

1 purchasing pool. The department shall offer county public
2 employers, self-insured private employers, and health insurance
3 carriers the option to purchase prescription drugs for their
4 employees, employees' dependents, retirees, and insureds under
5 the purchasing authority of the State, subject to this chapter.

6 **§ -3 Participation procedures.** The department shall
7 establish procedures to determine:

- 8 (1) Eligibility requirements;
- 9 (2) Enrollment procedures;
- 10 (3) Duration;
- 11 (4) Payment requirements; and
- 12 (5) Withdrawal and termination procedures;

13 for participation in the state prescription drug purchasing pool
14 by county public employers, self-insured private employers, and
15 health insurance carriers.

16 **§ -4 Stop loss coverage.** The department may offer to
17 county public employers, self-insured private employers, and
18 health insurance carriers participating in the state
19 prescription drug purchasing pool the option to purchase stop
20 loss coverage from an insurer at a rate negotiated by the
21 department.



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1 **§ -5 Joint purchases by multiple employers.** Two or more
2 county public employers, self-insured private employers, or
3 health insurance carriers may arrange to jointly purchase
4 prescription drugs for their employees, employees' dependents,
5 retirees, and insureds. The arrangement shall not constitute a
6 multiple employer welfare arrangement as defined by 29 United
7 States Code section 1002(40).

8 **§ -6 Extension of the Hawaii employer-union health**
9 **benefits trust fund.** (a) The department may offer self-insured
10 private employers and health insurance carriers the option to
11 purchase prescription drugs through any health benefits plan
12 pursuant to section 87A-16 if the department determines in
13 writing that allowing self-insured private employers or health
14 insurance carriers this option is consistent with the health
15 benefits plan.

16 (b) A written determination made pursuant to subsection
17 (a) shall not be required if the department establishes a
18 separate prescription drug purchasing plan or plans for self-
19 insured private employers and health insurance carriers.

20 **§ -7 Full cost; claims; prescription drugs.** County public
21 employers, self-insured private employers, and health insurance



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1 carriers that participate in the state prescription drug
2 purchasing pool shall pay the full cost of their own claims and
3 prescription drugs.

4 **§ -8 Coordination with other prescription drug programs.**

5 The department may administer the state prescription drug
6 purchasing pool in conjunction with any other state prescription
7 drug program, including offering discounts, rebates, and prices
8 secured through the state prescription drug purchasing pool to
9 qualifying participants.

10 **§ -9 Rules.** The department may adopt rules pursuant to
11 chapter 91 to implement this chapter."

12 SECTION 2. This Act shall take effect upon approval.

13

INTRODUCED BY:



JAN 20 2021



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Report Title:

DOH; Prescription Drugs; Purchasing Pool

Description:

Authorizes the Department of Health to implement a program to purchase prescription drugs for the county public employers, self-insured private employers, and health insurance carriers under the purchasing authority of the State.

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