

JAN 17 2014

A BILL FOR AN ACT

RELATING TO PERSONAL INJURY PROTECTION BENEFITS.

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

1 SECTION 1. The legislature finds that overprescribing of
2 prescription drugs and drug price gouging have had a growing
3 impact on the limited personal injury protection benefits
4 available to motorists under Hawaii's motor vehicle insurance
5 code and ultimately, the premium levels for motor vehicle
6 insurance in Hawaii.

7 Accordingly, the purpose of this Act is to ensure that
8 personal injury protection benefits remain consistent with the
9 prepaid health care plans in Hawaii, as required by sections
10 431:10C-103.5 and 431:10C-103.6, Hawaii Revised Statutes, by
11 clearly specifying requirements for the reimbursement of drugs,
12 supplies, and materials associated with personal injury
13 protection benefits.

14 SECTION 2. Chapter 431, article 10C, Hawaii Revised
15 Statutes, is amended by adding a new section to be appropriately
16 designated and to read as follows:



1 "§431:10C- Personal injury protection benefits;

2 reimbursement; drugs, supplies, and materials. For purposes of
3 the benefits described under section 431:10C-103.5:

4 (1) All charges for prescribed drugs, supplies, or
5 materials for the use of the claimant shall be
6 separately listed and certified by the health care
7 provider or a duly authorized representative that the
8 charges for the drugs, supplies, or materials were
9 required or prescribed for the injury covered by motor
10 vehicle insurance benefits;

11 (2) Dietary supplements, such as minerals and vitamins,
12 shall not be reimbursable unless a specific
13 compensable dietary deficiency has been clinically
14 established in the claimant as a result of the injury
15 covered by motor vehicle insurance benefits; and

16 (3) Charges for covered prescription drugs and medical
17 supplies shall not exceed amounts charged and
18 reimbursable under prepaid health care plans, as
19 provided under chapter 393, for those drugs and
20 supplies covered by prepaid health care plans, unless
21 the provider and the motor vehicle insurer have



1 contracted or agreed to payment at a different amount;
2 provided that:

3 (A) If requested by the motor vehicle insurer, the
4 medical provider shall submit a written statement
5 confirming the specific amounts reimbursed by
6 prepaid health care plans for the prescription
7 drug or product dispensed;

8 (B) If the drug or supply is not something which is
9 covered by prepaid health care plans, the
10 prescribing physician shall submit a written
11 justification supporting the need for this
12 specific drug or supply, rather than any drug
13 commonly allowed under prepaid health care plans;

14 (C) The charges submitted shall be comparable to the
15 charge for the product covered by prepaid health
16 care plans that most closely mirrors the
17 properties and ingredients of the prescribed drug
18 or the properties or component parts that most
19 closely mirror the prescribed supply;

20 (D) If there are no comparable drugs or supplies, the
21 charges submitted shall be limited to no more
22 than one hundred twenty per cent of the wholesale



price actually paid by the provider and shall not include consideration of any additional charges related to repackaging of any prescription; and

(E) Approved generics shall be substituted for brand name pharmaceuticals and supplies unless the prescribing physician certifies no substitution is permitted because the claimant's condition will not tolerate a generic preparation and the prescribing physician provides the basis to support this medical determination."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: Ronald H. Baker



S.B. NO. 2494

Report Title:

Motor Vehicle Insurance; Personal Injury Protection Benefits;
Reimbursement; Drugs, Supplies, and Materials

Description:

Ensures personal injury protection benefits remain consistent with prepaid health care plans by clearly specifying requirements for the reimbursement of drugs, supplies, and materials.

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