

Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 891

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Health, to which was referred H.B. No. 891 entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION DRUGS,"

beg leave to report as follows:

The purpose of this measure is to establish price caps within the Hawaii workers' compensation insurance system for prescription drugs, including repackaged drugs and compound medications.

The Department of Human Resources Development, Department of Labor and Industrial Relations, Department of Human Resources of the City and County of Honolulu, Hawaii Insurers Council, GEICO, The Chamber of Commerce of Hawaii, ILWU Local 142, RxDevelopment, Solera Integrated Medical Solutions, and two concerned individuals supported this measure. CorVel Corporation and Work Injury Medical Association of Hawaii supported the intent of this measure. Property Casualty Insurers Association of America supported this measure with amendments. State Farm Mutual Automobile Insurance Company opposed this measure. Automated HealthCare Solutions provided comments.

Your Committees have amended this measure by:

- (1) Providing that the formula for calculating the price for a repackaged or relabeled drug does not apply where the insurance carrier and the specific provider seeking



reimbursement have directly contracted between one another for a lower reimbursement amount;

- (2) Specifying a formula for calculating the price for a generic drug;
- (3) Limiting physician dispensing of repackaged prescription medications to the initial visit only and to a 30-day supply;
- (4) Including a two-year sunset provision;
- (5) Changing the effective date to July 1, 2113, to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 891, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 891, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Labor & Public Employment and Health,

  
DELLA AU BELATTI, Chair

  
MARK M. NAKASHIMA, Chair





