



January 3, 2019

Joaquin Arambula, M.D.
California Assembly Member
Capitol Office, Room 5155
PO Box 942849
Sacramento, CA 94249-0031

Re: Assembly Bill No. 1048

Dear Dr. Arambula:

National Council for Prescription Drug Programs (NCPDP) is a not-for-profit ANSI-accredited Standards Development Organization (SDO) consisting of more than 1,400 members who represent drug manufacturers, chain and independent pharmacies, drug wholesalers, insurers, mail order prescription drug companies, pharmaceutical claims processors, pharmacy benefit managers, physician services organizations, prescription drug providers, software vendors, telecommunication vendors, service organizations, government agencies, professional societies, and other parties interested in electronic standardization within the pharmacy services sector of the healthcare industry. NCPDP provides a forum wherein our diverse membership can develop solutions, including ANSI-accredited standards, and guidance for promoting information exchanges related to medications, supplies, and services within the healthcare system.

All covered entities submitting prescription claim billing transactions in electronic form must use the current Health Insurance Portability and Accountability Act (HIPAA) adopted version of the NCPDP Telecommunication Standard. In May 2018, NCPDP members reviewed Assembly Bill Number 1048 and sent feedback advising you that the current HIPAA-named version of the Telecommunication Standard **does not** support prorating cost sharing for an incremental (partial) fill. In order for a health care service plan or an insurer to prorate the copayment amount, the Quantity Prescribed must be submitted on the claim to perform the calculation, however the Quantity Prescribed field is not available for billing transactions. We have previously shared with you that a change to allow this under HIPAA was requested in 2012. NCPDP has made multiple outreaches to HHS to explain the urgent need for this field to be used to support incremental fills of Schedule II controlled substances. Details of these outreaches can be found on this site <http://www.ncpdp.org/Resources/HIPAA-Information>).

NCPDP initially notified the United States Department of Health and Human Services (HHS) of the California requirement in June of 2018. Subsequently, we have reviewed similar requirements of other states and notified HHS of each. To date, we have not received notice of implementation approval for any change to allow the use of Quantity Prescribed within the HIPAA-named Telecommunication Standard.

As a result, we ask California policy makers to support NCPDP in requesting that HHS complete the rule making process as soon as possible, so that the industry can initiate the 6-month implementation period and support prorated copays for Schedule II incremental fills.

NCPDP offers our collaboration and invites you to participate in our Work Group 1 FAQ Controlled Substance Guidance Sub-Task Group calls. Information on how to join task group calls can be found at the following link: <http://ncpdp.org/NCPDP/media/pdf/EmailToExistingTaskGroups.pdf>

NCPDP respectfully requests that you acknowledge receipt of this letter.

For direct inquiries or questions related to this letter, please contact:

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Sincerely,



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cc: NCPDP Board of Trustees