

Honolulu, Hawaii

MAR 25 2015

RE: H.B. No. 261  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committees on Health and Commerce and Consumer Protection, to which was referred H.B. No. 261, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

beg leave to report as follows:

The purpose and intent of this measure is to require accident and health or sickness insurers, mutual benefit societies, and health maintenance organizations to post and update information on drug formularies on their websites for the benefit of insureds, potential insureds, and providers.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Association, Kaiser Permanente Hawaii, American Cancer Society Cancer Action Network, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Association of Health Plans. Your Committees received comments on this measure from the Hawaii Medical Service Association.

Your Committees find that drug formularies are increasingly complex but are vitally important for patients to understand. Many patients have specific drug needs and choose a health plan that promises to cover their drugs. However, plans can change their formularies at any time, which leaves patients with significantly higher co-payments than they had budgeted for when they originally contracted with their health insurance plan.



Your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Requires each individual or group accident health or sickness insurance policy insurer, mutual benefit society, and health maintenance organization, on or after January 1, 2017, to provide:
  - (A) Its formulary;
  - (B) A system that allows an insured or potential insured to determine whether the prescription drugs are covered under the plan's medical benefits;
  - (C) A dollar amount range of cost-sharing typically paid by an insured of each specific drug; and
  - (D) Standardized content for the formulary for each product offered by the plan pursuant to the recommendations made by the formulary accessibility working group; and
- (2) Establishes a formulary accessibility working group to make recommendations for a standard formulary template.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 261, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 261, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Health and  
Commerce and Consumer  
Protection,



ROSALYN H. BAKER, Chair

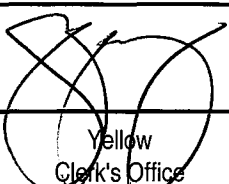


JOSH GREEN, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 261, HD2	HTH/CPN, WAM	3/19/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
GABBARD, Mike	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
<b>TOTAL</b>	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:     Original     Yellow     Pink     Goldenrod				
File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 261 HD2	HTH/CPN/WAM	3-19-15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			<del>✓</del> <i>cc</i>
KAHELE, Gilbert				✓
KIDANI, Michelle N.				✓
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>5</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Clarence K Nishihara</i></div>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

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