchaser" includes, but is not limited to,

community integrated service networks, health insurance companies, health maintenance organizations, nonprofit health service plan corporations and other health plan companies, employee health plans offered by self-insured employers, trusts established in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, Title 29, Section 141, et seq., group health coverage offered by fraternal organizations, professional associations or other organizations, state and federal health care programs, state and local public employee health plans, workers' compensation plans and the medical component of automobile insurance coverage.

G. "HL7 messages" means a standard approved by the standards development organization known as Health Level Seven.

H. "National Provider Identifier" or "NPI" means the identifier described under Code of Federal Regulations, Title 45, Part 162.406.

I. "NCPDP" means the National Council for Prescription Drug Programs, Inc.

J. "NCPDP Formulary and Benefits Standard" means the National Council for Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide, Version 1, Release 0, October 2005.

K. "NCPDP SCRIPT Standard" means the National Council for Prescription Drug Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide Version 8, Release 1 (Version 8.1), October 2005, or the most recent standard adopted by the Centers for

Medicare and Medicaid Services for e-prescribing under Medicare Part D as required by Section 1860D-4(e)(4)(D) of the Social Security Act (2016), and regulations adopted under it. The standards shall be implemented according to the Centers for Medicare and Medicaid Services schedule for compliance. Subsequently released versions of the NCPDP SCRIPT Standard may be used, provided that the new version of the standard is backward compatible to the current version adopted by the Centers for Medicare and Medicaid Services.

L. "Pharmacy" has the meaning given in Section 353.1 of Title 59 of the Oklahoma Statutes.

M. "Prescriber" has the meaning given in in Section 353.1 of Title 59 of the Oklahoma Statutes.

N. "Prescription-related information" means information regarding eligibility for drug benefits, medication history, or related health or drug information.

O. "Provider" or "health care provider" means a licensed health care provider as defined in Section 1-1708 of Title 63 of the Oklahoma Statutes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-316.1 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Effective January 1, 2021, all providers, group purchasers, prescribers, and dispensers shall establish, maintain, and use an electronic prescription drug program. This program shall comply

with the applicable standards in this act for transmitting, directly or through an intermediary, prescriptions and prescription-related information using electronic media.

B. If transactions described in this act are conducted, they shall be done electronically using the standards described in this act. Nothing in this act requires providers, group purchasers, prescribers, or dispensers to electronically conduct transactions that are expressly prohibited by other sections or federal law.

C. Providers, group purchasers, prescribers, and dispensers shall use either HL7 messages or the NCPDP SCRIPT Standard to transmit prescriptions or prescription-related information internally when the sender and the recipient are part of the same legal entity. If an entity sends prescriptions outside the entity, it shall use the NCPDP SCRIPT Standard or other applicable standards required by this act. Any pharmacy within an entity shall be able to receive electronic prescription transmittals from outside the entity using the adopted NCPDP SCRIPT Standard. This exemption does not supersede any Health Insurance Portability and Accountability Act (HIPAA) requirement that may require the use of a HIPAA transaction standard within an organization.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-316.2 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Prescribers and dispensers shall use the NCPDP SCRIPT Standard for the communication of a prescription or prescription-related information. The NCPDP SCRIPT Standard shall be used to conduct the following transactions:

1. Get message transaction;

2. Status response transaction;

3. Error response transaction;

4. New prescription transaction;

5. Prescription change request transaction;

6. Prescription change response transaction;

7. Refill prescription request transaction;

8. Refill prescription response transaction;

9. Verification transaction;

10. Password change transaction;

11. Cancel prescription request transaction; and

12. Cancel prescription response transaction.

B. Providers, group purchasers, prescribers, and dispensers shall use the NCPDP SCRIPT Standard for communicating and transmitting medication history information.

C. Providers, group purchasers, prescribers, and dispensers shall use the NCPDP Formulary and Benefits Standard for communicating and transmitting formulary and benefit information.

D. Providers, group purchasers, prescribers, and dispensers shall use the national provider identifier to identify a health care

provider in e-prescribing or prescription-related transactions when a health care provider's identifier is required.

E. Providers, group purchasers, prescribers, and dispensers shall communicate eligibility information and conduct health care eligibility benefit inquiry and response transactions according to the requirements of this act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-316.3 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The Commissioner of Health, in consultation with the State Board of Pharmacy, shall develop no later than July 1, 2020, a uniform formulary exception form that allows health care providers to request exceptions from group purchaser formularies using a uniform form. Upon development of the form, all health care providers shall submit requests for formulary exceptions using the uniform form, and all group purchasers shall accept this form from health care providers.

B. No later than January 1, 2020, the uniform formulary exception form shall be accessible and submitted by health care providers, and accepted and processed by group purchasers, through secure electronic transmissions.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-316.4 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The Commissioner of Health, in consultation with the State Board of Pharmacy, shall, no later than February 15, 2019, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

B. No later than January 1, 2020, the State Board of Pharmacy shall develop the standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.

C. No later than January 1, 2021, drug prior authorization requests shall be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

SECTION 6. This act shall become effective November 1, 2018.

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