

STAND. COM. REP. NO.

2619

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2106
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2106, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require health insurers to provide outpatient prescription drug coverage;
- (2) Prohibit health insurers, other than mutual benefit societies, from requiring coinsurance as a basis for cost sharing with the insured for outpatient prescription drug coverage; and
- (3) Limit the amount of copayment that an insured must pay for outpatient prescription drugs.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, Hawaii Academy of Physician Assistants, American Cancer Society, Faith Action for Community Equity (FACE), GBS/CIPD Foundation International, Neuropathy Action Foundation, Power of Pain Foundation, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance and Kaiser Permanente.

Your Committee finds that outpatient drug therapy is critical to quality care in an efficient health care system. This measure



makes prescription drugs more affordable and accessible to the State's residents by prohibiting coinsurance for certain insureds and limiting the amount an insured must pay for prescription drugs.

Your Committee has amended this measure by:

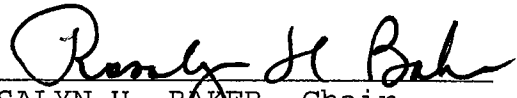
- (1) Deleting provisions that:
 - (A) Prohibit individual and group accident and health or sickness policies, contracts, plans, and agreements from requiring coinsurance as a basis for cost sharing and from requiring a copayment in excess of \$150 for a one-month supply of a prescription drug; and
 - (B) Include the costs for covered outpatient prescription drugs in any limit of a member's out-of-pocket expenses;
- (2) Deleting the definitions of "coinsurance" and "copayment";
- (3) Deleting language stating that this measure shall not be construed to require an individual and group accident and health or sickness policy, contract, plan, or agreement to provide coverage not otherwise required by law for any outpatient prescription drug; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

Your Committee finds that this measure, as amended, requires all health insurers in Hawaii to provide the same level of benefits and coverage for outpatient prescription drugs, thus promoting fair competition in the insurance marketplace.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2106, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2106, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

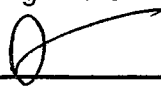


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2106 SDI	HTH, CPN	2/29/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)				✓
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh				✓
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes