

JAN 23 2015

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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

1           SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2 amended by adding a new section to article 10A to be  
3 appropriately designated and to read as follows:

4           "§431:10A- Formulary; accessibility requirements. (a)

5 Each insurer offering or renewing an individual or group  
6 accident and health or sickness insurance policy on or after  
7 January 1, 2017, shall:

8           (1) Post the formulary for the policy on the insurer's  
9 website in a manner that is accessible and searchable  
10 by insureds, potential insureds, and providers;

11           (2) Update the formulary on the insurer's website no later  
12 than twenty-four hours after making a change to the  
13 formulary; and

14           (3) On any published formulary, include, at minimum, the  
15 following:

16           (A) Any utilization management edits, including prior  
17 authorization, step therapy edits, quantity



1 limits, or other requirements for each specific  
2 drug included in the formulary; and

3 (B) For each drug included in the formulary and  
4 subject to coinsurance, the range of cost sharing  
5 for a potential insured if the drug is purchased  
6 in person at an in-network pharmacy as follows:

7 (i) Under \$100: \$ \_\_\_\_\_ ;

8 (ii) \$100 to \$250: \$ \_\_\_\_\_ ;

9 (iii) \$251 to \$500: \$ \_\_\_\_\_ ; and

10 (iv) Over \$500: \$ \_\_\_\_\_ .

11 If the insurer allows the option for mail order pharmacy,  
12 the insurer shall separately list the range of cost-sharing for  
13 a potential insured if the potential insured purchases the drug  
14 through a mail order facility utilizing the same ranges as  
15 provided in this subsection.

16 (b) Each insurer posting the formulary pursuant to  
17 subsection (a) shall use a template that:

18 (1) Is standardized across all individual and group  
19 accident and health or sickness insurance policies  
20 offered by the insurer;



- 1        (2) Uses the United States Pharmacopeia classification
- 2            system;
- 3        (3) Organizes drugs by therapeutic class, listing drugs
- 4            alphabetically; and
- 5        (4) Provides a separate list for drugs used to treat a
- 6            serious illness covered under the policy's medical
- 7            benefit.
- 8        (c) Each insurer offering or renewing an individual or
- 9        group accident and health or sickness insurance policy on or
- 10       after January 1, 2017, shall make available to current and
- 11       potential insureds the information mandated pursuant to
- 12       subsections (a) and (b). The information shall be available
- 13       prior to the beginning of the open enrollment period and shall
- 14       be done via a public website and through a toll-free number that
- 15       is posted on the insurer's website.
- 16       (d) Each insurer subject to this section shall, no later
- 17       than thirty days after the offer or renewal date, attest to the
- 18       insurance commissioner that the insurer has satisfied the
- 19       requirements of this section.
- 20       (e) The insurance commissioner may adopt rules to
- 21       implement this section.



1        (f) For the purposes of this section, "formulary" means  
2 the complete list of drugs preferred for use and eligible for  
3 coverage under a policy including drugs covered under the  
4 policy's pharmacy benefit and medical benefit as defined by the  
5 insurance commissioner."

6        SECTION 2. Chapter 432, Hawaii Revised Statutes, is  
7 amended by adding a new section to article 1 to be appropriately  
8 designated and to read as follows:

9        **"§432:1- Formulary; accessibility requirements. (a)**  
10 Each mutual benefit society that issues or renews a hospital and  
11 medical service plan on or after January 1, 2017, shall:

12        (1) Post the formulary for the plan on the mutual benefit  
13 society's website in a manner that is accessible and  
14 searchable by members, potential members, and  
15 providers;

16        (2) Update the formulary for the plan on the mutual  
17 benefit society's website no later than twenty-four  
18 hours after making a change to the formulary; and

19        (3) On any published formulary for the plan, include, at  
20 minimum, the following:



# S.B. NO. 301

1           (A) Any utilization management edits, including prior  
2           authorization, step therapy edits, quantity  
3           limits, or other requirements for each specific  
4           drug included in the formulary; and

5           (B) For each drug included in the formulary and  
6           subject to coinsurance, the range of cost sharing  
7           for a potential member if the drug is purchased  
8           in person at an in-network pharmacy as follows:

9           (i) Under \$100: \$ \_\_\_\_\_ ;

10           (ii) \$100 to \$250: \$ \_\_\_\_\_ ;

11           (iii) \$251 to \$500: \$ \_\_\_\_\_ ; and

12           (iv) Over \$500: \$ \_\_\_\_\_ .

13           If the mutual benefit society allows the option for mail  
14           order pharmacy, the mutual benefit society shall separately list  
15           the range of cost-sharing for a potential member if the  
16           potential member purchases the drug through a mail order  
17           facility utilizing the same ranges as provided in this  
18           subsection.

19           (b) Each mutual benefit society posting the formulary  
20           pursuant to subsection (a) shall use a template that:



- 1        (1) Is standardized across all hospital and medical
- 2            service plans offered by the mutual benefit society;
- 3        (2) Uses the United States Pharmacopeia classification
- 4            system;
- 5        (3) Organizes drugs by therapeutic class, listing drugs
- 6            alphabetically; and
- 7        (4) Provides a separate list for drugs used to treat a
- 8            serious illness covered under the plan's medical
- 9            benefit.

10        (c) Each mutual benefit society offering or renewing a  
11 hospital and medical service plan on or after January 1, 2017,  
12 shall make available to current and potential members the  
13 information mandated pursuant to subsections (a) and (b). The  
14 information shall be available prior to the beginning of the  
15 open enrollment period and shall be done via a public website  
16 and through a toll-free number that is posted on the mutual  
17 benefit society's website.

18        (d) Each mutual benefit society subject to this section  
19 shall, no later than thirty days after the offer or renewal  
20 date, attest to the insurance commissioner that the mutual  
21 benefit society has satisfied the requirements of this section.



1        (e) The insurance commissioner may adopt rules to  
2 implement this section.

3        (f) For the purposes of this section, "formulary" means  
4 the complete list of drugs preferred for use and eligible for  
5 coverage under a plan, including drugs covered under the plan's  
6 pharmacy benefit and medical benefit as defined by the insurance  
7 commissioner."

8        SECTION 3. Section 432D-23, Hawaii Revised Statutes, is  
9 amended to read as follows:

10        **"§432D-23 Required provisions and benefits.**

11 Notwithstanding any provision of law to the contrary, each  
12 policy, contract, plan, or agreement issued in the State after  
13 January 1, 1995, by health maintenance organizations pursuant to  
14 this chapter, shall include benefits provided in sections  
15 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-  
16 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,  
17 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-~~  
18 ~~122, and 431:10A-116.2,~~] 431:10A- , and chapter 431M."

19        SECTION 4. New statutory material is underscored.

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# S.B. NO. 301

1 SECTION 5. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:

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# S.B. NO. 301

**Report Title:**

Formulary; Posting Requirements; Insurers; Health Plan

**Description:**

Requires entities that offer or renew health plans on or after January 1, 2017, to make available a complete and updated formulary to enrollees, potential enrollees, and providers.

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

