

JAN 17 2020

A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

1 SECTION 1. The legislature finds that, among other things,
2 Act 230, Session Laws of Hawaii 2016, established a legislative
3 oversight working group to develop and recommend legislation to
4 improve the medical cannabis dispensary system in the State to
5 ensure safe and legal access to medical cannabis for qualifying
6 patients. The working group was tasked with addressing issues
7 related to the medical cannabis dispensary program in the State,
8 including operations, edibles, and any issues the working group
9 found relevant to the medical cannabis dispensary program.

10 The legislature further finds that one of the topics
11 considered by the working group was the potential for medical
12 cannabis to be reimbursable via health insurance and workers'
13 compensation. However, because the issues surrounding the topic
14 of insurance reimbursement for medical cannabis are extremely
15 complex, the legislature concluded that it was prudent to
16 establish a separate working group specifically tasked with
17 addressing this topic.



1 Such a working group was convened pursuant to Act 161,
2 Session Laws of 2018, which included stakeholders from the
3 medical cannabis patient community, medical cannabis dispensary
4 licensees, a mutual benefit society, a health maintenance
5 organization, and a medicaid managed care plan. The legislature
6 finds that the working group submitted a report on its findings
7 for the regular session of 2019; however, it is still important
8 to further examine the complexities the topic of making medical
9 cannabis reimbursable by health insurance.

10 Accordingly, the purpose of this Act is to permit
11 qualifying patients to be reimbursed by health insurers, mutual
12 benefit societies, and health maintenance organizations for
13 amounts spent on medical cannabis and manufactured cannabis
14 products.

15 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
16 amended by adding a new section to article 10A to be
17 appropriately designated and to read as follows:

18 "§431:10A- Medical cannabis; manufactured cannabis
19 products; qualifying patients; reimbursement; limits. (a) A
20 qualifying patient who obtains medical cannabis or manufactured



1 cannabis products pursuant to part IX of chapter 329 and
2 chapter 329D shall be eligible for reimbursement as follows:

3 (1) A qualifying patient shall be eligible for a
4 dollar-for-dollar reimbursement on any amount between
5 \$ _____ and \$ _____ that is spent per month on
6 medical cannabis or manufactured cannabis products,
7 for a maximum monthly reimbursement of \$ _____ ;

8 (2) Monthly amounts in excess of \$ _____ that are
9 spent by a qualifying patient on medical cannabis or
10 manufactured cannabis products shall be covered
11 entirely by the patient and shall not be eligible for
12 reimbursement under this section; and

13 (3) A qualifying patient shall be limited to a yearly
14 maximum of \$ _____ in reimbursements.

15 (b) Health insurers shall establish a system to reimburse
16 qualifying patients pursuant to this section on at least a
17 quarterly basis.

18 (c) For purposes of this section:

19 "Manufactured cannabis product" shall have the same meaning
20 as in section 329D-1.



1 "Medical cannabis" shall have the same meaning as in
2 section 329-121.

3 "Qualifying patient" shall have the same meaning as in
4 section 329-121."

5 SECTION 3. Chapter 432, Hawaii Revised Statutes, is
6 amended by adding a new section to article 1 to be appropriately
7 designated and to read as follows:

8 "§432:1- Medical cannabis; manufactured cannabis
9 products; qualifying patients; reimbursement; limits. (a) A
10 qualifying patient who obtains medical cannabis or manufactured
11 cannabis products pursuant to part IX of chapter 329 and
12 chapter 329D shall be eligible for reimbursement as follows:

13 (1) A qualifying patient shall be eligible for a
14 dollar-for-dollar reimbursement on any amount between
15 \$ and \$ that is spent per month on
16 medical cannabis or manufactured cannabis products,
17 for a maximum monthly reimbursement of \$;

18 (2) Monthly amounts in excess of \$ that are
19 spent by a qualifying patient on medical cannabis or
20 manufactured cannabis products shall be covered



1 entirely by the patient and shall not be eligible for
2 reimbursement under this section; and

3 (3) A qualifying patient shall be limited to a yearly
4 maximum of \$ _____ in reimbursements.

5 (b) Mutual benefit societies shall establish a system to
6 reimburse qualifying patients pursuant to this section on at
7 least a quarterly basis.

8 (c) For purposes of this section:

9 "Manufactured cannabis product" shall have the same meaning
10 as in section 329D-1.

11 "Medical cannabis" shall have the same meaning as in
12 section 329-121.

13 "Qualifying patient" shall have the same meaning as in
14 section 329-121."

15 SECTION 4. Chapter 432D, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

18 "§432D- _____ Medical cannabis; manufactured cannabis
19 products; qualifying patients; reimbursement; limits. (a) A
20 qualifying patient who obtains medical cannabis or manufactured



S.B. NO. 2586

1 cannabis products pursuant to part IX of chapter 329 and chapter
2 329D shall be eligible for reimbursement as follows:

3 (1) A qualifying patient shall be eligible for a
4 dollar-for-dollar reimbursement on any amount between
5 \$ _____ and \$ _____ that is spent per month on
6 medical cannabis or manufactured cannabis products,
7 for a maximum monthly reimbursement of \$ _____ ;

8 (2) Monthly amounts in excess of \$ _____ that are
9 spent by a qualifying patient on medical cannabis or
10 manufactured cannabis products shall be covered
11 entirely by the patient and shall not be eligible for
12 reimbursement under this section; and

13 (3) A qualifying patient shall be limited to a yearly
14 maximum of \$ _____ in reimbursements.

15 (b) Health maintenance organizations shall establish a
16 system to reimburse qualifying patients pursuant to this section
17 on at least a quarterly basis.

18 (c) For purposes of this section:

19 "Manufactured cannabis product" shall have the same meaning
20 as in section 329D-1.



S.B. NO. 2586

1 "Medical cannabis" shall have the same meaning as in
2 section 329-121.

3 "Qualifying patient" shall have the same meaning as in
4 section 329-121."

5 SECTION 5. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval.

7

INTRODUCED BY: Rosalyn H Baker

Paul E. Bell

Clarena K. Rushikoff

Karl Nord



S.B. NO. 2586

Report Title:

Medical Cannabis; Manufactured Cannabis Product; Qualifying Patients; Reimbursement; Insurance

Description:

Permits qualifying patients to be reimbursed by health insurers, mutual benefit societies, and health maintenance organizations for amounts spent on medical cannabis and manufactured cannabis products. Limits the monthly amount of reimbursement.

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

