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# A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

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

1           SECTION 1. The legislature finds that the State's existing  
2 reimbursement rates for nonprescription drugs, over-the-counter  
3 drugs, or nonlegend drugs for workers' compensation are not  
4 clearly provided. The legislature further finds that this  
5 omission has led some to charge inflated rates for these drugs,  
6 which drives up the cost of workers' compensation insurance.

7           Accordingly, the purpose of this Act is to establish:

8           (1) Payment rates for nonprescription drugs, over-the-  
9 counter drugs, or nonlegend drugs for workers'  
10 compensation purposes; and

11           (2) Requirements for the authorization of such payments.

12           SECTION 2. Chapter 386, Hawaii Revised Statutes, is  
13 amended by adding a new section to be appropriately designated  
14 and to read as follows:

15           "§386-           Nonprescription, over-the-counter, nonlegend  
16 drug payments. (a) Payment for nonprescription drugs, over-



1 the-counter drugs, or nonlegend drugs shall be cost plus forty  
2 per cent.

3 (b) Payment shall not be authorized under this section  
4 unless the nonprescription drug, over-the-counter drug, or  
5 nonlegend drug has been clinically established as necessary by  
6 the provider, or a duly authorized representative, to treat the  
7 injured employee for a work injury.

8 (c) Providers may seek reimbursement for any applicable  
9 Hawaii general excise tax.

10 (d) For purposes of this section:

11 "Nonprescription drug", "over-the-counter drug", or  
12 "nonlegend drug", has the same meaning as provided in section  
13 328-1.

14 "Provider" means the physician dispensing the  
15 nonprescription drug, over-the-counter drug, or nonlegend drug."

16 SECTION 3. This Act does not affect rights and duties that  
17 matured, penalties that were incurred, and proceedings that were  
18 begun before its effective date.

19 SECTION 4. New statutory material is underscored.


20 SECTION 5. This Act shall take effect on July 1, 2025.

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# H.B. NO. 205

INTRODUCED BY:



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JAN 15 2025



# H.B. NO. 205

**Report Title:**

Workers' Compensation; Nonprescription Drugs; Payment Limitation

**Description:**

Establishes a payment rate of cost plus forty per cent for nonprescription drugs, over-the-counter drugs, or nonlegend drugs for workers' compensation purposes, subject to certain conditions.

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

