STAND. COM. REP. NO. 🛖

Honolulu, Hawaii

FEB 2 0 2015

RE: S.B. No. 301

S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

#### Madam:

Your Committees on Health and Commerce and Consumer Protection, to which was referred S.B. No. 301 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose and intent of this measure is to require entities that offer or renew health plans on or after January 1, 2017, to make available a complete and updated formulary to enrollees, potential enrollees, and providers.

Your Committees received testimony in support of this measure from the Hawaii Medical Association, American Cancer Society Cancer Action Network, National Kidney Foundation of Hawaii, Neuropathy Action Foundation, Hawaii Community Pharmacists Association, Arthritis Foundation, GBS/CIDP Foundation International, Epilepsy Foundation of Hawaii, Leukemia and Lymphoma Society, and Pharmaceutical Research and Manufacturers of America. Your Committees received testimony in opposition to this measure from the Hawaii Medical Service Association. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that drug formularies are increasingly complex but are vitally important for patients with chronic conditions to understand. Persons living with chronic conditions currently have difficulty obtaining information needed to confirm which drugs are covered, unavailable, or difficult to access.



This measure provides transparency and helps patients obtain insurance that fits their needs.

Your Committees have amended this measure by:

- Specifying that the formulary requirements apply to accident and health or sickness insurance plans for comprehensive medical plans issued or renewed on or after January 1, 2017;
- (2) Increasing the time in which insurers must update the formulary on the insurer's website after making a change from twenty-four hours to seventy-two hours;
- (3) Amending language to require a standard formulary template be used for formularies for each product offered by the insurer's plan;
- (4) Specifying the information that must be included in the standard formulary template for insurers;
- (5) Inserting language to allow the Insurance Commissioner to develop a standard formulary template for insurers; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 301, S.D. 1, and be referred to the Committee on Ways and Means.

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

ROSALYN H. BAKER, Chair

JOSH GREEN, Chair

### The Senate Twenty-Eighth Legislature State of Hawai'i

## Record of Votes Committee on Health HTH

Bill / Resolution No.:*	Committee Referral:			te:				
SB 301	HTH/CPN, WAM 4/0/15							
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye /	Aye (WR)	Nay	Excused			
GREEN, Josh (C)								
WAKAI, Glenn (VC)		V/						
BAKER, Rosalyn H.								
GABBARD, Mike								
RIVIERE, Gil			-					
RUDERMAN, Russell E.								
SLOM, Sam								
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TOTAL			9	7				
Recommendation:  Adopted  Not Adopted								
Chair's or Designee's Signatur	re:	X						
Distribution: Original Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

\*Only one measure per Record of Votes

#### The Senate Twenty-Eighth Legislature State of Hawai'i

# Record of Votes Committee on Commerce and Consumer Protection CPN

		1	Committee Referral: Date:					
HTH/CPN, WAM 2/10/15								
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
	Aye⁄	Aye (WR)	Nay	Excused				
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Recommendation:  Adopted  Not Adopted								
Chair's or Designee's Signature:								
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								
	Pass, wing Adopted Adopted	Pass, with amendments and section was to:  Pass, with amendments and section was to:  Adopted  Adopted  Yellow	Pass, with amendments  Has Aye  Aye  (WR)  Aye  Aye  (WR)  Adopted  Nere:  Yellow  Pink	Pass, with amendments Hold Sall Pass, with amendments Aye Aye (WR) Nay  Aye Aye (WR) Nay  Adopted Not Adopted  Yellow Pink Gold				

\*Only one measure per Record of Votes