

**AB-1048 Health care: pain management and Schedule II drug prescriptions.** (2017-2018)

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Assembly Bill No. 1048

CHAPTER 615

An act to add Section 4052.10 to the Business and Professions Code, to amend Sections 1254.7 and 1371.1 of, and to add Section 1367.43 to, the Health and Safety Code, and to amend Section 10123.145 of, and to add Section 10123.203 to, the Insurance Code, relating to health care.

[Approved by Governor October 09, 2017. Filed with Secretary of State October 09, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1048, Arambula. Health care: pain management and Schedule II drug prescriptions.

(1) The Pharmacy Law provides for the licensing and regulation of pharmacists by the California State Board of Pharmacy in the Department of Consumer Affairs. The law specifies the functions pharmacists are authorized to perform, including to administer, orally or topically, drugs and biologicals pursuant to a prescriber's order, and to administer immunizations pursuant to a protocol with a prescriber. A violation of the Pharmacy Law is a crime.

This bill would, beginning July 1, 2018, authorize a pharmacist to dispense a Schedule II controlled substance as a partial fill if requested by the patient or the prescriber. The bill would require the pharmacy to retain the original prescription, with a notation of how much of the prescription has been filled, the date and amount of each partial fill, and the initials of the pharmacist dispensing each partial fill, until the prescription has been fully dispensed. The bill would authorize a pharmacist to charge a professional dispensing fee to cover the actual supply and labor costs associated with dispensing each partial fill associated with the original prescription. By creating a new crime, this bill would impose a state-mandated local program.

(2) Existing law provides for the licensure and regulation of health facilities by the State Department of Public Health. Existing law requires a health facility, as a condition of licensure, to include pain as an item to be assessed at the same time vital signs are taken and to ensure that pain assessment is performed in a consistent manner that is appropriate to the patient.

This bill would remove the requirement that pain be assessed at the same time as vital signs.

(3) Existing law, the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act), provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law imposes various requirements and restrictions on health care service plan contracts issued by health care service plans and health insurance policies issued by health insurers, including those that cover prescription drug benefits, as specified.

This bill, commencing January 1, 2019, would require a health care service plan and an insurer to prorate an enrollee's or insured's cost sharing for a partial fill of a prescription of an oral, solid dosage form prescription drug. The bill would also prohibit a health care service plan or an insurer from considering a prorated cost-

sharing payment made to a pharmacist for dispensing a partial fill as an overpayment. By creating a new crime under the Knox-Keene Act, this bill would impose a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 4052.10 is added to the Business and Professions Code, to read:

4052.10. (a) A pharmacist may dispense a Schedule II controlled substance, as listed in Section 11055 of the Health and Safety Code, as a partial fill if requested by the patient or the prescriber.

(b) If a pharmacist dispenses a partial fill on a prescription pursuant to this section, the pharmacy shall retain the original prescription, with a notation of how much of the prescription has been filled, until the prescription has been fully dispensed. The total quantity dispensed shall not exceed the total quantity prescribed.

(c) Subsequent fills, until the original prescription is completely dispensed, shall occur at the pharmacy where the original prescription was partially filled. The full prescription shall be dispensed not more than 30 days after the date on which the prescription was written. Thirty-one days after the date on which the prescription was written, the prescription shall expire and no more of the drug shall be dispensed without a subsequent prescription.

(d) The pharmacist shall record in the state prescription drug monitoring program only the actual amounts of the drug dispensed.

(e) The pharmacist shall record the date and amount of each partial fill in a readily retrievable form and on the original prescription, and shall include the initials of the pharmacist who dispensed each partial fill.

(f) A pharmacist may charge a professional dispensing fee to cover the actual supply and labor costs associated with dispensing each partial fill associated with the original prescription.

(g) This section shall not be construed to limit the authority of the Department of Managed Health Care, pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code.

(h) This section is not intended to conflict with or supersede any other requirement established for the prescription of a Schedule II controlled substance.

(i) For purposes of this section, the following definitions apply:

(1) "Original prescription" means the prescription presented by the patient to the pharmacy or submitted electronically to the pharmacy.

(2) "Partial fill" means a part of a prescription filled that is of a quantity less than the entire prescription.

(j) This section shall become operative on July 1, 2018.

SEC. 2. Section 1254.7 of the Health and Safety Code is amended to read:

1254.7. (a) It is the intent of the Legislature that pain be assessed and treated promptly, effectively, and for as long as pain persists.

(b) A health facility licensed pursuant to this chapter shall, as a condition of licensure, include pain as an item to be assessed. The health facility shall ensure that pain assessment is performed in a consistent manner that is appropriate to the patient. The pain assessment shall be noted in the patient's chart.

