

---

---

# A BILL FOR AN ACT

RELATING TO PERSONAL INJURY PROTECTION BENEFITS.

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

1           SECTION 1. Chapter 431, article 10C, Hawaii Revised  
2 Statutes, is amended by adding a new section to be appropriately  
3 designated and to read as follows:

4           "§431:10C-       Personal injury protection benefits;  
5 reimbursement; drugs. For purposes of the benefits described  
6 under section 431:10C-103.5:

7           (1) Payment for all forms of prescription drugs, including  
8 repackaged and relabeled drugs, shall be one hundred  
9 forty per cent of the average wholesale price set by  
10 the original manufacturer of the dispensed  
11 prescription drug as identified by its National Drug  
12 Code and as published in the Medi-Span Master Drug  
13 Database on the date of dispensing, except where the  
14 insurer, or any entity acting on behalf of the  
15 insurer, directly contracts with the provider, or the  
16 provider's assignee, for a lower amount; provided that

17           (A) If the original manufacturer of the underlying  
18 drug product used in repackaged or relabeled



1           drugs is not provided or is unknown, then payment  
2           shall be one hundred forty per cent of the  
3           average wholesale price for the original  
4           manufacturer's National Drug Code number as  
5           listed in the Medi-Span Master Drug Database of  
6           the prescription drug which is most closely  
7           related to the underlying drug product; and

8           (B) Generic drugs shall be substituted for brand name  
9           drugs unless the prescribing physician certifies  
10           that no substitution shall be prescribed because  
11           the patient's condition does not tolerate a  
12           generic drug; and

13           (2) Payment for compounded medications shall be the sum of  
14           one hundred forty per cent of the average wholesale  
15           price by gram weight of each underlying prescription  
16           drug contained in the compounded medication, where the  
17           average wholesale price shall be that set by the  
18           original manufacturer of the underlying prescription  
19           drug as identified by its National Drug Code and as  
20           published in the Medi-Span Master Drug Database on the  
21           date of compounding, except where the insurer, or any  
22           entity acting on behalf of the insurer, directly



1           contracts with the provider, or the provider's  
2           assignee, for a lower amount."

3           SECTION 2. New statutory material is underscored.

4           SECTION 3. This Act shall take effect on July 1, 2112.



**Report Title:**

Motor Vehicle Insurance; Personal Injury Protection Benefits;  
Reimbursement; Drugs

**Description:**

Specifies reimbursement requirements for prescription drug  
claims concerning motor vehicle insurance personal injury  
protection benefits. Effective July 1, 2112.. (HB2584 HD1)

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

