

STAND. COM. REP. NO.

209

Honolulu, Hawaii

February 10, 2017

RE: H.B. No. 1181
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1181 entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION
PRESCRIPTION DRUG REIMBURSEMENT,"

begs leave to report as follows:

The purpose of this measure is to bring Hawaii closer to the rest of the nation in terms of its dispensing policies and reimbursement rates for prescription drugs and compounds in the workers' compensation system by:

- (1) Amending the reimbursement rate for prescription drugs in the workers' compensation system to be ten percent below average wholesale price; and
- (2) Restricting the provision of physician-dispensed prescription drugs to ninety days following injury.

The Department of Human Resources Development; National Association of Mutual Insurance Companies; The Chamber of Commerce Hawaii; Hawaii Construction Alliance; and Hawaii Insurers Council supported this measure. The Hawaii Medical Association; Mankwan Wong M.D. LLC.; Kauai Community Health Alliance; Automated HealthCare Solutions; Workstar Injury Recovery Center; and several concerned individuals opposed this measure. The Department of Labor and Industrial Relations; Department of Human Resources of

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the City and County of Honolulu; and ILWU Local 142 provided comments.

Your Committee has amended this measure by:

- (1) Changing the restriction on providing physician-dispensed prescription drugs from ninety days to an unspecified time following a work injury; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1181, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON LINN JOHANSON, Chair



