

JAN 22 2021

A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

1 SECTION 1. The legislature finds that, among other things,
2 Act 230, Session Laws of Hawaii 2016, established a legislative
3 oversight working group to develop and recommend legislation to
4 improve the medical cannabis dispensary system in the State to
5 ensure safe and legal access to medical cannabis for qualifying
6 patients. The working group was tasked with addressing issues
7 related to the medical cannabis dispensary program in the State,
8 including operations, edibles, and any issues the working group
9 found relevant to the medical cannabis dispensary program.

10 The legislature further finds that one of the topics
11 considered by the working group was the potential for medical
12 cannabis to be reimbursable via health insurance and workers'
13 compensation. However, because the issues surrounding the topic
14 of insurance reimbursement for medical cannabis are extremely
15 complex, the legislature concluded that it was prudent to
16 establish a separate working group specifically tasked with
17 addressing this topic.



1 Such a working group was convened pursuant to Act 161,
2 Session Laws of 2018, which included stakeholders from the
3 medical cannabis patient community, a medical cannabis
4 dispensary licensee, a mutual benefit society, a health
5 maintenance organization, and a medicaid managed care plan. The
6 legislature finds that the working group submitted a report on
7 its findings prior to the regular session of 2019; however, it
8 is still important to further examine the complexities of the
9 topic of making medical cannabis reimbursable by health
10 insurance.

11 Accordingly, the purpose of this Act is to permit
12 qualifying patients to be reimbursed by health insurers, mutual
13 benefit societies, and health maintenance organizations for
14 amounts spent on medical cannabis and manufactured cannabis
15 products.

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

19 "§431:10A- Medical cannabis; manufactured cannabis
20 products; qualifying patients; reimbursement; limits. (a) A
21 qualifying patient who obtains medical cannabis or manufactured



1 cannabis products pursuant to part IX of chapter 329 and
2 chapter 329D shall be eligible for reimbursement as follows:

3 (1) A qualifying patient shall be eligible for a
4 dollar-for-dollar reimbursement on any amount between
5 \$ _____ and \$ _____ that is spent per month on
6 medical cannabis or manufactured cannabis products,
7 for a maximum monthly reimbursement of \$ _____ ;

8 (2) Monthly amounts in excess of \$ _____ that are
9 spent by a qualifying patient on medical cannabis or
10 manufactured cannabis products shall be covered
11 entirely by the qualifying patient and shall not be
12 eligible for reimbursement under this section; and

13 (3) A qualifying patient shall be limited to a yearly
14 maximum of \$ _____ in reimbursements.

15 (b) Insurers shall establish a system to reimburse
16 qualifying patients pursuant to this section on at least a
17 quarterly basis.

18 (c) For purposes of this section:

19 "Manufactured cannabis product" shall have the same meaning
20 as in section 329D-1.



1 "Medical cannabis" shall have the same meaning as the term
2 "cannabis" in section 329-121.

3 "Qualifying patient" shall have the same meaning as in
4 section 329-121."

5 SECTION 3. Chapter 432, Hawaii Revised Statutes, is
6 amended by adding a new section to article 1 to be appropriately
7 designated and to read as follows:

8 "§432:1- Medical cannabis; manufactured cannabis
9 products; qualifying patients; reimbursement; limits. (a) A
10 qualifying patient who obtains medical cannabis or manufactured
11 cannabis products pursuant to part IX of chapter 329 and
12 chapter 329D shall be eligible for reimbursement as follows:

13 (1) A qualifying patient shall be eligible for a
14 dollar-for-dollar reimbursement on any amount between
15 \$ and \$ that is spent per month on
16 medical cannabis or manufactured cannabis products,
17 for a maximum monthly reimbursement of \$;

18 (2) Monthly amounts in excess of \$ that are
19 spent by a qualifying patient on medical cannabis or
20 manufactured cannabis products shall be covered



1 entirely by the qualifying patient and shall not be
2 eligible for reimbursement under this section; and

3 (3) A qualifying patient shall be limited to a yearly
4 maximum of \$ _____ in reimbursements.

5 (b) Mutual benefit societies shall establish a system to
6 reimburse qualifying patients pursuant to this section on at
7 least a quarterly basis.

8 (c) For purposes of this section:

9 "Manufactured cannabis product" shall have the same meaning
10 as in section 329D-1.

11 "Medical cannabis" shall have the same meaning as the term
12 "cannabis" in section 329-121.

13 "Qualifying patient" shall have the same meaning as in
14 section 329-121."

15 SECTION 4. Chapter 432D, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

18 "§432D- _____ Medical cannabis; manufactured cannabis
19 products; qualifying patients; reimbursement; limits. (a) A
20 qualifying patient who obtains medical cannabis or manufactured



1 cannabis products pursuant to part IX of chapter 329 and chapter
2 329D shall be eligible for reimbursement as follows:

3 (1) A qualifying patient shall be eligible for a
4 dollar-for-dollar reimbursement on any amount between
5 \$ and \$ that is spent per month on
6 medical cannabis or manufactured cannabis products,
7 for a maximum monthly reimbursement of \$;

8 (2) Monthly amounts in excess of \$ that are
9 spent by a qualifying patient on medical cannabis or
10 manufactured cannabis products shall be covered
11 entirely by the qualifying patient and shall not be
12 eligible for reimbursement under this section; and

13 (3) A qualifying patient shall be limited to a yearly
14 maximum of \$ in reimbursements.

15 (b) Health maintenance organizations shall establish a
16 system to reimburse qualifying patients pursuant to this section
17 on at least a quarterly basis.

18 (c) For purposes of this section:

19 "Manufactured cannabis product" shall have the same meaning
20 in section 329D-1.



1 "Medical cannabis" shall have the same meaning as the term
2 "cannabis" in section 329-121.

3 "Qualifying patient" shall have the same meaning as in
4 section 329-121."

5 SECTION 5. (a) The auditor shall conduct an impact
6 assessment report pursuant to sections 23-51 and 23-52, Hawaii
7 Revised Statutes, to assess the social and financial impacts of
8 the mandates specified in sections 2, 3, and 4 of this Act.

9 (b) The auditor shall submit a report of its findings and
10 recommendations, including any proposed legislation, to the
11 legislature no later than twenty days prior to the convening of
12 the regular session of 2022.

13 SECTION 6. New statutory material is underscored.

14 SECTION 7. This Act shall take effect upon its approval.

15

INTRODUCED BY: Rosalyn H. Beh



S.B. NO. 253

Report Title:

Medical Cannabis; Manufactured Cannabis Product; Qualifying Patients; Reimbursement; Insurance

Description:

Permits qualifying patients to be reimbursed by health insurers, mutual benefit societies, and health maintenance organizations for amounts spent on medical cannabis and manufactured cannabis products. Limits the monthly amount of reimbursement. Requires the auditor to conduct impact assessment reports.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

