

---

---

# 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 twenty-four hours after making a change to the  
13           formulary;

14           (3) Use a standard formulary template pursuant to  
15           subsection (d) 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 subsection; 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) Each insurer subject to this section shall, no later  
7 than thirty days after the offer or renewal date, attest to the  
8 insurance commissioner that the insurer has satisfied the  
9 requirements of this section.

10 (d) The commissioner may develop a standard formulary  
11 template pursuant to this section. If the commissioner develops  
12 a template, the health care service plan shall use the template  
13 to comply with this section.

14 (e) The insurance commissioner may adopt rules to  
15 implement this section.

16 (f) For the purposes of this section, "formulary" means  
17 the complete list of drugs preferred for use and eligible for  
18 coverage under a policy including drugs covered under the  
19 policy's pharmacy benefit and medical benefit as defined by the  
20 insurance commissioner."



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

4 **"§432:1- Formulary; accessibility requirements. (a)**

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

- 8 (1) Post the formulary for the policy on the mutual  
9 benefit society's website in a manner that is  
10 accessible and searchable by insured, potential  
11 insureds, and providers;
- 12 (2) Update the formulary on the mutual benefit society's  
13 website no later than twenty-four hours after making a  
14 change to the formulary;
- 15 (3) Use a standard formulary template pursuant to  
16 subsection (d) to display the formulary or formularies  
17 for each product offered by the plan; and
- 18 (4) Prior to the beginning of the open enrollment period,  
19 provide information required by this section via a  
20 public website and through a toll-free number that is  
21 posted on the insurer's website.



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



1 coinsurance and dispensed at an in-network pharmacy,  
2 the plan shall:

3 (A) Disclose the dollar amount of the insured's or  
4 potential insured's cost-sharing, or

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

8 (i) Under \$100 - \$.

9 (ii) \$100-\$250 - \$\$.

10 (iii) Over \$250-\$500 - \$\$\$.

11 (iv) Over \$500-\$1,000 - \$\$\$\$.

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

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



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

4       (c) Each mutual benefit society subject to this section  
5       shall, no later than thirty days after the offer or renewal  
6       date, attest to the insurance commissioner that the mutual  
7       benefit society has satisfied the requirements of this section.

8       (d) The commissioner may develop a standard formulary  
9       template pursuant to this section. If the commissioner develops  
10      a template, the health care service plan shall use the template  
11      to comply with 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 plan, including drugs covered under the plan's  
15      pharmacy benefit and medical benefit as defined by the insurance  
16      commissioner."

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

19      "**§432D-23 Required provisions and benefits.**

20      Notwithstanding any provision of law to the contrary, each  
21      policy, contract, plan, or agreement issued in the State after





1 January 1, 1995, by health maintenance organizations pursuant to  
2 this chapter, shall include benefits provided in sections  
3 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-  
4 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,  
5 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-~~  
6 ~~122, and 431:10A 116.2,~~] 431:10A- , and chapter 431M."

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

9 SECTION 5. This Act shall take effect on July 1, 2015.



**Report Title:**

Formulary; Posting Requirements; Insurers; Health Plan

**Description:**

Requires health insurers, mutual benefit societies, and health maintenance organizations to post and update information on formularies on their websites for the benefit of insureds, potential insureds, and providers on or after January 1, 2017.  
(HB261 HD1)

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