SEC. 3. Section 1367.43 is added to the Health and Safety Code, to read:

1367.43. Commencing January 1, 2019, a health care service plan shall prorate an enrollee's cost sharing for a partial fill of a prescription dispensed pursuant to Section 4052.10 of the Business and Professions Code. This

section shall only apply to oral, solid dosage forms of prescription drugs.

SEC. 4. Section 1371.1 of the Health and Safety Code is amended to read:

1371.1. (a) (1) Whenever a health care service plan, including a specialized health care service plan, determines that in reimbursing a claim for provider services an institutional or professional provider has been overpaid, and then notifies the provider in writing through a separate notice identifying the overpayment and the amount of the overpayment, the provider shall reimburse the health care service plan within 30 working days of receipt by the provider of the notice of overpayment unless the overpayment or portion thereof is contested by the provider in which case the health care service plan shall be notified, in writing, within 30 working days. The notice that an overpayment is being contested shall identify the portion of the overpayment that is contested and the specific reasons for contesting the overpayment.

(2) If the provider does not make reimbursement for an uncontested overpayment within 30 working days after receipt, interest shall accrue at the rate of 10 percent per annum beginning with the first calendar day after the 30-working-day period.

(3) A prorated cost-sharing payment, or any portion thereof, made to a pharmacist for the dispensing of a partial fill pursuant to Section 4052.10 of the Business and Professions Code shall not be considered to be an overpayment pursuant to this section.

(b) (1) This subdivision shall only apply to a health care service plan contract covering dental services or a specialized health care service plan contract covering dental services pursuant to this chapter.

(2) The health care service plan's notice of overpayment shall inform the provider how to access the plan's dispute resolution mechanism offered pursuant to subdivision (h) of Section 1367. The notice shall include the name and address to which the dispute should be submitted and a statement that Section 1371.1 of the Health and Safety Code requires a provider to reimburse the plan for an overpayment within 30 working days of receipt by the provider of the notice of overpayment unless the provider contests the overpayment within 30 working days. The notice shall also include information clearly identifying the claim, the name of the patient, the date of service, and a clear explanation of the basis upon which the plan or the plan's capitated provider believes the amount paid on the claim was in excess of the amount due, including interest and penalties on the claim. The notice shall also include a statement that if the provider does not make reimbursement of an uncontested overpayment within 30 working days after receipt of the notice, interest shall accrue at a rate of 10 percent per annum.

SEC. 5. Section 10123.145 of the Insurance Code is amended to read:

10123.145. (a) (1) Whenever an insurer issuing group or individual policies of disability insurance which covers hospital, medical, or surgical expenses determines that in reimbursing a claim for provider services an institutional or professional provider has been overpaid, and then notifies the provider in writing through a separate notice identifying the overpayment and the amount of the overpayment, the provider shall reimburse the insurer within 30 working days of receipt by the provider of the notice of overpayment unless the overpayment or portion thereof is contested by the provider in which case the insurer shall be notified, in writing, within 30 working days. The notice that an overpayment is being contested shall identify the portion of the overpayment that is contested and the specific reasons for contesting the overpayment.

(2) If the provider does not make reimbursement for an uncontested overpayment within 30 working days after receipt, interest shall accrue at the rate of 10 percent per annum beginning with the first calendar day after the 30-working-day period.

(3) A prorated cost-sharing payment, or any portion thereof, made to a pharmacist for the dispensing of a partial fill pursuant to Section 4052.10 of the Business and Professions Code shall not be considered to be an overpayment pursuant to this section.

(b) (1) This subdivision shall only apply to a health insurance policy covering dental services or a specialized health insurance policy covering dental services.

(2) The insurer's notice of overpayment shall inform the provider how to access the insurer's dispute resolution mechanism offered pursuant to subdivision (a) of Section 10123.137. The notice shall include the name and address to which the dispute should be submitted and a statement that Section 10123.145 of the Insurance Code requires a provider to reimburse the insurer for an overpayment within 30 working days of receipt by the

provider of the notice of overpayment unless the provider contests the overpayment within 30 working days. The notice shall also include information clearly identifying the claim, the name of the patient, the date of service, and a clear explanation of the basis upon which the insurer believes the amount paid on the claim was in excess of the amount due, including interest and penalties on the claim. The notice shall also include a statement that if the provider does not make reimbursement of an uncontested overpayment within 30 working days after receipt of the notice, interest shall accrue at a rate of 10 percent per annum.

SEC. 6. Section 10123.203 is added to the Insurance Code, to read:

10123.203. Commencing January 1, 2019, an insurer shall prorate an insured's cost sharing for a partial fill of a prescription dispensed pursuant to Section 4052.10 of the Business and Professions Code. This section shall only apply to oral, solid dosage forms of prescription drugs.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.