

JAN 18 2008

S.B. NO. 2536

A BILL FOR AN ACT

RELATING TO THE I-SAVERX PRESCRIPTION DRUG PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that:

2 (1) I-SaveRx is a prescription drug reimportation program
3 developed by the state of Illinois that allows
4 Illinois consumers to refill prescriptions for the
5 most common brand-name prescription drugs used to
6 treat chronic illness at affordable prices from
7 pharmacies in Canada and the United Kingdom;

8 (2) Illinois has expended significant time and resources
9 conducting required inspections of the participating
10 foreign pharmacies to ensure safety and quality;

11 (3) Effective July 1, 2006, Illinois selected a new
12 pharmacy benefits manager, Pegasus Health Services
13 Limited, a vendor with extensive experience in the
14 international prescription drug services industry and
15 with existing relationships with licensed pharmacies
16 in Canada, United Kingdom, Australia, and New Zealand;



1 (4) Since Illinois implemented the I-SaveRx prescription
2 drug program, Wisconsin, Missouri, Kansas, and Vermont
3 have joined the program as participating states;

4 (5) Program participants have access to the I-SaveRx
5 program through an internet website and a toll-free
6 twenty-four-hour telephone number;

7 (6) Program participants are expected to save twenty-five
8 to fifty per cent on the cost of their medications;

9 (7) Like Illinois residents, Hawaii residents require
10 timely access to safe, high quality, and efficacious
11 prescription drugs at affordable prices; and

12 (8) Although reimportation of drugs is not a long-term,
13 comprehensive solution to the problem of affordable
14 drugs, Hawaii's participation in the I-SaveRx
15 prescription drug program will provide residents with
16 an interim option for obtaining safe and affordable
17 prescription drugs.

18 The purpose of this Act is provide increased access to safe
19 prescription drugs at affordable prices by directing the
20 governor to enter into the appropriate written agreement that
21 authorizes Hawaii residents to participate in the I-SaveRx
22 prescription drug program.



1 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 "PART . I-SAVERX PRESCRIPTION DRUG PROGRAM

5 §346-A I-SaveRx prescription drug program; participation.

6 The governor shall enter into a written agreement with the state
7 of Illinois and any other state necessary to provide access for
8 program participants, including Hawaii residents, to safe and
9 affordable prescription drugs from Europe and Canada through the
10 Illinois' I-SaveRx prescription drug program, no later than
11 January 1, 2009.

12 The program shall be operational and available to Hawaii
13 residents by July 1, 2009.

14 §346-B Agreement to participate. The written agreement
15 authorizing the State of Hawaii to participate in the I-SaveRx
16 prescription drug program shall:

- 17 (1) State that all Hawaii residents shall be provided
18 access to the I-SaveRx prescription drug program
19 through the Internet and a twenty-four-hour toll-free
20 telephone number and shall be considered program
21 participants;



- 1 (2) Contain specific standards for quality control and
2 safety that are comparable to the standards of the
3 United States;
- 4 (3) Provide that Hawaii, with Illinois, may participate in
5 on-site inspections of participating network
6 pharmacies. Hawaii may independently inspect any
7 pharmacy that is subsequently added to the network of
8 pharmacies; provided that Hawaii shall submit to
9 Illinois written notice of intent to conduct an
10 independent inspection no less than fourteen days
11 prior to the inspection, unless the inspection is an
12 investigation of a complaint;
- 13 (4) Require that the pharmacy benefits manager shall
14 immediately suspend a participating pharmacy upon
15 receiving a written notice from Hawaii of the
16 pharmacy's violation of the standards of practice;
- 17 (5) Require written notice to the governor when other
18 states are added to the I-SaveRx prescription drug
19 program as participating states; and
- 20 (6) Provide that Hawaii may terminate the written
21 agreement to participate in the I-SaveRx prescription



1 drug program with or without cause, after giving
2 written notice to the participating states.

3 **§346-C Program access; benefits.** (a) In the pharmacy
4 benefits management agreement, Illinois shall state that Hawaii
5 residents shall have access to the services of the I-SaveRx
6 prescription drug program, and that Hawaii residents shall be
7 "program participants" as defined in the pharmacy benefits
8 management agreement.

9 (b) The prescription drugs most commonly used to treat
10 chronic illnesses shall be available to refill prescriptions for
11 Hawaii residents through a network of inspected and approved
12 pharmacies in countries other than the United States.
13 Prescription drugs not approved by Illinois shall not be
14 available from network pharmacies for program participants.

15 (c) Program participants in Hawaii shall refill
16 prescriptions in an amount equal to a three-month supply from
17 the program.

18 **§346-D State internet website; I-SaveRx internet website.**

19 (a) The operation and administration of the internet website
20 accessed via the I-SaveRx site shall be the responsibility of
21 the pharmacy benefits manager.



1 (b) The governor shall establish, operate, and administer
2 a separate internet website to provide Hawaii residents with
3 information relating to the I-SaveRx prescription drug program.
4 The State's internet website shall provide a link to the
5 program's internet website.

6 (c) Hawaii residents shall be deemed program participants
7 and shall have access to the services of the I-SaveRx
8 prescription drug program in the same manner as other program
9 participants in other participating states.

10 **§347-E Drug supply.** (a) Hawaii shall cooperate with
11 participating states to ensure an adequate supply of
12 prescription drugs from the program's participating pharmacies.
13 If demand exceeds the prescription drugs available, an agreement
14 may provide that Illinois residents have priority over other
15 program participants in other participating states.

