

JAN 21 2011

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# A BILL FOR AN ACT

RELATING TO PRIOR AUTHORIZATIONS.

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

1           SECTION 1. Over the years there has been an argument that  
2 prescription drug formularies, also known as preferred drug  
3 lists or PDLs, as well as the dispenser and therapeutic  
4 committees that develop them are responsible for delays in a  
5 patient's ability to receive prescription drugs in a timely  
6 manner, thus compromising patient care.

7           However, it is the numerous and cumbersome processes that  
8 doctors and pharmacists must follow to process prior  
9 authorizations, rather than the prescription drug formularies,  
10 that are creating these obstacles to patient care.

11           The legislature finds that a statewide standardization of  
12 the prior authorization process would help to alleviate much of  
13 the administrative burden and confusion that results in delays  
14 to patients' timely access to prescription drugs.

15           The legislature acknowledges that in 2009 the state of  
16 Minnesota amended its state statute to create requirements for  
17 the Minnesota department of health to produce an "outline on how  
18 best to standardize drug prior authorization request



1 transactions between providers and group purchasers with the  
2 goal of maximizing administrative simplification and efficiency  
3 in preparation for electronic transmissions". The result was a  
4 single, combined prescription drug prior authorization and  
5 formulary exception request form.

6 The National Council of Prescription Drug Plans is also  
7 currently in the beginning stages of a national pilot project  
8 monitored by the federal Centers for Medicare and Medicaid  
9 Services to create a streamlined, uniform drug formulary and  
10 prior authorization process to ease the administratively  
11 cumbersome process that often delay patients' ability to timely  
12 access prescriptions.

13 SECTION 2. Article 2 of chapter 431, Hawaii Revised  
14 Statutes, is amended by adding a new part to be appropriately  
15 designated and to read as follows:

16 "PART . PRESCRIPTION DRUG PRIOR AUTHORIZATION

17 STANDARDIZATION

18 §431:2- Definitions. Whenever used in this part, unless  
19 the context otherwise requires:

20 "Commissioner" means the insurance commissioner of the  
21 State of Hawaii.

22



1 "Department" means the department of commerce and consumer  
2 affairs.

3 "Director" means the director of commerce and consumer  
4 affairs.

5 "Dispenser" means any person authorized to dispense drugs  
6 in the State in accordance with section 328-91.

7 "Health care insurance provider" means any insurance  
8 company, fraternal benefit society, health care service plans,  
9 health maintenance organization, or any other entity delivering  
10 or issuing accident and health or sickness insurance, as defined  
11 in section 431:1-205, and shall also include licensed nursing  
12 homes, licensed care homes, licensed foster homes, and licensed  
13 home care providers.

14 "Prescriber" means any physician, dentist, dispenser,  
15 hospital, or other person or institution licensed and registered  
16 in this State to issue a prescription.

17 **§431:2- Prescription drug prior authorization**  
18 **standardization.** (a) The commissioner shall establish a single  
19 statewide universal prescription coverage request form which  
20 shall be utilized by any health care insurance provider in the  
21 State of Hawaii, when applicable. This standardized form shall  
22 supersede any prior authorization processes and coverage



1 requests forms utilized by any health care insurance provider,  
2 prescriber, or dispenser within the State.

3 (b) The commissioner shall consult with the health care  
4 insurance providers, prescribers, and the pharmacy association  
5 in the development of the single, uniform form and in adopting  
6 administrative rules and whenever applicable shall refer to and  
7 utilize any national standards, including those used in the  
8 medicare program.

9 (c) No health care insurance provider, prescriber, or  
10 dispenser may add to or modify the universal prescription  
11 coverage request form as established in subsection (a) or  
12 administrative rules adopted by the department.

13 (d) Health care insurance providers shall be responsible  
14 for reviewing and processing all universal prescription coverage  
15 request forms within seventy-two hours of receipt or within  
16 twenty-four hours in urgent situations.

17 (e) A health care insurance provider shall authorize a  
18 minimum seventy-two hour emergency supply for any prescription  
19 issued for behavioral health or life-threatening conditions that  
20 requires a prior authorization.



1 §431:2- Administrative rules. The department shall  
2 adopt rules pursuant to chapter 91 necessary for purposes of  
3 this part."

4 SECTION 3. This Act shall take effect on July 1, 2011.

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INTRODUCED BY:

John Dren

Carol Johnson

Erzanne Chun Oakland

Will Egan  
Matt



**Report Title:**

Statewide Standardization of Prior Authorizations Process;  
Prescription Drugs

**Description:**

Establishes a statewide standardization of the prescription drug  
prior authorization process.

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

