
A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

- 1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new section to article 10A to be
3 appropriately designated and to read as follows:
4 "§431:10A- Formulary; accessibility requirements. (a)
5 Each insurer offering or renewing an individual or group
6 accident and health or sickness insurance policy on or after
7 January 1, 2017, shall:
8 (1) Post the formulary for the policy on the insurer's
9 website in a manner that is accessible and searchable
10 by insureds, potential insureds, and providers;
11 (2) Update the formulary on the insurer's website no later
12 than seventy-two hours after making a change to the
13 formulary;
14 (3) Use a standard formulary template pursuant to
15 subsection (c) to display the formulary or formularies
16 for each product offered by the plan; and



1 (4) Prior to the beginning of the open enrollment period,
2 provide information required by this section via a
3 public website and through a toll-free number that is
4 posted on the insurer's website.

5 (b) Each insurer posting the formulary pursuant to
6 subsection (a) shall include all of the following:

7 (1) Any prior authorization, step edit requirements, or
8 utilization management edits for each specific drug
9 included on the formulary;

10 (2) If the plan uses a tier-based formulary, the plan
11 shall specify for each drug listed on the formulary
12 the specific tier the drug occupies and list the
13 specific co-payments for each tier in the evidence of
14 coverage;

15 (3) For prescription drugs covered under the plan's
16 medical benefits and typically administered by a
17 provider, plans shall disclose to insureds and
18 potential insureds all covered drugs and any cost-
19 sharing imposed on such drugs. This information may
20 be provided as part of the plan's formulary pursuant



1 to paragraph (1) or via a toll free number that is
2 staffed at least during normal business hours;

3 (4) For each prescription drug included on the formulary
4 under paragraph (1) or (2) that is subject to a
5 coinsurance and dispensed at an in-network pharmacy,
6 the plan shall:

7 (A) Disclose the dollar amount of the insured's or
8 potential insured's cost-sharing; or

9 (B) Provide a dollar amount range of cost sharing for
10 an insured or potential insured of each specific
11 drug included on the formulary, as follows:

12 (i) Under \$100 - \$;

13 (ii) \$100-\$250 - \$\$;

14 (iii) Over \$250-\$500 - \$\$\$;

15 (iv) Over \$500-\$1,000 - \$\$\$\$; and

16 (v) Over \$1,000 -- \$\$\$\$\$.

17 If the insurer allows the option for mail order
18 pharmacy, the insurer shall separately list the range
19 of cost-sharing for an insured or potential insured if
20 the insured or potential insured purchases the drug



1 through a mail order facility utilizing the same
2 ranges as provided in this paragraph; and

3 (5) Detail whether the prescription drugs are included or
4 excluded from the deductible and detail whether cost-
5 sharing applies to the deductible.

6 (c) The commissioner may develop a standard formulary
7 template pursuant to this section. If the commissioner develops
8 a template, the insurer shall use the template to comply with
9 this section.

10 (d) The insurance commissioner may adopt rules to
11 implement this section.

12 (e) For the purposes of this section, "formulary" means
13 the complete list of drugs preferred for use and eligible for
14 coverage under a policy including drugs covered under the
15 policy's pharmacy benefit and medical benefit as defined by the
16 health care service plans.

17 (f) This section shall not apply to limited benefit health
18 insurance as provided in section 431:10A-102.5."

19 SECTION 2. Chapter 432, Hawaii Revised Statutes, is
20 amended by adding a new section to article 1 to be appropriately
21 designated and to read as follows:



1 "§432:1- Formulary; accessibility requirements. (a)

2 Each mutual benefit society offering or renewing an individual
3 or group accident and health or sickness insurance policy on or
4 after January 1, 2017, shall:

5 (1) Post the formulary for the policy on the mutual
6 benefit society's website in a manner that is
7 accessible and searchable by insured, potential
8 insureds, and providers;

9 (2) Update the formulary on the mutual benefit society's
10 website no later than seventy-two hours after making a
11 change to the formulary;

12 (3) Use a standard formulary template pursuant to
13 subsection (c) to display the formulary or formularies
14 for each product offered by the plan; and

15 (4) Prior to the beginning of the open enrollment period,
16 provide information required by this section via a
17 public website and through a toll-free number that is
18 posted on the mutual benefit socieity's website.

19 (b) Each mutual benefit society posting the formulary
20 pursuant to subsection (a) shall include all of the following:



- 1 (1) Any prior authorization, step edit requirements, or
2 utilization management edits for each specific drug
3 included on the formulary;
- 4 (2) If the plan uses a tier-based formulary, the plan
5 shall specify for each drug listed on the formulary
6 the specific tier the drug occupies and list the
7 specific co-payments for each tier in the evidence of
8 coverage;
- 9 (3) For prescription drugs covered under the plan's
10 medical benefits and typically administered by a
11 provider, plans shall disclose to insureds and
12 potential insureds all covered drugs and any cost-
13 sharing imposed on such drugs. This information may
14 be provided as part of the plan's formulary pursuant
15 to paragraph (1) or via a toll free number that is
16 staffed at least during normal business hours;
- 17 (4) For each prescription drug included on the formulary
18 under paragraph (1) or (2) that is subject to a
19 coinsurance and dispensed at an in-network pharmacy,
20 the plan shall:



- 1 (A) Disclose the dollar amount of the insured's or
2 potential insured's cost-sharing; or
- 3 (B) Provide a dollar amount range of cost sharing for
4 an insured or potential insured of each specific
5 drug included on the formulary, as follows:
- 6 (i) Under \$100 - \$;
7 (ii) \$100-\$250 - \$\$;
8 (iii) Over \$250-\$500 - \$\$\$;
9 (iv) Over \$500-\$1,000 - \$\$\$\$; and
10 (v) Over \$1,000 -- \$\$\$\$\$.

11 If the mutual benefit society allows the option for
12 mail order pharmacy, the mutual benefit society shall
13 separately list the range of cost-sharing for an
14 insured or potential insured if the insured or
15 potential insured purchases the drug through a mail
16 order facility utilizing the same ranges as provided
17 in this paragraphs; and

- 18 (5) Detail whether the prescription drugs are included or
19 excluded from the deductible and detail whether cost-
20 sharing applies to the deductible.



1 (c) The commissioner may develop a standard formulary
2 template pursuant to this section. If the commissioner develops
3 a template, the mutual benefit society shall use the template to
4 comply with this section.

5 (d) The insurance commissioner may adopt rules to
6 implement this section.

7 (e) For the purposes of this section, "formulary" means
8 the complete list of drugs preferred for use and eligible for
9 coverage under a plan, including drugs covered under the plan's
10 pharmacy benefit and medical benefit as defined by the health
11 care service plans.

12 (f) This section shall not apply to limited benefit health
13 insurance as provided in section 431:10A-102.5."

14 SECTION 3. Section 432D-23, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§432D-23 Required provisions and benefits.**

17 Notwithstanding any provision of law to the contrary, each
18 policy, contract, plan, or agreement issued in the State after
19 January 1, 1995, by health maintenance organizations pursuant to
20 this chapter, shall include benefits provided in sections
21 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-



1 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
2 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-~~
3 ~~122, and 431:10A-116.2,~~] 431:10A- , and chapter 431M."

4 SECTION 4. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on July 1, 2112.



Report Title:

Drug Formulary; Posting Requirements; Insurers; Health Plan

Description:

Requires health insurers, mutual benefit societies, and health maintenance organizations to post and update information on drugs formularies on their websites for the benefit of insureds, potential insureds, and providers. (HB261 HD2)

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

