

JAN 24 2019

A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

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

1 SECTION 1. Chapter 431R, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§431R- Mandatory notification of prescription drug
5 price increases. (a) A manufacturer of a prescription drug
6 with a wholesale acquisition cost of more than \$40 for a course
7 of therapy shall notify each prescription drug benefit plan and
8 pharmacy benefit manager of any planned price increase if that
9 increase will result in a sixteen per cent or more increase in
10 the wholesale acquisition cost of the prescription drug over any
11 two-year period.

12 (b) The notice required by subsection (a) shall:

13 (1) Be provided in writing at least sixty days prior to
14 the planned effective date of the price increase; and

15 (2) Include:

16 (A) The date the price increase shall take effect;



- 1 (B) The current wholesale acquisition cost of the
2 prescription drug;
- 3 (C) The dollar amount of the future price increase in
4 the wholesale acquisition cost of the
5 prescription drug; and
- 6 (D) A statement regarding whether a change or
7 improvement in the drug necessitates the price
8 increase, and if so, a description of the change
9 or improvement.

10 (c) The insurance commissioner shall post on the website
11 of the department of commerce and consumer affairs the names and
12 addresses of the prescription drug benefit plans and pharmacy
13 benefit managers required to receive notice pursuant to this
14 section."

15 SECTION 2. Section 431R-1, Hawaii Revised Statutes, is
16 amended by adding a new definition to be appropriately inserted
17 and to read as follows:

18 "Course of therapy" means:

- 19 (1) The recommended daily dosage units of a prescription
20 drug for thirty days, pursuant to its prescribing



1 label as approved by the federal Food and Drug
2 Administration; or
3 (2) The recommended daily dosage units of a prescription
4 drug pursuant to its prescribing label for a normal
5 course of treatment that is less than thirty days, as
6 approved by the federal Food and Drug Administration."

7 SECTION 3. Section 431R-4, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) No later than March 31 of each calendar year, each
10 prescription drug benefit plan, health benefits plan under
11 chapter 87A, and pharmacy benefit manager shall file with the
12 insurance commissioner, in [~~such~~] a form and detail, as the
13 insurance commissioner shall prescribe, a report for the
14 preceding calendar year stating that the pharmacy benefit
15 manager or prescription drug benefit plan is in compliance with
16 this chapter. The report shall fully disclose the amount,
17 terms, and conditions relating to copayments, reimbursement
18 options, and other payments associated with a prescription drug
19 benefit plan. Each report shall disclose an address that will
20 be posted on a public website for purposes of receiving
21 notifications pursuant to section 431R- ."



S.B. NO. 1328

1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on January 1, 2020.
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S.B. NO. 1328

Report Title:

Department of Commerce and Consumer Affairs; Prescription Drugs;
Price Increases; Notification; Insurance Commissioner

Description:

Requires that if a proposed increase in the wholesale price of certain drugs would result in a 16% or more price increase over a 2-year period, the drug manufacturer shall notify various drug insurance providers.

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