16 (b) For purposes of this part, "participating states",
17 means Illinois and any other state that enters or has entered an
18 agreement with the state of Illinois to participate in the
19 I-SaveRx prescription drug program.

20 **§346-F Joint work group.** (a) To ensure adequate input
21 from Hawaii regarding the safe and effective administration of
22 the I-SaveRx prescription drug program, Hawaii shall be a member



1 of the joint work group, composed of two representatives from
2 each participating state.

3 (b) The governor and the director of human services, or
4 their designees, shall be the work group representatives from
5 Hawaii.

6 (c) The joint work group shall review the approved drug
7 list and the standards of practice annually to consider whether
8 modifications to either are necessary. Modifications to the
9 approved drug list or to the standards of practice shall require
10 the consent of the joint work group.

11 (d) The joint work group shall meet or confer on an as
12 needed basis.

13 **§346-G Pharmacy benefits management agreement; compliance.**

14 (a) Illinois shall be the primary administrator of the pharmacy
15 benefits management agreement.

16 (b) A set of standards of practice adopted by
17 participating states shall be incorporated in the pharmacy
18 benefits management agreement.

19 (c) The pharmacy benefits manager and the network of
20 pharmacies shall comply with the terms of the pharmacy benefits
21 management agreement.



1 (d) For purposes of this part, "network pharmacies" shall
2 have the same meaning as the term is defined in the pharmacy
3 benefits management agreement.

4 **§346-H Inspection.** (a) Under the terms of the pharmacy
5 benefit management agreement, participating pharmacies shall be
6 subject to on-site inspection by Illinois and Hawaii, with or
7 without advance notice.

8 (b) To the extent that additional pharmacies are added to
9 the list of network pharmacies, Hawaii may independently inspect
10 those pharmacies.

11 (c) Hawaii shall provide advance notice in writing to
12 Illinois of any intent to conduct an independent inspection of a
13 participating pharmacy no less than fourteen days prior to the
14 inspection, unless the inspection is an investigation of a
15 complaint.

16 **§346-I Monitoring.** (a) Any report issued by the pharmacy
17 benefits manager or local regulatory authorities regarding the
18 network pharmacies' compliance or noncompliance with the
19 standards of practice shall be provided to Hawaii.

20 (b) The joint work group shall determine the data and
21 information to be included in reports issued by the pharmacy



1 benefits manager and the periodic basis on which the reports
2 shall be issued.

3 **§346-J Violation.** (a) Hawaii shall provide written
4 notice of a violation of the standards of practice to Illinois
5 and the pharmacy benefits manager.

6 (b) Upon receiving the written notice from Hawaii,
7 Illinois shall instruct the pharmacy benefits manager to
8 immediately suspend the participating pharmacy, pending further
9 review by the pharmacy benefits manager and the participating
10 states.

11 (c) Upon completion of the review, the participating
12 pharmacy shall be reinstated or excluded from the program, as
13 appropriate.

14 **§346-K Cancellation.** Hawaii or Illinois may withdraw from
15 this agreement and terminate this cooperative relationship at
16 any time, with or without cause, upon written notice to the
17 other participating states.

18 Hawaii may withdraw from the cooperative relationship by
19 the amendment or repeal of this Act, or by the governor, with
20 the approval of the senate and house committees having primary
21 jurisdiction over this matter.



1 **§346-L State immunity.** The State of Hawaii shall not be
2 liable for any injury or damage caused to a person from
3 prescription drugs obtained through the I-SaveRx prescription
4 drug program.

5 **§346-M Implementation of the I-SaveRx prescription drug**
6 **program; consumer outreach and educational resources.** (a)
7 Within twenty-one days of the effective date of this part, the
8 governor shall convene a working group that shall promote the
9 participation of Hawaii residents in the I-SaveRx prescription
10 drug program by:

11 (1) Developing consumer outreach and educational material
12 to inform Hawaii residents about participation in the
13 I-SaveRx prescription drug program; and

14 (2) Developing materials, forms, procedures, or other
15 resources to implement and administer the I-SaveRx
16 prescription drug program.

17 (b) Members of the working group shall include the
18 governor, the directors of human services, health, and human
19 resources development, respectively; a representative from the
20 executive office on aging; two public members who represent
21 interested consumers and health care providers, respectively;



1 and other representatives from interested parties or
2 stakeholders, as deemed appropriate by the governor.

3 (c) In developing consumer outreach and educational
4 material and resources relating to program implementation, the
5 working group shall be authorized to use the name, logo,
6 internet website, and marketing materials for the I-SaveRx
7 prescription drug program that have been developed by Illinois,
8 provided that the Hawaii state seal may be added to existing
9 I-SaveRx program materials where appropriate.

10 (d) The working group shall develop I-SaveRx prescription
11 drug program resources that include enrollment forms,
12 informational brochures or pamphlets, an internet website,
13 promotional material, and material related to program
14 implementation."

15 SECTION 3. In codifying the new sections added by section
16 2 of this Act, the revisor of statutes shall substitute
17 appropriate section numbers for the letters used in designating
18 the new sections in this Act.

19 SECTION 4. This Act shall take effect upon its approval.
20

INTRODUCED BY: David J. Ige

Report Title:

Prescription Drugs; I-SaveRx; Governor; Reimportation

Description:

Directs governor to establish the State of Hawaii's participation in the I-SaveRx prescription drug program to provide residents with increased access to affordable drugs.

