
A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUG BENEFITS.

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

1 SECTION 1. Chapter 431R, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§431R- Retail community pharmacies; outside of retail
5 pharmacy network; geographic exemption. (a) Notwithstanding
6 sections 431R-2 and 431R-3, in any county with an area of two
7 thousand square miles or more, whenever the residence of a
8 beneficiary is ten or more miles away from the nearest retail
9 community pharmacy that is part of the pharmacy benefit
10 manager's retail pharmacy network, the beneficiary may obtain a
11 prescription from any retail community pharmacy located within
12 ten miles of the beneficiary's residence.

13 (b) If a beneficiary utilizes a non-network retail
14 community pharmacy pursuant to subsection (a), no prescription
15 drug benefit plan, health benefits plan under chapter 87A, or
16 pharmacy benefit manager who has entered into a contractual



1 retail pharmacy network agreement with a retail community

2 pharmacy shall:

3 (1) Impose upon the beneficiary a copayment, fee, or other
4 condition not imposed upon beneficiaries electing to
5 utilize a mail order pharmacy or a retail community
6 pharmacy that is part of the pharmacy benefit
7 manager's retail pharmacy network;

8 (2) Subject any prescription dispensed by the non-network
9 retail community pharmacy to the beneficiary to a
10 minimum or maximum quantity limit, length of script,
11 restriction on refills, or requirement to obtain
12 refills not imposed upon a mail order pharmacy or a
13 retail community pharmacy that is part of the pharmacy
14 benefit manager's retail pharmacy network;

15 (3) Require the beneficiary in whole or in part to pay for
16 any prescription dispensed by the non-network retail
17 community pharmacy and seek reimbursement, if the
18 beneficiary is not required to pay for and seek
19 reimbursement in the same manner for a prescription
20 dispensed by a mail order pharmacy or a retail



1 community pharmacy that is part of the pharmacy
2 benefit manager's retail pharmacy network;
3 (4) Subject the beneficiary to any administrative
4 requirement in using a non-network retail community
5 pharmacy that is not imposed upon the use of a mail
6 order pharmacy or a retail community pharmacy that is
7 part of the pharmacy benefit manager's retail pharmacy
8 network; or

9 (5) Impose any other term, condition, or requirement
10 pertaining to the use of the services of a non-network
11 retail community pharmacy that materially and
12 unreasonably interferes with or impairs the right of
13 the beneficiary to obtain prescriptions from a retail
14 community pharmacy of the beneficiary's choice.

15 (c) If a beneficiary utilizes a non-network retail
16 community pharmacy pursuant to subsection (a), the non-network
17 retail community pharmacy shall be reimbursed a \$
18 dispensing fee plus the product cost at the higher rate of
19 reimbursement."

20 SECTION 2. Section 431R-5, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) The insurance commissioner may assess a fine of up to
2 \$10,000 for each violation by a pharmacy benefit manager or
3 prescription drug benefit plan provider who is in violation of
4 section 431R-2 [~~o~~], 431R-3 [~~r~~], or 431R- . In addition, the
5 insurance commissioner may order the pharmacy benefit manager to
6 take specific affirmative corrective action or make
7 restitution."

8 SECTION 3. The insurance commissioner shall submit an
9 annual report to the legislature no later than twenty days prior
10 to the convening of the 2017, 2018, 2019, 2020, and 2021 regular
11 sessions on the effects of this Act on healthcare costs,
12 including costs to the Hawaii employer-union health benefits
13 trust fund.

14 SECTION 4. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect on July 1, 2112, and
17 shall be repealed on June 30, 2021; provided that section 431R-
18 5, Hawaii Revised Statutes, shall be reenacted in the form in
19 which it read on the day prior to the effective date of this
20 Act.



Report Title:

Prescription Drugs Benefits; Non-network Pharmacies; Retail
Community Pharmacies; Reimbursement

Description:

Authorizes in any county with an area of 2,000 square miles or more, a beneficiary of a prescription drug benefit plan whose residence is 10 or more miles away from the nearest retail community pharmacy to obtain a prescription, without penalty, from a non-network retail community pharmacy located within 10 miles of the beneficiary's residence. Requires reimbursement to a non-network retail community pharmacy. Requires the Insurance Commissioner to submit annual reports to the Legislature on the effects of this measure on healthcare costs. (SB2376 HD1)

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