

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO THE I-SAVERX PRESCRIPTION DRUG PROGRAM.

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

1 SECTION 1. The legislature finds that:

2 (1) I-SaveRx is a prescription drug reimportation program  
3 developed by the State of Illinois that allows  
4 Illinois consumers to refill prescriptions for the  
5 most common brand-name prescription drugs used to  
6 treat chronic illness at affordable prices from  
7 pharmacies in Canada and the United Kingdom;

8 (2) Illinois has expended significant time and resources  
9 conducting required inspections of the participating  
10 foreign pharmacies to ensure safety and quality;

11 (3) Effective July 1, 2006, Illinois selected a new  
12 pharmacy benefits manager, Pegasus Health Services  
13 Limited, a vendor with extensive experience in the  
14 international prescription drug services industry and  
15 with existing relationships with licensed pharmacies  
16 in Canada, United Kingdom, Australia, and New Zealand;



1 (4) Since Illinois implemented the I-SaveRx prescription  
2 drug program, Wisconsin, Missouri, Kansas, and Vermont  
3 have joined the program as participating states;

4 (5) Program participants have access to the I-SaveRx  
5 program through an internet website and a toll-free  
6 twenty-four-hour telephone number;

7 (6) Program participants are expected to save twenty-five  
8 to fifty per cent on the cost of their medications;

9 (7) Like Illinois residents, Hawaii residents require  
10 timely access to safe, high quality, and efficacious  
11 prescription drugs at affordable prices; and

12 (8) Although reimportation of drugs is not a long-term,  
13 comprehensive solution to the problem of affordable  
14 drugs, Hawaii's participation in the I-SaveRx  
15 prescription drug program will provide residents with  
16 an interim option for obtaining safe and affordable  
17 prescription drugs.

18 The purpose of this Act is provide increased access to safe  
19 prescription drugs at affordable prices by directing the  
20 governor to enter into the appropriate written agreement that  
21 authorizes Hawaii residents to participate in the I-SaveRx  
22 prescription drug program.



1 SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4 "PART . I-SAVERX PRESCRIPTION DRUG PROGRAM

5 §346-A I-SaveRx prescription drug program; participation.

6 The governor shall enter into a written agreement with the State  
7 of Illinois and any other state necessary to provide access for  
8 program participants, including Hawaii residents, to safe and  
9 affordable prescription drugs from Europe and Canada through the  
10 Illinois' I-SaveRx prescription drug program, no later than  
11 January 1, 2008.

12 The program shall be operational and available to Hawaii  
13 residents by July 1, 2008.

14 §346-B Agreement to participate. The written agreement  
15 authorizing the State of Hawaii to participate in the I-SaveRx  
16 prescription drug program shall:

- 17 (1) State that all Hawaii residents shall be provided  
18 access to the I-SaveRx prescription drug program  
19 through the Internet and a twenty-four-hour toll-free  
20 telephone number and shall be considered program  
21 participants;



- 1           (2)    Contain specific standards for quality control and  
2                    safety that are comparable to the standards of the  
3                    United States;
- 4           (3)    Provide that Hawaii, with Illinois, may participate in  
5                    on-site inspections of participating network  
6                    pharmacies; Hawaii may independently inspect any  
7                    pharmacy that is subsequently added to the network of  
8                    pharmacies, provided that Hawaii shall submit to  
9                    Illinois written notice of intent to conduct an  
10                  independent inspection no less than fourteen days  
11                  prior to the inspection, unless the inspection is an  
12                  investigation of a complaint;
- 13          (4)    Require that the pharmacy benefits manager shall  
14                    immediately suspend a participating pharmacy upon  
15                    receiving a written notice from Hawaii of the  
16                    pharmacy's violation of the standards of practice;
- 17          (5)    Require written notice to the governor when other  
18                    states are added to the I-SaveRx prescription drug  
19                    program as participating states; and
- 20          (6)    Provide that Hawaii may terminate the written  
21                    agreement to participate in the I-SaveRx prescription



1 drug program with or without cause, after giving  
2 written notice to the participating states.

3 **§346-C Program access; benefits.** (a) In the pharmacy  
4 benefits management agreement, Illinois shall state that Hawaii  
5 residents shall have access to the services of the I-SaveRx  
6 prescription drug program, and that Hawaii residents shall be  
7 "program participants" as defined in the pharmacy benefits  
8 management agreement.

9 (b) The prescription drugs most commonly used to treat  
10 chronic illnesses shall be available to refill prescriptions for  
11 Hawaii residents through a network of inspected and approved  
12 pharmacies in countries other than the United States.  
13 Prescription drugs not approved by Illinois shall not be  
14 available from network pharmacies for program participants.

15 (c) Program participants in Hawaii shall refill  
16 prescriptions in an amount equal to a three-month supply from  
17 the program.

18 **§346-D State internet website; I-SaveRx internet website.**

19 (a) The operation and administration of the internet website  
20 accessed via the I-SaveRx site shall be the responsibility of  
21 the pharmacy benefits manager.



1 (b) The governor shall establish, operate, and administer  
2 a separate internet website to provide Hawaii residents with  
3 information relating to the I-SaveRx prescription drug program.  
4 The State's internet website shall provide a link to the  
5 program's internet website.

6 (c) Hawaii residents shall be deemed program participants  
7 and shall have access to the services of the I-SaveRx  
8 prescription drug program in the same manner as other program  
9 participants in other participating states.

10 **§347-E Drug supply.** (a) Hawaii shall cooperate with  
11 participating states to ensure an adequate supply of  
12 prescription drugs from the program's participating pharmacies.  
13 If demand exceeds the prescription drugs available, an agreement  
14 may provide that Illinois residents have priority over other  
15 program participants in other participating states.

