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# A BILL FOR AN ACT

RELATING TO HEALTH CARE INSURANCE.

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

1           SECTION 1. The legislature finds that the department of  
2 health reports cancer as the second leading cause of death among  
3 Hawaii residents, claiming more than two thousand two hundred  
4 Hawaii residents each year. The legislature further finds that  
5 cancer patients should have full access to effective treatment  
6 options at early stages of their illnesses. Step therapy  
7 policies delay getting cancer patients the right drug or  
8 treatment at the right time, and treatments are far too often  
9 health plan- or provider-centered, rather than patient-centered.

10           The purpose of this Act is to:

11           (1) Prohibit health insurers that cover treatment for  
12           stage two through stage four cancer from requiring an  
13           insured diagnosed with stage two through stage four  
14           cancer to undergo step therapy prior to covering the  
15           insured for the drug prescribed by the insured's  
16           health care provider, under certain conditions; and



1 (2) Require the auditor to conduct an impact assessment  
2 report to assess the social and financial impacts of  
3 the mandated health insurance coverage.

4 SECTION 2. Chapter 431, Hawaii Revised Statutes, is  
5 amended by adding a new section to part I of article 10A to be  
6 appropriately designated and to read as follows:

7 "§431:10A- Step therapy prohibited; stage two through  
8 stage four cancer. (a) No individual policy of accident and  
9 health or sickness insurance issued or renewed in the State  
10 after December 31, 2020, that provides coverage for the  
11 treatment of stage two through stage four cancer shall require  
12 an insured who is diagnosed with a stage two through stage four  
13 cancer to undergo step therapy prior to covering the drug  
14 prescribed by the insured's health care provider if the  
15 prescribed drug is a prescription drug:

16 (1) That is approved by the United States Food and Drug  
17 Administration;

18 (2) Whose use is consistent with best practices for the  
19 treatment of the cancer or treatment of side effects  
20 of the cancer;

21 (3) That is listed in one of the approved compendia;



1       (4) That is supported by a published peer-reviewed study  
2           as a recognized off-label use for the treatment of the  
3           cancer or treatment of side effects of the cancer; or

4       (5) That is listed on the insurer's prescription drug  
5           formulary.

6       (b) For the purposes of this section, "step therapy" means  
7       a protocol that requires an insured to use a prescription drug  
8       or sequence of prescription drugs, other than the drug that the  
9       insured's health care provider recommends for the insured's  
10       treatment, before the insurer provides coverage for the  
11       recommended prescription drug."

12       SECTION 3. Chapter 431, Hawaii Revised Statutes, is  
13       amended by adding a new section to part II of article 10A to be  
14       appropriately designated and to read as follows:

15       "§431:10A-       Step therapy prohibited; stage two through  
16       stage four cancer. (a) No group policy of accident and health  
17       or sickness insurance issued or renewed in the State after  
18       December 31, 2020, that provides coverage for the treatment of  
19       stage two through stage four cancer shall require an insured who  
20       is diagnosed with a stage two through stage four cancer to  
21       undergo step therapy prior to covering the drug prescribed by



1 the insured's health care provider if the prescribed drug is a  
2 prescription drug:

3 (1) That is approved by the United States Food and Drug  
4 Administration;

5 (2) Whose use is consistent with best practices for the  
6 treatment of the cancer or treatment of side effects  
7 of the cancer;

8 (3) That is listed in one of the approved compendia;

9 (4) That is supported by a published peer-reviewed study  
10 as a recognized off-label use for the treatment of the  
11 cancer or treatment of side effects of the cancer; or

12 (5) That is listed on the insurer's prescription drug  
13 formulary.

14 (b) For the purposes of this section, "step therapy" means  
15 a protocol that requires an insured to use a prescription drug  
16 or sequence of prescription drugs, other than the drug that the  
17 insured's health care provider recommends for the insured's  
18 treatment, before the insurer provides coverage for the  
19 recommended prescription drug."



