
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 accident and health or sickness insurer offering or
6 renewing comprehensive medical plans on or after January 1,
7 2017, shall:

8 (1) Post the formulary for the plan 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 seventy-two hours after making a change to the
13 formulary;

14 (3) Use a standard formulary template pursuant to
15 subsection (b) to display the formulary or formularies
16 for each product offered by the plan; and

17 (4) Prior to the beginning of the open enrollment period,
18 provide information required by this section prior to



1 the beginning of the open enrollment period via a
2 public website and through a toll-free number that is
3 posted on the insurer's website.

4 (b) Each insurer posting the formulary pursuant to
5 subsection (a) shall include all of the following:

6 (1) Any prior authorization, step edit requirements, or
7 utilization management edits for each specific drug
8 included on the formulary;

9 (2) If the plan uses a tier-based formulary, the plan
10 shall specify for each drug listed on the formulary
11 the specific tier the drug occupies and list the
12 specific co-payments for each tier in the evidence of
13 coverage;

14 (3) For prescription drugs covered under the plan's
15 medical benefit and typically administered by a
16 provider, the plan shall disclose to insureds and
17 potential insureds all covered drugs and any cost-
18 sharing imposed such drugs. This information may be
19 provided as part of the plan's formulary pursuant to
20 subsection (a) or via a toll-free number that is
21 staffed at least during normal business hours; and



1 (4) For each prescription drug included on the formulary
 2 under paragraph (1) or (2) that is subject to a
 3 coinsurance and dispensed at an in-network pharmacy,
 4 the plan shall:

5 (A) Disclose the dollar amount of the insured's or
 6 potential insured's cost-sharing; or

7 (B) Provide a dollar amount range of cost-sharing for
 8 an insured or potential insured for each specific
 9 drug included on the formulary, as follows:

- 10 (i) Under \$100 - \$;
- 11 (ii) \$100-\$250 - \$\$;
- 12 (iii) \$251-\$500 - \$\$\$;
- 13 (iv) \$501-\$1,000 - \$\$\$\$; and
- 14 (v) Over \$1,000.

15 If the insurer allows the option for mail order
 16 pharmacy, the insurer shall separately list the range
 17 of cost-sharing for an insured or potential insured if
 18 the insured or potential insured purchases the drug
 19 through a mail order facility utilizing the same
 20 ranges as provided in this subsection; and



1 (5) Detail whether the prescription drugs are included or
2 excluded from the deductible and detail whether cost-
3 sharing applies to the deductible.

4 (c) Each insurer subject to this section shall, no later
5 than thirty days after the offer or renewal date, attest to the
6 insurance commissioner that the insurer has satisfied the
7 requirements of this section.

8 (d) The commissioner may develop a standard formulary
9 template pursuant to this section. If the commissioner develops
10 a template, a health care service plan shall use the template to
11 comply with the provisions of this section.

12 (e) For the purposes of this section, "formulary" means
13 the complete list of drugs preferred for use and eligible for
14 coverage under a policy including drugs covered under the
15 policy's pharmacy benefit and medical benefit as defined by the
16 insurance commissioner."

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



1 "§432:1- Formulary; accessibility requirements. (a)

2 Each mutual benefit society that issues or renews a hospital or
3 medical service plan on or after January 1, 2017, shall:

4 (1) Post the formulary for the plan on the mutual benefit
5 society's website in a manner that is accessible and
6 searchable by members, potential members, and
7 providers;

8 (2) Update the formulary for the plan on the mutual
9 benefit society's website no later than seventy-two
10 hours after making a change to the formulary;

11 (3) Use a standard formulary template pursuant to
12 subsection (b) to display the formulary or formularies
13 for each product offered by the plan; and

14 (4) Prior to the beginning of the open enrollment period,
15 provide information required by this section prior to
16 the beginning of the open enrollment period via a
17 public website and through a toll-free number that is
18 posted on the insurer's website.

19 (b) Each mutual benefit society posting the formulary
20 pursuant to subsection (a) shall include all of the following:



- 1 (1) Any prior authorization, step edit requirements, or
2 utilization management edits for each specific drug
3 included on the formulary;
- 4 (2) If the plan uses a tier-based formulary, the plan
5 shall specify for each drug listed on the formulary
6 the specific tier the drug occupies and lists the
7 specific co-payments for each tier in the evidence of
8 coverage;
- 9 (3) For prescription drugs covered under the plan's
10 medical benefit and typically administered by a
11 provider, the plan shall disclose to insureds and
12 potential insureds all covered drugs and any cost-
13 sharing imposed such drugs. This information may be
14 provided as part of the policy's formulary pursuant to
15 subsection (a) or via a toll-free number that is
16 staffed at least during normal business hours; and
- 17 (4) For each prescription drug included on the formulary
18 under paragraph (1) or (2) that is subject to a
19 coinsurance and dispensed at an in-network pharmacy,
20 the plan shall:



1 (A) Disclose the dollar amount of the member's or
2 potential member's cost-sharing; or

3 (B) Provide a dollar amount range of cost-sharing for
4 a member or potential member for each specific
5 drug included on the formulary, as follows:

6 (i) Under \$100 - \$;

7 (ii) \$100-\$250 - \$\$;

8 (iii) \$251-\$500 - \$\$\$;

9 (iv) \$501-\$1,000 - \$\$\$\$; and

10 (v) Over \$1,000.

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

18 (5) Detail whether the prescription drugs are included or
19 excluded from the deductible and detail whether cost-
20 sharing applies to the deductible.

21



1 (c) Each mutual benefit society subject to this section
2 shall, no later than thirty days after the offer or renewal
3 date, attest to the insurance commissioner that the mutual
4 benefit society has satisfied the requirements of this section.

5 (d) The commissioner may develop a standard formulary
6 template pursuant to this section. If the commissioner develops
7 a template, a mutual benefit society shall use the template to
8 comply with the provisions of this section.

9 (e) For the purposes of this section, "formulary" means
10 the complete list of drugs preferred for use and eligible for
11 coverage under a plan, including drugs covered under the plan's
12 pharmacy benefit and medical benefit as defined by the insurance
13 commissioner."

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

16 **"§432D-23 Required provisions and benefits.**

17 Notwithstanding any provision of law to the contrary, each
18 policy, contract, plan, or agreement issued in the State after
19 January 1, 1995, by health maintenance organizations pursuant to
20 this chapter, shall include benefits provided in sections
21 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-



1 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
2 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-~~
3 ~~122, and 431:10A-116.2,~~] 431:10A-_____, and chapter 431M."

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

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

7



Report Title:

Formulary; Posting Requirements; Insurers; Health Plan

Description:

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

(SD1)

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

