

Honolulu, Hawaii

APR 10 2015

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

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 261, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require health insurers, mutual benefit societies, and health maintenance organizations to provide and update information on drug formularies through a public website and toll-free number posted on the website.

This measure also establishes a working group to recommend a template for providing formulary information under this measure.

Your Committee received written comments in support of this measure from the American Cancer Society Cancer Action Network and the Hawaii Medical Association. Written comments on the measure were received from the Insurance Commissioner, the Hawaii Association of Health Plans, and the Hawaii Medical Service Association.

Your Committee finds that many patients choose a health plan that promises to cover their specific drug needs. Unfortunately, plans can change their formularies at any time, leaving patients with significantly higher co-pays than they had budgeted for when they originally contracted with their health insurance plan. Your



Committee believes that this measure will go a long way to remedy this issue.

Your Committee has amended this measure by:

- (1) Adding language to the formulary requirement for health insurers in section 1 of the measure to clarify that the formulary requirement does not apply to limited benefit health insurance, Medicare, Medicaid, or other federally financed plans, consistent with similar provisions in the measure;
- (2) Redrafting the formulary requirement for health maintenance organizations as an amendment to section 432D-23, Hawaii Revised Statutes, rather than as a new section to chapter 432D, Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 261, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 261, H.D. 2, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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JILL N. TOKUDA, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 261, HD 2, ED 1	HTH/CON, WAM	04/06/15		
<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
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam		✓		
<b>TOTAL</b>	9	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em; margin-top: 10px;">  </div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes