STAND. COM. REP. NO. 535

Honolulu, Hawaii

Feb 18 , 2011

RE: H.B. No. 1384 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1384, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRESCRIPTION MEDICATIONS,"

begs leave to report as follows:

The purpose of this bill is to improve the delivery of healthcare and assist patients in receiving their medications in a timely manner by requiring the Insurance Commissioner to:

- (1) Develop a standardized prior authorization request form and process for prescription medications that can be used between healthcare providers and insurance carriers that shall be accessible and available for submission electronically through secure electronic transmissions;
- (2) Convene a working group to assist in the development of a standardized prior authorization form and process; and
- (3) Submit a report to the Legislature of the proceedings, recommendations, and results on implementing this measure.

The Hawaii Medical Association, Faith Action for Community . Equity Health Care Committee, American Cancer Society, and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, AlohaCare, and Ohana Health Plan opposed this

HB1384 HD2 HSCR CPC HMS 2011-2271

measure. The Department of Human Services and Kaiser Permanente Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that require the Insurance Commissioner to develop a standardized prior authorization request form and process;
- (2) Requiring the John A. Burns School of Medicine, instead of the Insurance Commissioner, to convene a working group;
- (3) Changing the focus of the working group to discuss the potential improvements to the current prior authorization process for prescription medications; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1384, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1384, H.D. 2.

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

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: 1384 HD1 Committee	Referral: HLT, CPC, F	Date:	2/14/	M ROII
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. YAMANE, Ryan I. (VC)				
3. BROWER, Tom				
4. CABANILLA, Rida T.R.				
5. CARROLL, Mele				
6. ITO, Ken				
7. KEITH-AGARAN, Gilbert S.C.				
8. LUKE, Sylvia				
9. McKELVEY, Angus L.K.				
10. MORITA, Hermina M.				
11. OSHIRO, Blake K.		a produce de la companya de la compa		
12. SOUKI, Joseph M.				
13. TSUJI, Clift				
14. CHING, Corinne W.L.				
15. MARUMOTO, Barbara C.				
16. THIELEN, Cynthia				
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TOTAL (16)	12			4
The recommendation is: Adopted	☐ Not Adopte	ed		
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Diplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				