



GOV. MSG. NO. 1298

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 2, 2015

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 2, 2015, the following bill was signed into law:

HB261 HD2 SD2 CD1

**RELATING TO CONSUMER PROTECTION
ACT 197 (15)**

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

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SENATE
OFFICE OF THE PRESIDENT

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THE SENATE
CLERK'S OFFICE
STATE OF HAWAII

'15 JUL -2 P4:22

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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 provide the following information via a
8 public website and through a toll-free number that is posted on
9 the insurer's website:

10 (1) Its formulary; provided that notice of any changes due
11 to the addition of a new drug or deletion of any
12 existing drug shall be made available no later than
13 seventy-two hours after the effective date of the
14 change; provided further that notice of other changes,
15 including drug strength or form, shall be made
16 available within fourteen calendar days of the
17 effective date of the change;



1 (2) Provide a system that allows an insured or potential
2 insured to determine whether prescription drugs are
3 covered under the plan's medical benefits and
4 typically administered by a provider, along with any
5 cost-sharing imposed on such drugs;

6 (3) Indicate a dollar amount range of cost-sharing
7 typically paid by an insured of each specific drug
8 included on the formulary based on the information the
9 insurer has available, as follows:

10 (A) \$100 and under: \$;

11 (B) Over \$100 to \$250: \$\$;

12 (C) Over \$250 to \$500: \$\$\$;

13 (D) Over \$500 to \$1,000: \$\$\$\$; and

14 (E) Over \$1,000: \$\$\$\$\$; and

15 (4) Display standardized content for the formulary for
16 each product offered by the plan pursuant to
17 recommendations made by the formulary accessibility
18 working group established pursuant to Act _____,
19 Session Laws of Hawaii 2015.

20 (b) For the purposes of this section, "formulary" means
21 the complete list of drugs preferred for use and eligible for



1 coverage under a policy, including drugs covered under the
2 policy's pharmacy benefit and medical benefit as defined by the
3 health care service plans.

4 (c) This section shall not apply to limited benefit health
5 insurance as provided in section 431:10A-102.5; provided further
6 that this section shall not apply to medicare, medicaid, or
7 other federally financed plans."

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

11 "§432:1- Formulary; accessibility requirements. (a)
12 Each mutual benefit society offering or renewing an individual
13 and group hospital or medical service plan contract on or after
14 January 1, 2017, shall provide the following information via a
15 public website and through a toll-free number that is posted on
16 the mutual benefit society's website:

17 (1) Its formulary; provided that notice of any changes due
18 to the addition of a new drug or deletion of any
19 existing drug shall be made available no later than
20 seventy-two hours after the effective date of the
21 change; provided further that notice of other changes,



1 including drug strength or form, shall be made
2 available within fourteen calendar days of the
3 effective date of the change;
4 (2) Provide a system that allows a subscriber or potential
5 subscriber to determine whether prescription drugs are
6 covered under the plan's medical benefits and
7 typically administered by a provider, along with any
8 cost-sharing imposed on such drugs;
9 (3) Indicate a dollar amount range of cost-sharing
10 typically paid by a subscriber of each specific drug
11 included on the formulary based on the information the
12 mutual benefit society has available, as follows:
13 (A) \$100 and under: \$;
14 (B) Over \$100 to \$250: \$\$;
15 (C) Over \$250 to \$500: \$\$\$;
16 (D) Over \$500 to \$1,000: \$\$\$\$; and
17 (E) Over \$1,000: \$\$\$\$\$; and
18 (4) Display standardized content for the formulary for
19 each product offered by the plan pursuant to
20 recommendations made by the formulary accessibility

1 working group established pursuant to Act _____,
2 Session Laws of Hawaii 2015.

3 (b) For the purposes of this section, "formulary" means
4 the complete list of drugs preferred for use and eligible for
5 coverage under a policy, including drugs covered under the
6 policy's pharmacy benefit and medical benefit as defined by the
7 health care service plans.

8 (c) This section shall not apply to limited benefit health
9 insurance as provided in section 431:10A-102.5; provided further
10 that this section shall not apply to medicare, medicaid, or
11 other federally financed plans."

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

14 **"§432D-23 Required provisions and benefits.**

15 Notwithstanding any provision of law to the contrary, each
16 policy, contract, plan, or agreement issued in the State after
17 January 1, 1995, by health maintenance organizations pursuant to
18 this chapter, shall include benefits provided in sections
19 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
20 116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121,



1 431:10A-125, 431:10A-126, 431:10A-122, [~~and~~] 431:10A-116.2, and
2 431:10A-_____, and chapter 431M."

3 SECTION 4. (a) There is established a formulary
4 accessibility working group to be appointed and administered by
5 the insurance commissioner for the purpose of making
6 recommendations for a standard formulary template pursuant to
7 this Act. The working group shall include the following
8 members:

- 9 (1) Insurance commissioner, or the commissioner's
- 10 designee, who shall serve as chair;
- 11 (2) Director of health, or the director's designee;
- 12 (3) Representatives from the health care provider
- 13 community;
- 14 (4) Representatives from the board of pharmacy;
- 15 (5) Representatives from the Hawaii Association of Health
- 16 Plans; and
- 17 (6) One representative from the American Cancer Society
- 18 Cancer Action Network - Hawaii Pacific Region.

19 (b) The formulary accessibility working group shall make
20 its recommendations related to a standard formulary template to

1 the legislature no later than twenty days prior to the convening
2 of the regular session of 2016.

3 (c) The formulary accessibility working group shall
4 dissolve on June 30, 2016.

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

7 SECTION 6. This Act shall take effect on July 1, 2015.

APPROVED this 2 day of JUL , 2015



GOVERNOR OF THE STATE OF HAWAII

