

Honolulu, Hawaii

MAR 13 , 2020

RE: S.B. No. 2586  
S.D. 1  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 2586, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL CANNABIS,"

begs leave to report as follows:

The purpose of this measure is to permit 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.

Your Committee received comments in support of this measure from the Hawaii Cannabis Industry Association, Aloha Green Holdings Inc., and Kush Hawaii. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees, and American Family Life Assurance Company of Columbus.

Your Committee finds that New Mexico was the first state to pass laws and rules to allow for medical cannabis reimbursement under the Workers' Compensation Administration, a program that has been active now for four years. Additionally, Connecticut, Maine, Minnesota, and New Jersey also cover medical cannabis for workers' compensation.




Your Committee notes that concerns were raised by the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees regarding how medical cannabis costs will legally be reimbursed, even under a paper claim process, by the insurers, pharmacy benefit managers, and payors since cannabis, even for medical purposes, is considered a controlled substance under federal law.

Your Committee has amended this measure by:

- (1) Requiring the Auditor to conduct an impact assessment report on the social and financial impacts of the mandatory health insurance coverage proposed by this measure; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2586, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2586, S.D. 1, H.D. 1, and be referred to your Committees on Consumer Protection & Commerce and Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Health,

  
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JOHN M. MIZUNO, Chair



