

Honolulu, Hawaii

FEB 16 2017

RE: S.B. No. 983
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 983 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Limit reimbursements for compounded prescription drugs to \$1,000 in a thirty-day period; and
- (2) Limit reimbursements for any schedule II drug under chapter 329, Uniform Controlled Substances Act, Hawaii Revised Statutes, dispensed by a physician to a one-time thirty-day supply upon the first visit.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Department of Labor and Industrial Relations, Department of Human Resources of the City and County of Honolulu, Hawaii Insurers Council, Chamber of Commerce Hawaii, and National Association of Mutual Insurance Companies. Your Committee received testimony in opposition to this measure from the Kauai Community Health Alliance, Hale Lea Medicine; Hawaii Injured Workers Association; Hawaii Friends of Civil Rights; Workstar Injury Recovery Center; Automated HealthCare Solutions; and nine individuals. Your Committee received comments on this measure from the International Longshore and Warehouse Union, Local 142.



Your Committee finds that there are many reasons why an individual may need compounded prescription drugs, which are usually prescribed for those who need a medication that is not commercially available and for which no other medication is appropriate. However, according to testimony received by your Committee, there has been a steady increase in prescriptions for compound preparations and medications in the treatment of injured workers. This increase in use led to a twenty-one percent increase in total medical costs for all Hawaii employers between 2011 and 2015. In some cases, the increase in use has also led to an exorbitantly high cost for compound drugs. This measure attempts to control costs and limit abuse by imposing a limit on reimbursements for compounded prescription drugs in a thirty-day period.

Your Committee also finds that a nationwide drug epidemic, associated with prescription pain relieving drugs, is causing alarming rates of addiction, overdose, and death. This measure attempts to address the issue of misuse and abuse of prescription drugs by limiting reimbursements for any schedule II drug under the Uniform Controlled Substances Act that is dispensed by a physician to an initial thirty-day supply upon the injured worker's first visit with the physician. However, your Committee believes that it is important to address the opioid epidemic in the workers' compensation arena in a similar manner as opioid use has been addressed in other areas. Amendments to this measure are therefore needed that limit schedule II drugs to a seven-day initial supply and require an informed consent process.

Your Committee has amended this measure by:

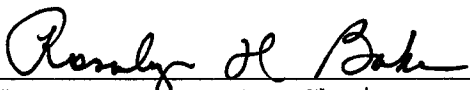
- (1) Changing the reimbursement for compounded prescription drugs from \$1,000 to an unspecified amount in a thirty-day period;
- (2) Specifying that reimbursements for any schedule II drug under chapter 329, Uniform Controlled Substances Act, Hawaii Revised Statutes, dispensed by a physician shall be limited to an initial seven-day supply;
- (3) Requiring an opioid therapy informed consent process agreement to be executed between an injured employee and any prescriber of opioids within the State under certain conditions;



- (4) Requiring the Harm Reduction Services Branch of the Department of Health to develop and make available a template of an opioid therapy informed consent process agreement between injured employees and prescribers for use in the State and advise the Department of Labor and Industrial Relations on the contents of the agreement;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion;
- (6) Requiring that the opioid therapy informed consent process agreement be in use no later than thirty days after the effective date of this measure; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 983, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* <i>SB 983</i>	Committee Referral: <i>CPH, JDL</i>	Date: <i>2/9/17</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les				/
KIDANI, Michelle N.				/
RUDERMAN, Russell E.				/
TOTAL	<i>4</i>			<i>3</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Clarence K Nishihara</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes