JAN 2 2 2021

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



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- 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.

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- 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

- 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.

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INTRODUCED BY:



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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.

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