
A BILL FOR AN ACT

RELATING TO PRIOR AUTHORIZATIONS.

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

1 SECTION 1. Over the years there has been an argument that
2 prescription drug formularies, also known as preferred drug
3 lists or PDLs, as well as the dispenser and therapeutic
4 committees that develop them are responsible for delays in a
5 patient's ability to receive prescription drugs in a timely
6 manner, thus compromising patient care.

7 However, it is the numerous and cumbersome processes that
8 doctors and pharmacists must follow to process prior
9 authorizations, rather than the prescription drug formularies,
10 that are creating these obstacles to patient care.

11 The legislature finds that a statewide standardization of
12 the prior authorization process would help to alleviate much of
13 the administrative burden and confusion that results in delays
14 to patients' timely access to prescription drugs.

15 The legislature acknowledges that in 2009 the state of
16 Minnesota amended its state statute to create requirements for
17 the Minnesota department of health to produce an "outline on how
18 best to standardize drug prior authorization request



1 transactions between providers and group purchasers with the
2 goal of maximizing administrative simplification and efficiency
3 in preparation for electronic transmissions". The result was a
4 single, combined prescription drug prior authorization and
5 formulary exception request form.

6 The National Council of Prescription Drug Plans is also
7 currently in the beginning stages of a national pilot project
8 monitored by the federal Centers for Medicare and Medicaid
9 Services to create a streamlined, uniform drug formulary and
10 prior authorization process to ease the administratively
11 cumbersome process that often delay patients' ability to timely
12 access prescriptions.

13 SECTION 2. Article 2 of chapter 431, Hawaii Revised
14 Statutes, is amended by adding a new part to be appropriately
15 designated and to read as follows:

16 "PART . PRESCRIPTION DRUG PRIOR AUTHORIZATION
17 STANDARDIZATION

18 §431:2- Definitions. Whenever used in this part, unless
19 the context otherwise requires:

20 "Commissioner" means the insurance commissioner of the
21 State of Hawaii.

22



1 "Department" means the department of commerce and consumer
2 affairs.

3 "Director" means the director of commerce and consumer
4 affairs.

5 "Dispenser" means any person authorized to dispense drugs
6 in the State in accordance with section 328-91.

7 "Health care insurance provider" means any insurance
8 company, fraternal benefit society, health care service plans,
9 health maintenance organization, or any other entity delivering
10 or issuing accident and health or sickness insurance, as defined
11 in section 431:1-205, and shall also include licensed nursing
12 homes, licensed care homes, licensed foster homes, and licensed
13 home care providers.

14 "Prescriber" means any physician, dentist, dispenser,
15 hospital, or other person or institution licensed and registered
16 in this State to issue a prescription.

17 **§431:2- Prescription drug prior authorization**
18 **standardization.** (a) The commissioner shall establish a single
19 statewide universal prescription coverage request form which
20 shall be utilized by any health care insurance provider in the
21 State of Hawaii, when applicable. This standardized form shall
22 supersede any prior authorization processes and coverage



1 requests forms utilized by any health care insurance provider,
2 prescriber, or dispenser within the State.

3 (b) The commissioner shall consult with the health care
4 insurance providers, prescribers, and the pharmacy association
5 in the development of the single, uniform form and in adopting
6 administrative rules and whenever applicable shall refer to and
7 utilize any national standards, including those used in the
8 medicare program.

9 (c) No health care insurance provider, prescriber, or
10 dispenser may add to or modify the universal prescription
11 coverage request form as established in subsection (a) or
12 administrative rules adopted by the department.

13 (d) Health care insurance providers shall be responsible
14 for reviewing and processing all universal prescription coverage
15 request forms within seventy-two hours of receipt or within
16 twenty-four hours in urgent situations.

17 (e) A health care insurance provider shall authorize a
18 minimum seventy-two hour emergency supply for any prescription
19 issued for behavioral health or life-threatening conditions that
20 requires a prior authorization.



1 §431:2- Administrative rules. The department shall
2 adopt rules pursuant to chapter 91 necessary for purposes of
3 this part."

4 SECTION 3. This Act shall take effect on July 1, 2011.

5

INTRODUCED BY: _____ 

JAN 26 2011



Report Title:

Statewide Standardization of Prior Authorizations Process;
Prescription Drugs

Description:

Establishes a statewide standardization of the prescription drug
prior authorization process.

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

