

STAND. COM. REP. NO.

2605

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 2284
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2284 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit 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.

Your Committee received testimony in support of this measure from the Hawaii Medical Association. Your Committee received testimony in opposition to this measure from the Hawaii Medical Service Association and Hawaii Association of Health Plans. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees.

Your Committee finds that cancer is the second leading cause of death among Hawaii residents. Step therapy is a form of prior authorization that requires preferred drugs to be prescribed first until proven ineffective before physicians can try other, potentially higher cost drugs or treatment. For cancer patients,



quick access to proper, personalized treatment can be critical to survival. Step therapy policies are an administrative burden for physician practices and they also delay getting cancer patients the right drug or treatment at the right time. Further, step therapy treatments are far too often health plan- or provider-centered, rather than patient-centered.

Your Committee has heard the concerns raised in the testimony that this measure mandates health insurance coverage for specific care and is subject to an impact assessment report. Your Committee notes that providing timely and quality health care to cancer patients is not a new mandate. An insurer's decision to not provide coverage is ultimately a financial decision, not one based on the health care needs of the patient. Your Committee further notes that Medicare Part D drug plans already provide for a formulary exception to be exempt from step therapy. Accordingly, your Committee finds it is appropriate for the Legislature to take similar action for our residents.

Your Committee has amended this measure by:

- (1) Clarifying that the prohibition on step therapy applies to health insurance policies and contracts issued or renewed after December 31, 2020; and
- (2) 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. 2284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2284, S.D. 1, and be referred to your Committee on Judiciary.



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

Rosalyn H. Baker

ROSALYN H. BAKER, Chair



