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# 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 three  
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 \$12.50  
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 3,000 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 HD2)

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