1 SECTION 4. Chapter 432, Hawaii Revised Statutes, is  
2 amended by adding a new section to part VI of article 1 to be  
3 appropriately designated and to read as follows:

4 "§432:1- Step therapy prohibited; stage two through  
5 stage four cancer. (a) No individual or group hospital or  
6 medical service plan contract issued or renewed in the State  
7 after December 31, 2020, that provides coverage for the  
8 treatment of stage two through stage four cancer shall require a  
9 subscriber or member who is diagnosed with a stage two through  
10 stage four cancer to undergo step therapy prior to covering the  
11 drug prescribed by the subscriber's or member's health care  
12 provider if the prescribed drug is a prescription drug:

- 13 (1) That is approved by the United States Food and Drug  
14 Administration;  
15 (2) Whose use is consistent with best practices for the  
16 treatment of the cancer or treatment of side effects  
17 of the cancer;  
18 (3) That is listed in one of the approved compendia;  
19 (4) That is supported by a published peer-reviewed study  
20 as a recognized off-label use for the treatment of the  
21 cancer or treatment of side effects of the cancer; or



1        (5) That is listed on the mutual benefit society's  
2                    prescription drug formulary.

3        (b) For the purposes of this section, "step therapy" means  
4 a protocol that requires a subscriber or member to use a  
5 prescription drug or sequence of prescription drugs, other than  
6 the drug that the subscriber's or member's health care provider  
7 recommends for the subscriber's or member's treatment, before  
8 the mutual benefit society provides coverage for the recommended  
9 prescription drug."

10        SECTION 5. Chapter 432D, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13        "§432D-        Step therapy prohibited; stage two through  
14 stage four cancer. (a) No policy, contract, plan, or agreement  
15 issued or renewed in the State after December 31, 2020, that  
16 provides coverage for the treatment of stage two through stage  
17 four cancer shall require an enrollee who is diagnosed with a  
18 stage two through stage four cancer to undergo step therapy  
19 prior to covering the drug prescribed by the enrollee's health  
20 care provider if the prescribed drug is a prescription drug:



- 1        (1) That is approved by the United States Food and Drug
- 2        Administration;
- 3        (2) Whose use is consistent with best practices for the
- 4        treatment of the cancer or treatment of side effects
- 5        of the cancer;
- 6        (3) That is listed in one of the approved compendia;
- 7        (4) That is supported by a published peer-reviewed study
- 8        as a recognized off-label use for the treatment of the
- 9        cancer or treatment of side effects of the cancer; or
- 10       (5) That is listed on the health maintenance
- 11       organization's prescription drug formulary.

12       (b) For the purposes of this section, "step therapy" means  
 13 a protocol that requires an enrollee to use a prescription drug  
 14 or sequence of prescription drugs, other than the drug that the  
 15 enrollee's health care provider recommends for the enrollee's  
 16 treatment, before the health maintenance organization provides  
 17 coverage for the recommended prescription drug."

18       SECTION 6. (a) The auditor shall conduct an impact  
 19 assessment report pursuant to sections 23-51 and 23-52, Hawaii  
 20 Revised Statutes, to assess the social and financial impacts of  
 21 the mandate specified in sections 2, 3, 4, and 5 of this Act.

1 (b) The auditor shall submit a report of its findings and  
2 recommendations, including any proposed legislation, to the  
3 legislature no later than twenty days prior to the convening of  
4 the regular session of 2021.

5 SECTION 7. This Act does not affect rights and duties that  
6 matured, penalties that were incurred, and proceedings that were  
7 begun before its effective date.

8 SECTION 8. New statutory material is underscored.

9 SECTION 9. This Act shall take effect on July 1, 2050.





**Report Title:**

Health Care Insurance; Step Therapy; Auditor; Impact Assessment Report

**Description:**

Prohibits a health care insurer, mutual benefit society, or health maintenance organization from requiring an insured, subscriber, member, or enrollee diagnosed with stage two through stage four cancer to undergo step therapy prior to covering the insured for the drug prescribed by the insured's health care provider, under certain conditions, for health insurance policies and contracts issued or renewed after 12/31/2020. Requires Auditor to conduct impact assessment report on mandated health insurance coverage. Effective 7/1/2050. (HD1)

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

