



April 27, 2023

The Honorable Glenn Youngkin  
Governor of the Commonwealth of Virginia  
P.O. Box 1475  
Richmond, VA 23218

The Honorable Hyland F. Fowler Jr.  
Virginia House of Delegates  
Pocahontas Building  
900 E. Main Street  
Richmond, VA 23219

The Honorable Siobhan S. Dunnivant  
Senate of Virginia  
Pocahontas Building Room No: E613  
P. O. Box 396  
Richmond, VA 23218

Sent via electronic mail

Dear Governor Youngkin, Mr. Fowler and Dr. Dunnivant:

Re: Virginia HB 1471 and SB 1261 Health insurance; electronic prior authorization and disclosure of certain information and Acts of Assembly Chapter 474

The National Council for Prescription Drug Programs (NCPDP) is a not-for-profit American National Standards Institute (ANSI) accredited Standards Developer (ASD) consisting of more than 1,500 members representing entities including, but not limited to, claims processors, data management and analysis vendors, federal and state government agencies, insurers, intermediaries, pharmaceutical manufacturers, pharmacies, pharmacy benefit managers, professional services organizations, software and system vendors 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 business solutions, including ANSI-accredited standards and guidance for promoting information exchanges related to medications, supplies and services within the healthcare system.

For over 40 years, NCPDP has been committed to furthering the electronic exchange of information between healthcare stakeholders. The NCPDP Telecommunication Standard is the standard used for eligibility, claims processing, reporting and other functions in the pharmacy services industry as named in Health Insurance Portability and Accountability ACT (HIPAA). The NCPDP SCRIPT Standard, Telecommunication Standard and the Formulary and Benefit Standard are the standards in use in electronic prescribing as named in Medicare Modernization ACT (MMA).

Virginia HB 1471 and SB 1261 and consequently Acts of Assembly Chapter 474 mention NCPDP's SCRIPT and Real-Time Prescription Benefit (RTPB) Standards. (Please see Appendix for text). Both standards are named to support both prior authorization requests and real-time patient-specific benefit information requests. However, only the SCRIPT Standard supports prior authorization requests and only the RTPB Standard supports real-time patient-specific benefit information requests. RTPB cannot be used for prior authorization requests and the SCRIPT Standard cannot be used for real-time patient-specific benefit requests.

The NCPDP SCRIPT Standard Version 2017071 enables workflow efficiencies and enhances prescription accuracy with transactions supporting new prescriptions, prescription changes, renewal requests, prior authorization requests, prescription fill status notification, prescription cancellation and pharmacy to pharmacy prescription transfer. While the SCRIPT standard provides an electronic means for determining whether prior authorization is required for a specific product and patient, it does not support the exchange of real-time cost information between a prescriber and a pharmacy benefits manager.

NCPDP developed the RTPB standard to enable the real-time exchange of patient-specific formulary and benefit information between providers/prescribers and pharmacy benefit managers/processors. Each RTPB transaction (request and response) is designed to provide information about any coverage restrictions, including prior authorization requirements, and the estimated patient financial responsibility amount of the submitted product. The transaction also supports communicating product coverage and cost information for up to five alternative pharmacies and up to ten alternative products. In addition, to the estimated financial responsibility, the estimated plan cost or estimated combined plan and patient savings may also be communicated when allowed by the plan.

In the Notice of Proposed Rulemaking (NPRM) CMS-4201-P, issued December 14, 2022, the Centers for Medicare & Medicaid Services (CMS) proposed the adoption of the NCPDP Real-Time Prescription Benefit (RTPB) Version 12 as the standard for prescriber real-time benefit tools.

NCPDP appreciates your time and attention to this letter.

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

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Respectfully,



Lee Ann C. Stember  
President & CEO  
National Council for Prescription Drug Programs (NCPDP)

Enclosure

## Appendix

Excerpted from Virginia HB 1471 and SB 1261

*“15. Require a carrier, beginning July 1, 2025, notwithstanding the provisions of subdivision 1 or any other provision of this section, to establish and maintain an online process that (i) links directly to all e-prescribing systems and electronic health record systems that utilize the National Council for Prescription Drug Programs SCRIPT standard and the National Council for Prescription Drug Programs Real Time Benefit Standard; (ii) can accept electronic prior authorization requests from a provider; (iii) can approve electronic prior authorization requests (a) for which no additional information is needed by the carrier to process the prior authorization request, (b) for which no clinical review is required, and (c) that meet the carrier's criteria for approval; and (iv) links directly to real-time patient out-of-pocket costs for the office visit, considering copayment and deductible, and (v) otherwise meets the requirements of this section.”*

*“B. Beginning July 1, 2025, any carrier or its pharmacy benefits manager shall provide real-time patient-specific benefit information to enrollees and contracted providers for the office visit, including any out-of-pocket costs and more affordable medication alternatives or prior authorization requirements, and shall ensure that the data is accurate. Such cost information data shall be available to the provider at the point of prescribing in an accessible and understandable format, such as through the provider's e-prescribing system or electronic health record system that the carrier or pharmacy benefits manager or its designated subcontractor has adopted that utilizes the National Council for Prescription Drug Programs SCRIPT standard and the National Council for Prescription Drug Programs Real Time Benefit Standard from which the provider makes the request.”*