
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 provide the following information
8 required by this section via a public website and through a
9 toll-free number that is posted on the insurer's website:

10 (1) Its formulary; provided that any changes because of
11 the addition of a new drug, or deletion of any
12 existing drug, shall be made no later than seventy-two
13 hours after the effective date of the change; provided
14 further that other changes, including drug strength or
15 form, shall be made within fourteen calendar days of
16 the effective date of the change;



- 1 (2) Provide a system that allows an insured or potential
2 insured to determine whether prescription drugs are
3 covered under the plan's medical benefits and
4 typically administered by a provider, along with any
5 cost-sharing imposed on the drugs;
- 6 (3) Provide a dollar amount range of cost sharing
7 typically paid by an insured of each specific drug
8 included on the formulary and based on the information
9 the insurer has available, as follows:
- 10 (A) Under \$100-\$;
11 (B) \$100-\$250-\$\$;
12 (C) Over \$250-\$500-\$\$\$;
13 (D) Over \$500-\$1000-\$\$\$\$; and
14 (E) Over \$1000-\$\$\$\$\$; and
- 15 (4) Display standardized content for the formulary for
16 each product offered by the plan pursuant to
17 recommendations made by the formulary accessibility
18 working group.
- 19 (b) For the purposes of this section, "formulary" means
20 the complete list of drugs preferred for use and eligible for
21 coverage under a policy, including drugs covered under the



1 policy's pharmacy benefit and medical benefit, as defined by the
2 health care service plans.

3 (c) This section shall not apply to limited benefit health
4 insurance as provided in section 431:10A-102.5, Medicare,
5 Medicaid, or any other federally financed plan."

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 offering or renewing an individual
11 or group accident and health or sickness insurance policy on or
12 after January 1, 2017, shall provide the following information
13 required by this section via a public website and through a
14 toll-free number that is posted on the mutual benefit society's
15 website:

16 (1) Its formulary; provided that any changes because of
17 the addition of a new drug, or deletion of any
18 existing drug, shall be made no later than seventy-two
19 hours after the effective date of the change; provided
20 further that other changes, including drug strength or



1 form, shall be made within fourteen calendar days of
2 the effective date of the change;

3 (2) Provide a system that allows an insured or potential
4 insured to determine whether prescription drugs are
5 covered under the plan's medical benefits and
6 typically administered by a provider, along with any
7 cost-sharing imposed on the drugs;

8 (3) Provide a dollar amount range of cost sharing
9 typically paid by an insured of each specific drug
10 included on the formulary and based on the information
11 the mutual benefit society has available, as follows:

12 (A) Under \$100-\$;

13 (B) \$100-\$250-\$\$;

14 (C) Over \$250-\$500-\$\$\$;

15 (D) Over \$500-\$1000-\$\$\$\$; and

16 (E) Over \$1000-\$\$\$\$\$; and

17 (4) Display standardized content for the formulary for
18 each product offered by the plan pursuant to
19 recommendations made by the formulary accessibility
20 working group.



1 (b) 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 health care service plans.

6 (c) This section shall not apply to limited benefit health
7 insurance as provided in section 431:10A-102.5, Medicare,
8 Medicaid, or any other federally financed plan."

9 SECTION 3. Chapter 432D, Hawaii Revised Statutes, is
10 amended by adding a new section to article 1 to be appropriately
11 designated and to read as follows:

12 "§432D- Formulary; accessibility requirements. (a)
13 Each health maintenance organization offering or renewing an
14 individual or group accident and health or sickness insurance
15 policy on or after January 1, 2017, shall provide the following
16 information required by this section via a public website and
17 through a toll-free number that is posted on the health
18 maintenance organization's website:

19 (1) Its formulary; provided that any changes because of
20 the addition of a new drug, or deletion of any
21 existing drug, shall be made no later than seventy-two



1 hours after the effective date of the change; provided
2 further that other changes, including drug strength or
3 form, shall be made within fourteen calendar days of
4 the effective date of the change;

5 (2) Provide a system that allows an insured or potential
6 insured to determine whether prescription drugs are
7 covered under the plan's medical benefits and
8 typically administered by a provider, along with any
9 cost-sharing imposed on the drugs;

10 (3) Provide a dollar amount range of cost sharing
11 typically paid by an insured of each specific drug
12 included on the formulary and based on the information
13 the insurer has available, as follows:

14 (A) Under \$100- $\$$;

15 (B) $\$100$ - $\$250$ - $\$$ $\$$;

16 (C) Over $\$250$ - $\$500$ - $\$$ $\$$ $\$$;

17 (D) Over $\$500$ - $\$1000$ - $\$$ $\$$ $\$$ $\$$; and

18 (E) Over $\$1000$ - $\$$ $\$$ $\$$ $\$$ $\$$; and

19 (4) Display standardized content for the formulary for
20 each product offered by the health maintenance



1 organization pursuant to recommendations made by the
2 formulary accessibility working group.

3 (b) For the purposes of this section, "formulary" means
4 the complete list of drugs preferred for use and eligible for
5 coverage under a policy, including drugs covered under the
6 policy's pharmacy benefit and medical benefit, as defined by the
7 health care service plans.

8 (c) This section shall not apply to limited benefit health
9 insurance as provided in section 431:10A-102.5, Medicare,
10 Medicaid, or any other federally financed plan."

11 SECTION 4. Section 432D-23, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "§432D-23 Required provisions and benefits.

14 Notwithstanding any provision of law to the contrary, each
15 policy, contract, plan, or agreement issued in the State after
16 January 1, 1995, by health maintenance organizations pursuant to
17 this chapter, shall include benefits provided in sections
18 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
19 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
20 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-~~
21 ~~122, and 431:10A-116.2,~~] and 431:10A-_____, and chapter 431M."



1 SECTION 5. (a) There is established a formulary
2 accessibility working group to be appointed and administered by
3 the insurance commissioner for the purposes of making
4 recommendations for a standard formulary template pursuant to
5 subsection (a) of 431:10A , Hawaii Revised Statutes, and shall
6 include the following members:

- 7 (1) The insurance commissioner, or the commissioner's
8 designee, who shall serve as chair;
- 9 (2) The director of health, or the director's designee;
- 10 (3) Representatives from the health care provider
11 community;
- 12 (4) Representatives from the board of pharmacy;
- 13 (5) Representatives from the Hawaii association of health
14 plans; and
- 15 (6) A representative from the Hawaii pacific region of the
16 American cancer society cancer action network.
- 17 (b) The formulary accessibility working group shall submit
18 its recommendations to the legislature no later than twenty days
19 prior to the convening of the regular session of 2016.



1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 7. This Act shall take effect on July 1, 2112.



Report Title:

Drug Formulary; Posting Requirements; Insurers; Health Plan

Description:

Requires health insurers, mutual benefit societies, and health maintenance organizations to post and update information on drug formularies on their websites for the benefit of insureds, potential insureds, and providers. Establishes a formulary accessibility working group. (SB301 HD1)

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

