A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

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

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

"§431R-1 Mandatory notification of prescription drug price increases. (a) A manufacturer of a prescription drug with a wholesale acquisition cost of more than $40 for a course of therapy shall notify each prescription drug benefit plan and pharmacy benefit manager of any planned price increase if that increase will result in a sixteen per cent or more increase in the wholesale acquisition cost of the prescription drug over any two-year period.

(b) The notice required by subsection (a) shall:

(1) Be provided in writing at least sixty days prior to the planned effective date of the price increase; and

(2) Include:

(A) The date the price increase shall take effect;
(B) The current wholesale acquisition cost of the
prescription drug;

(C) The dollar amount of the future price increase in
the wholesale acquisition cost of the
prescription drug; and

(D) A statement regarding whether a change or
improvement in the drug necessitates the price
increase, and if so, a description of the change
or improvement.

(c) The insurance commissioner shall post on the website
of the department of commerce and consumer affairs the names and
addresses of the prescription drug benefit plans and pharmacy
benefit managers required to receive notice pursuant to this
section."

SECTION 2. Section 431R-1, Hawaii Revised Statutes, is
amended by adding a new definition to be appropriately inserted
and to read as follows:

"Course of therapy" means:

(1) The recommended daily dosage units of a prescription
drug for thirty days, pursuant to its prescribing
label as approved by the federal Food and Drug Administration; or

(2) The recommended daily dosage units of a prescription drug pursuant to its prescribing label for a normal course of treatment that is less than thirty days, as approved by the federal Food and Drug Administration."

SECTION 3. Section 431R-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) No later than March 31 of each calendar year, each prescription drug benefit plan, health benefits plan under chapter 87A, and pharmacy benefit manager shall file with the insurance commissioner, in [such] a form and detail as the insurance commissioner shall prescribe, a report for the preceding calendar year stating that the pharmacy benefit manager or prescription drug benefit plan is in compliance with this chapter. The report shall fully disclose the amount, terms, and conditions relating to copayments, reimbursement options, and other payments associated with a prescription drug benefit plan. Each report shall disclose an address that will be posted on a public website for purposes of receiving notifications pursuant to section 431R- ."
SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2050.
Report Title:
Department of Commerce and Consumer Affairs; Prescription Drugs; Price Increases; Notification; Insurance Commissioner

Description:
Requires that if a proposed increase in the wholesale price of certain drugs would result in a 16% or more price increase over a 2-year period, the drug manufacturer shall notify various drug insurance providers. (HB267 HD1)

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