16 (b) For purposes of this part, "participating states",  
17 means Illinois and any other state that enters or has entered an  
18 agreement with the State of Illinois to participate in the  
19 I-SaveRx prescription drug program.

20 **§346-F Joint work group.** (a) To ensure adequate input  
21 from Hawaii regarding the safe and effective administration of  
22 the I-SaveRx prescription drug program, Hawaii shall be a member



1 of the joint work group, composed of two representatives from  
2 each participating state.

3 (b) The governor and the director of human services, or  
4 their designees, shall be the work group representatives from  
5 Hawaii.

6 (c) The joint work group shall review the approved drug  
7 list and the standards of practice annually to consider whether  
8 modifications to either are necessary. Modifications to the  
9 approved drug list or to the standards of practice shall require  
10 the consent of the joint work group.

11 (d) The joint work group shall meet or confer on an as  
12 needed basis.

13 **§346-G Pharmacy benefits management agreement; compliance.**

14 (a) Illinois shall be the primary administrator of the pharmacy  
15 benefits management agreement.

16 (b) A set of standards of practice adopted by  
17 participating states shall be incorporated in the pharmacy  
18 benefits management agreement.

19 (c) The pharmacy benefits manager and the network of  
20 pharmacies shall comply with the terms of the pharmacy benefits  
21 management agreement.



1 (d) For purposes of this part, "network pharmacies" shall  
2 have the same meaning as the term is defined in the pharmacy  
3 benefits management agreement.

4 **§346-H Inspection.** (a) Under the terms of the pharmacy  
5 benefit management agreement, participating pharmacies shall be  
6 subject to on-site inspection by Illinois and Hawaii, with or  
7 without advance notice.

8 (b) To the extent that additional pharmacies are added to  
9 the list of network pharmacies, Hawaii may independently inspect  
10 those pharmacies.

11 (c) Hawaii shall provide advance notice in writing to  
12 Illinois of any intent to conduct an independent inspection of a  
13 participating pharmacy no less than fourteen days prior to the  
14 inspection, unless the inspection is an investigation of a  
15 complaint.

16 **§346-I Monitoring.** (a) Any report issued by the pharmacy  
17 benefits manager or local regulatory authorities regarding the  
18 network pharmacies' compliance or noncompliance with the  
19 standards of practice shall be provided to Hawaii.

20 (b) The joint work group shall determine the data and  
21 information to be included in reports issued by the pharmacy





1 benefits manager and the periodic basis on which the reports  
2 shall be issued.

3       **§346-J Violation.** (a) Hawaii shall provide written  
4 notice of a violation of the standards of practice to Illinois  
5 and the pharmacy benefits manager.

6       (b) Upon receiving the written notice from Hawaii,  
7 Illinois shall instruct the pharmacy benefits manager to  
8 immediately suspend the participating pharmacy, pending further  
9 review by the pharmacy benefits manager and the participating  
10 states.

11       (c) Upon completion of the review, the participating  
12 pharmacy shall be reinstated or excluded from the program, as  
13 appropriate.

14       **§346-K Cancellation.** Hawaii or Illinois may withdraw from  
15 this agreement and terminate this cooperative relationship at  
16 any time, with or without cause, upon written notice to the  
17 other participating states.

18       Hawaii may withdraw from the cooperative relationship by  
19 the amendment or repeal of this Act, or by the governor, with  
20 the approval of the senate and house committees with  
21 jurisdiction over this matter.



1           **§346-L State immunity.** The State of Hawaii shall not be  
2 liable for any injury or damage caused to a person from  
3 prescription drugs obtained through the I-SaveRx prescription  
4 drug program.

5           **§346-M Implementation of the I-SaveRx prescription drug**  
6 **program; consumer outreach and educational resources.** (a)

7 Within twenty-one days of the effective date of this part, the  
8 governor shall convene a working group that shall promote the  
9 participation of Hawaii residents in the I-SaveRx prescription  
10 drug program by:

11           (1) Developing consumer outreach and educational material  
12 to inform Hawaii residents about participation in the  
13 I-SaveRx prescription drug program; and

14           (2) Developing materials, forms, procedures, or other  
15 resources to implement and administer the I-SaveRx  
16 prescription drug program.

17           (b) Members of the working group shall include the  
18 governor, the directors of human services, health, and human  
19 resources development, respectively; a representative from the  
20 executive office on aging; two public members who represent  
21 interested consumers and health care providers, respectively;



1 and other representatives from interested parties or  
2 stakeholders, as deemed appropriate by the governor.

3 (c) In developing consumer outreach and educational  
4 material and resources relating to program implementation, the  
5 working group shall be authorized to use the name, logo,  
6 internet website, and marketing materials for the I-SaveRx  
7 prescription drug program that have been developed by Illinois,  
8 provided that the Hawaii state seal may be added to existing  
9 I-SaveRx program materials where appropriate.

10 (d) The working group shall develop I-SaveRx prescription  
11 drug program resources that include enrollment forms;  
12 informational brochures or pamphlets; an internet website;  
13 promotional material; and material related to program  
14 implementation."

15 SECTION 3. In codifying the new sections added by section  
16 2 of this Act, the revisor of statutes shall substitute  
17 appropriate section numbers for the letters used in designating  
18 the new sections in this Act.

19 SECTION 4. This Act shall take effect upon its approval.  
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**Report Title:**

Prescription Drugs; I-SaveRx; Governor; Reimportation

**Description:**

Directs governor to establish the State of Hawaii's participation in the I-SaveRx prescription drug program to provide residents with increased access to affordable drugs.

