Legislators Consider Compacts on Prescription Drugs, Insurance

By
Jennifer Ginn [1]
Thursday, January 20, 2011 at 12:00 AM

E-Newsletter #63/January 20, 2011 [2]

Legislators this year will consider a host of new compacts that could help them tackle a variety of challenging issues, covering everything from prescription drug abuse to insurance. The Council of State Governments’ National Center for Interstate Compacts has been instrumental in helping craft these compacts.

The Interstate Compact on Prescription Drug Monitoring is rapidly gaining traction and the attention of policymakers. This compact allows members to share information about patients who are getting prescriptions filled for controlled substances. While 34 states have their own drug monitoring programs, they lack the ability to share information across state lines. Without such information sharing, patients could get a pain prescription filled in one state, cross state lines and get a prescription for the same medication in an emergency room.

“The Prescription Monitoring Program Compact is about the ability of states to share information about medications,” said Kansas Senate Assistant Majority Leader Vicki Schmidt, the advisory panel chair and a registered pharmacist. “If a patient has a medication filled by mail order in a state 1,000 miles away, then is having an acute prescription filled at the local pharmacy, the pharmacists, the prescribers can all look at that information and see where that patient has been.”

The compact will be activated and have the force of law once six states adopt it. Up to seven states may consider the legislation this session.

States also are beginning to consider a compact regarding surplus lines insurance, which covers hard to place risks not traditionally covered by standard insurance markets. Potential examples include such things as a policy to insure a dancer’s legs or the possible future earnings of a highly talented athlete.

Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010. In the bill, Congress recommended that states adopt uniform requirements, forms and procedures to facilitate the reporting, payment, collection and allocation of premium taxes for non-admitted insurance, including the surplus lines market. The act specifically allows states to develop an interstate compact to allocate taxes in multistate policies.

The compact is called SLIMPACT-Lite—the Surplus Lines Insurance Multi-State Compliance Compact. The National Center for Interstate Compacts worked with the National Conference of Insurance
Legislators, The National Association of Professional Surplus Lines Officers and other stakeholders to broker the compromise. Five states have started the bill drafting and introduction process. The compact will require 10 states to adopt it for activation.

“Both these compacts provide examples of states working cooperatively to develop effective solutions to complex policy challenges,” said Crady deGolian, senior policy analyst with The National Center for Interstate Compacts. “CSG is tremendously pleased to have played a key role during the drafting process of each compact and remains committed to assisting state policymakers as they consider the legislation.”

**CSG Resources**

- [The National Center for Interstate Compacts](http://knowledgecenter.csg.org//kc/users/jennifer-ginn) [3]
- [NCIC Projects](http://www.csg.org/pubs/capitolideas/enews/issue63_1.aspx) [4]

**Tags:**
- [E-Newsletter](http://knowledgecenter.csg.org/kc/category/tags/e-newsletter) [6]
- [Policy Area](http://knowledgecenter.csg.org/kc/category/policy-area) > [Interstate Compacts](http://knowledgecenter.csg.org/kc/category/policy-area/interstate-compacts) [14] > [National Center for Interstate Compacts](http://knowledgecenter.csg.org/kc/category/policy-area/interstate-compacts/national-center-for-interstate-compacts) [15]
- [Policy Area](http://knowledgecenter.csg.org/kc/category/policy-area) > [Interstate Compacts](http://knowledgecenter.csg.org/kc/category/policy-area/interstate-compacts) [14] > [Ongoing Projects](http://knowledgecenter.csg.org/kc/category/policy-area/interstate-compacts/ongoing-projects) [16] > [SLIMPACT](http://knowledgecenter.csg.org/kc/category/policy-area/interstate-compacts/ongoing-projects/slimimpact) [18]

© 2016 The Council of State Governments. All Rights Reserved.

**Source URL:** http://knowledgecenter.csg.org/kc/content/legislators-consider-compacts-prescription-drugs-insurance

**Links**
