
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, whenever the residence of a
7 beneficiary is ten or more miles away from the nearest retail
8 community pharmacy that is part of the pharmacy benefit
9 manager's retail pharmacy network, the beneficiary may obtain a
10 prescription from any retail community pharmacy located within
11 ten miles of the beneficiary's residence.

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



- 1 (1) Impose upon the beneficiary a copayment, fee, or other
2 condition not imposed upon beneficiaries electing to
3 utilize a mail order pharmacy or a retail community
4 pharmacy that is part of the pharmacy benefit
5 manager's retail pharmacy network;
- 6 (2) Subject any prescription dispensed by the non-network
7 retail community pharmacy to the beneficiary to a
8 minimum or maximum quantity limit, length of script,
9 restriction on refills, or requirement to obtain
10 refills not imposed upon a mail order pharmacy or a
11 retail community pharmacy that is part of the pharmacy
12 benefit manager's retail pharmacy network;
- 13 (3) Require the beneficiary in whole or in part to pay for
14 any prescription dispensed by the non-network retail
15 community pharmacy and seek reimbursement, if the
16 beneficiary is not required to pay for and seek
17 reimbursement in the same manner for a prescription
18 dispensed by a mail order pharmacy or a retail
19 community pharmacy that is part of the pharmacy
20 benefit manager's retail pharmacy network;



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

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

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

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

19 "(a) The insurance commissioner may assess a fine of up to
20 \$10,000 for each violation by a pharmacy benefit manager or
21 prescription drug benefit plan provider who is in violation of



1 section 431R-2 [~~ex~~], 431R-3 [~~-~~], or 431R- . In addition, the
2 insurance commissioner may order the pharmacy benefit manager to
3 take specific affirmative corrective action or make
4 restitution."

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on July 1, 2016.

8



Report Title:

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

Description:

Authorizes a beneficiary of a prescription drug benefit plan to obtain a prescription without penalty from a non-network retail community pharmacy located within ten miles of the beneficiary's residence, if the nearest network retail community pharmacy is located ten or more miles away. Requires reimbursement to non-network retail community pharmacist to include a \$15 dispensing fee plus the product cost at the higher rate of reimbursement.
(SD1)

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