

JAN 22 2021

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# 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, a medical cannabis  
4       dispensary licensee, a mutual benefit society, a health  
5       maintenance organization, and a medicaid managed care plan. The  
6       legislature finds that the working group submitted a report on  
7       its findings prior to the regular session of 2019; however, it  
8       is still important to further examine the complexities of the  
9       topic of making medical cannabis reimbursable by health  
10      insurance.

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

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

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



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

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

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

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

(b) Insurers shall establish a system to reimburse  
qualifying patients pursuant to this section on at least a  
quarterly basis.

(c) For purposes of this section:

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



1       "Medical cannabis" shall have the same meaning as the term  
2       "cannabis" in 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 qualifying patient and shall not be  
2 eligible for 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 the term  
12 "cannabis" in 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



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

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

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

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

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

(c) For purposes of this section:

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



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

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

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

9       (b) The auditor shall submit a report of its findings and  
10      recommendations, including any proposed legislation, to the  
11      legislature no later than twenty days prior to the convening of  
12      the regular session of 2022.

13      SECTION 6. New statutory material is underscored.

14      SECTION 7. This Act shall take effect upon its approval.

15  
INTRODUCED BY: Rosalee H. Beh



# S.B. NO. 253

**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. Requires the auditor to conduct impact assessment reports.

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

