
A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUG RATE SETTING.

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

1 SECTION 1. The legislature finds that prescription
2 medications are as important to the health and safety of the
3 residents of this State as traditional public utilities such as
4 transportation, gas, electricity, telecommunications, and water.
5 The State has traditionally regulated the price of utilities
6 charged to consumers because of the monopoly structure of the
7 market.

8 The cost of many prescription drugs has become increasingly
9 unaffordable for residents, employers, and the government
10 because parts of the prescription drug market are monopolies or
11 oligopolies, and the costs to consumers in these parts of the
12 market are not managed. The difference between the
13 affordability of traditional utilities and the costs of
14 prescription drugs is due in part to the active role that the
15 State plays in directing what consumers will pay for utilities
16 and the corresponding inactive role that the State plays in not
17 directing what consumers will pay for drugs.



1 The purpose of this Act is to require the insurance
2 commissioner to conduct a study on the feasibility of
3 establishing a mechanism to review prescription drug costs and
4 set levels of reimbursement and rates without additional cost to
5 the State.

6 SECTION 2. (a) The insurance commissioner shall conduct a
7 study on the feasibility of establishing a mechanism to review
8 prescription drug costs and set levels of reimbursements and
9 rates without additional cost to the State.

10 (b) The insurance commissioner shall submit a report of
11 findings and recommendations, including any proposed
12 legislation, to the legislature no later than twenty days prior
13 to the convening of the regular session of 2021.

14 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Prescription Drugs; Rate Reviews; Rate Setting; Study; Insurance
Commissioner

Description:

Requires the Insurance Commissioner to conduct a study on the
feasibility of establishing a mechanism to review prescription
drug costs and set levels of reimbursements and rates without
additional cost to the State. Effective 7/1/2050. (HD1)

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