

Honolulu, Hawaii  
FEB 26 2010

RE: S.B. No. 2494  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which  
was referred S.B. No. 2494, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to require that insurers that  
offer prescription drug benefits provide identical benefits to an  
insured's previous policy of prescription drug benefits when an  
insured changes insurers.

Your Committee received testimony in support of this measure  
from the American Cancer Society, the Alliance for Plasma  
Therapies, the GBS/CIDP Foundation International, the Neuropathy  
Action Foundation, the American Academy of Pediatrics Hawaii  
Chapter, and the Alzheimer's Association Aloha Chapter. Testimony  
in opposition to this measure was received from the Insurance  
Commissioner of the Department of Commerce and Consumer Affairs,  
the Department of Human Services, Hawaii Association of Health  
Plans, and the Hawaii Medical Service Association. Comments on  
this measure were received from Hawaii Medical Association.  
Written testimony presented to the Committee may be reviewed on  
the Legislature's website.

Your Committee finds that the policy of continuing coverage  
for medically necessary prescription drugs has merit and will  
positively impact the State's most medically vulnerable residents.  
Your Committee notes the opposition to this measure by some state  
agencies and insurers. However, your Committee persists in its



support of the intention of this measure, which is to ensure that a patient is not deprived of life-saving medication due to a change in insurance coverage that may be beyond the patient's control. Your Committee is sympathetic to the concerns of insurers regarding the implementation of this measure; it is not the intention of your Committee to cause an increase in the cost of health insurance and your Committee looks forward to working with insurers throughout the remainder of the legislative process to craft a final product that is agreeable to all involved. Your Committee further notes the objections of the Insurance Commissioner that this measure may violate Hawaii's Prepaid Health Care Act and finds this assertion to be without merit. Finally, your Committee notes the objection to this measure by the Department of Human Services and reiterates that this measure is not applicable to that Department's drug formulary.

Your Committee finds that this measure will help ensure positive health outcomes and increased quality of life for individuals who suffer from chronic diseases and who need continued, uninterrupted access to necessary medications. It is your Committee's objective to protect these individuals from a sudden loss of access to life-saving medications due to a change in the individual's insurance coverage or a change in an insurer's drug formulary or coverage policy.

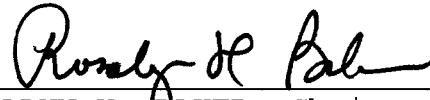
Your Committee has amended this measure by:

- (1) Specifying that continued coverage applies only to life-saving medications as determined by a covered individual's physician;
- (2) Specifying that continuing coverage of life-saving medication shall apply to both new patients and to individuals who maintain coverage after the insurer changes its prescription drug formulary or coverage policy;
- (3) Adding a new section to apply to fraternal benefit societies so that all insurers in the State are treated equally; and
- (4) Changing its effective date to July 1, 2050 in order to encourage further discussion.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2494, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 2494 SDI</b>	Committee Referral: <b>HTH, CPN</b>	Date: <b>2/23/2010</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
HEMMINGS, Fred				✓
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">David Y. Ige</div>				
<b>Distribution:</b> <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

**\*Only one measure per Record of Votes**