
A BILL FOR AN ACT

RELATING TO PRESCRIPTION MEDICATIONS.

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

1 SECTION 1. The legislature finds that prior authorization
2 for prescription medications requires that physicians obtain
3 approval from a health insurance carrier to prescribe a specific
4 medication for their patients. Without this prior
5 authorization, a health insurance carrier may not provide
6 coverage, or pay for, patient medication. Despite its growing
7 visibility and importance, the prior authorization process is
8 often manual and non-standard, creating administrative burdens
9 and costs to healthcare providers and health insurance carriers.
10 It also may result in patients experiencing delays in getting
11 prescriptions filled, leading to potentially adverse health
12 impacts.

13 While prescription drugs requiring prior authorization
14 consist of only a small fraction of all prescribed medications,
15 the number of drugs requiring prior authorization and the number
16 of prior authorizations have grown rapidly in recent years.
17 Hence, prior authorization has become a widely adopted method of
18 drug use management.



1 In February 2010, the Minnesota department of health, in
2 its report entitled "Electronic Drug Prior Authorization
3 Standardization and Transmission", suggested the following best
4 approaches to standardize prior authorization requests,
5 including:

- 6 (1) Extensive use of direct, computer-to-computer,
7 automated electronic data interchange, based on well-
8 established, widely-used national standards that are
9 well suited to the drug prior authorization
10 transaction;
- 11 (2) A single, standard list of drugs requiring prior
12 authorizations, and a standard set of questions used
13 by payers to gather supplemental information needed to
14 process prior authorization requests, that are the
15 same across all payers; and
- 16 (3) Full and effective integration with other healthcare
17 electronic data exchange, especially electronic
18 prescribing and electronic health records.

19 The purpose of this Act is to convene a working group to
20 discuss improvements to the existing prior authorization process
21 for medications.



1 SECTION 2. (a) The John A. Burns school of medicine shall
2 convene a working group comprised of healthcare providers,
3 pharmacists, insurance carriers, health maintenance
4 organizations, governmental agencies, and other key stakeholders
5 to discuss potential improvements to the current prior
6 authorization process for prescription medications.

7 (b) The working group shall provide a report of
8 proceedings, recommendations, and results on implementing this
9 Act to the legislature not later than thirty days prior to the
10 convening of the regular session of 2012.

11 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Insurance; Prior Authorization; Working Group

Description:

Requires a working group to discuss potential improvements to the current prior authorization process for prescription medications. Effective July 1, 2050. (HB1384 HD2)

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