

Honolulu, Hawaii

March 23, 2012

RE: S.B. No. 2436
S.D. 1
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2436, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to streamline the process to obtain authorization for certain prescription drugs by requiring:

- (1) The Director of Human Services to develop a uniform prior authorization form for prescription drugs prescribed to treat diabetes or cancer no later than July 1, 2013; and
- (2) Health care insurance providers that provide prescription drug benefits and prescribers to use the uniform prior authorization form beginning January 1, 2014.

The University of Hawaii at Manoa School of Nursing and Dental Hygiene, American Cancer Society, Hawaii Medical Association, and Hawaii State Center for Nursing testified in support of this measure. 'Ohana Health Plan supported the intent of this measure. The Department of Human Services, AlohaCare, and CVS Caremark opposed this measure. The Hawaii Medical Service Association offered comments.

SB2436 HD2 HSCR CPC HMS 2012-3032



Your Committee has amended this measure by replacing its contents with the substance of H.B. No. 1741, H.D. 2, which contains substantively similar provisions except that, among other things:

- (1) The Insurance Commissioner, instead of the Director of Human Services, is responsible for developing the uniform prior authorization form;
- (2) With regard to the list of organizations to be consulted in developing the form, the Hawaii Pharmacists Association is not included, and advanced practice registered nurses, physician assistants, and the pharmacy association are included;
- (3) There is no specified limitation with regard to the length of the form;
- (4) With regard to definitions, "dispenser" includes reference to section 329-1, Hawaii Revised Statutes, and the definition of "health care insurance provider" is not included; and
- (5) The measure specifies that the prescription drug prior authorization form for diabetes and cancer drugs also applies to mutual benefit societies and health maintenance organizations.

The effective date of the measure was also changed to July 1, 3000, to facilitate continued discussion.

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 S.B. No. 2436, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2436, S.D. 1, H.D. 2.



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



ROBERT N. HERKES, Chair



