
A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 **"CHAPTER**

5 **STATE PURCHASING POOL FOR PRESCRIPTION DRUGS**

6 **§ -1 Definitions.** For purposes of this chapter:

7 "County public employer" means the mayor of the city and
8 county of Honolulu and the mayor of each of the counties of
9 Hawaii, Kauai, and Maui.

10 "Department" means the department of health.

11 "Health insurance carrier" means an entity subject to the
12 insurance laws of the State that offers health insurance, health
13 benefits, or contracts for health care services, including
14 prescription drug coverage, to large groups, small groups, or
15 individuals.

16 **§ -2 State purchasing pool for prescription drug program;**
17 **established.** There is established the state prescription drug



1 purchasing pool. The department shall offer county public
2 employers, self-insured private employers, and health insurance
3 carriers the option to purchase prescription drugs for their
4 employees, employees' dependents, retirees, and insureds under
5 the purchasing authority of the State, subject to this chapter.

6 **§ -3 Participation procedures.** The department shall
7 establish procedures to determine:

8 (1) Eligibility requirements;

9 (2) Enrollment procedures;

10 (3) Duration;

11 (4) Payment requirements; and

12 (5) Withdrawal and termination procedures;

13 for participation in the state prescription drug purchasing pool
14 by county public employers, self-insured private employers, and
15 health insurance carriers.

16 **§ -4 Stop loss coverage.** The department may offer to
17 county public employers, self-insured private employers, and
18 health insurance carriers participating in the state
19 prescription drug purchasing pool the option to purchase stop
20 loss coverage from an insurer at a rate negotiated by the
21 department.



H.B. NO. 13

1 **§ -5 Joint purchases by multiple employers.** Two or more
2 county public employers, self-insured private employers, or
3 health insurance carriers may arrange to jointly purchase
4 prescription drugs for their employees, employees' dependents,
5 retirees, and insureds. The arrangement shall not constitute a
6 multiple employer welfare arrangement as defined by 29 United
7 States Code section 1002(40).

8 **§ -6 Extension of the Hawaii employer-union health**
9 **benefits trust fund.** (a) The department may offer self-insured
10 private employers and health insurance carriers the option to
11 purchase prescription drugs through any health benefits plan
12 pursuant to section 87A-16 if the department determines in
13 writing that allowing self-insured private employers or health
14 insurance carriers this option is consistent with the health
15 benefits plan.

16 (b) A written determination made pursuant to subsection
17 (a) shall not be required if the department establishes a
18 separate prescription drug purchasing plan or plans for self-
19 insured private employers and health insurance carriers.

20 **§ -7 Full cost; claims; prescription drugs.** County public
21 employers, self-insured private employers, and health insurance



H.B. NO. 13

1 carriers that participate in the state prescription drug
2 purchasing pool shall pay the full cost of their own claims and
3 prescription drugs.

4 **§ -8 Coordination with other prescription drug programs.**

5 The department may administer the state prescription drug
6 purchasing pool in conjunction with any other state prescription
7 drug program, including offering discounts, rebates, and prices
8 secured through the state prescription drug purchasing pool to
9 qualifying participants.

10 **§ -9 Rules.** The department may adopt rules pursuant to
11 chapter 91 to implement this chapter."

12 SECTION 2. This Act shall take effect upon approval.

13

INTRODUCED BY:



JAN 20 2021



H.B. NO. 13

Report Title:

DOH; Prescription Drugs; Purchasing Pool

Description:

Authorizes the Department of Health to implement a program to purchase prescription drugs for the county public employers, self-insured private employers, and health insurance carriers under the purchasing authority of the State.

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

