

---

---

# A BILL FOR AN ACT

RELATING TO HEALTH.

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

1           SECTION 1. The legislature finds that it is the goal of  
2 all people in Hawaii to have access to health care in all its  
3 facets, including affordable access to prescription drugs. The  
4 public relies heavily on health insurance policies to provide  
5 adequate medical care. However, current policies do not require  
6 insurers to cover outpatient prescription drugs, nor do they  
7 impose coverage requirements on insurers that do provide  
8 outpatient prescription drug coverage.

9           The purpose of this Act is to make access to outpatient  
10 prescription drugs more affordable and accessible to the  
11 residents of Hawaii.

12           SECTION 2. Chapter 431:10A, Hawaii Revised Statutes, is  
13 amended by adding a new section to be appropriately designated  
14 and to read as follows:

15           "§431:10A- Coverage for outpatient prescription drugs.

16           (a) Each individual and group accident and health or sickness  
17 policy, contract, plan, or agreement issued or renewed in this  
18 State after December 31, 2012, except for policies, contracts,



1 plans, or agreements that provide coverage for only specified  
2 diseases or other limited benefit coverage, shall include  
3 coverage for outpatient prescription drugs for the insured or  
4 any dependent of the insured.

5 (b) Each individual and group accident and health or  
6 sickness policy, contract, plan, or agreement issued or renewed  
7 in this State after December 31, 2012, that covers outpatient  
8 prescription drugs:

9 (1) Shall not require coinsurance as a basis for cost  
10 sharing with the insured for outpatient prescription  
11 drug benefits; and

12 (2) Shall not require an insured to pay a copayment for  
13 outpatient prescription drugs in excess of \$150 for a  
14 one-month supply of a prescription drug, or its  
15 equivalent for a longer period, as adjusted for  
16 inflation.

17 (c) If an individual and group accident and health or  
18 sickness policy, contract, plan, or agreement provides for a  
19 limit on the annual out-of-pocket expenses for an insured, the  
20 insured's out-of-pocket costs for covered outpatient  
21 prescription drugs shall be included in that limit.



1        (d) As used in this section, unless the context clearly  
2 requires otherwise:

3        "Coinsurance" means a cost-sharing payment by an insured  
4 that is based on a percentage of the cost for a prescription  
5 drug.

6        "Copayment" means a flat dollar amount an insured is  
7 required to pay in cost sharing for covered health services,  
8 items, and supplies, including prescription drugs, after any  
9 applicable deductible. The term shall not be construed to  
10 include any other forms of cost sharing.

11        (e) Nothing in this section shall be construed to require  
12 an individual and group accident and health or sickness policy,  
13 contract, plan, or agreement to provide coverage not otherwise  
14 required by law for any outpatient prescription drug."

15        SECTION 3. Chapter 432:1, Hawaii Revised Statutes, is  
16 amended by adding a new section to be appropriately designated  
17 and to read as follows:

18        **"§432:1- Coverage for outpatient prescription drugs.**

19        (a) Each individual and group accident and health or sickness  
20 policy, contract, plan, or agreement issued or renewed by a  
21 mutual benefit society in this State after December 31, 2012,



1 except for policies, contracts, plans, or agreements that  
2 provide coverage for only specified diseases or other limited  
3 benefit coverage, shall include coverage for outpatient  
4 prescription drugs for the member or any dependent of the  
5 member."

6 SECTION 4. Section 432D-23, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 **"§432D-23 Required provisions and benefits.**

9 Notwithstanding any provision of law to the contrary, each  
10 policy, contract, plan, or agreement issued in the State after  
11 January 1, 1995, by health maintenance organizations pursuant to  
12 this chapter, shall include benefits provided in sections  
13 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116,  
14 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,  
15 431:10A-121, 431:10A-125, 431:10A-126, [~~and~~] 431:10A-122, and  
16 431:10A- , and chapter 431M."

17 SECTION 5. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 6. The Act shall take effect upon its approval and  
20 shall apply to policies contracts, plans, and agreements of  
21 health insurance issued or reserved after December 31, 2012.



**Report Title:**

Mandatory Insurance Coverage; Outpatient Prescription Drugs;  
Copayments; Coinsurance

**Description:**

Requires health insurers to provide outpatient prescription drug coverage. Prohibits health insurers, other than mutual benefit societies, from requiring coinsurance as a basis for cost sharing with the insured for outpatient prescription drug benefits and limits the amount of copayments an insured must pay for prescription drugs. (SD1)

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

