



SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

The Honorable Joy A. San Buenaventura, Chair
The Honorable Henry J.C. Aquino, Vice Chair

**H.C.R. NO. 225, REQUESTING THE AUDITOR TO CONDUCT A SOCIAL AND
FINANCIAL ASSESSMENT OF PROPOSED MANDATORY HEALTH INSURANCE
COVERAGE FOR STEP THERAPY REQUIREMENTS FOR STAGE TWO THROUGH
STAGE FIVE CANCER.**

Hearing: Wednesday, April 12, 2024, 9:35 a.m.

The Office of the Auditor offers comments on H.C.R. No. 225 which requests the Auditor to conduct a social and financial assessment of proposed health coverage for step therapy requirements for stage two through stage five cancer as identified in S.B. No. 2316, introduced in the Regular Session of 2024.

S.B. No. 2316 proposes to prohibit health insurers from requiring an insured diagnosed with stage two through stage five cancer to undergo step therapy before covering the drug recommended by the insured's health care provider for treatment. The bill also proposes to require insurers to cover "an investigative new drug" prescribed by the insured's health care provider for treatment of stage two through stage five cancer.

Section 23-51, Hawai'i Revised Statutes (HRS), requires the Auditor to assess legislative measures that mandate health insurance coverage "for specific health services, specific diseases, or certain providers of health care services." The law requires us to assess the social and financial impacts of the proposed mandated health insurance coverage, including the extent to which coverage is currently available.

We do not construe the part of the mandate that prohibits health insurers from requiring an insured diagnosed with stage two through stage five cancer to undergo step therapy before the insurer covers the drug recommended by the insurer's health care provider to be proposing new health insurance coverage. It is our understanding that, generally, health insurance currently covers medically necessary treatment for insureds diagnosed with stage two through stage five cancer. Rather, the bill *restricts* the current coverage, meaning that it limits insurers' ability to require their insureds to use prescription drugs or a series of prescription drugs before providing coverage for the prescription drug recommended by the insured's health care provider. Those services and the specific disease, however, are already covered and that coverage is not affected by the proposed mandate in S.B. No. 2316.

However, the requirement that health insurers provide coverage for investigational new drugs, as defined in 21 Code of Federal Regulations section 312.3,¹ may be an expansion of the current coverage for those diagnosed with stage two through stage five cancer, i.e., that mandate may constitute coverage for “specific health care services” under Section 23-51, HRS.

If requested, we will first assess whether the requirement that health insurers provide coverage for investigational new drugs requires an assessment under Section 23-51, HRS, and if so, will assess the proposed requirement against the social and financial impact criteria in Section 23-51, HRS.

Thank you for considering our comments.

¹ Under the Code of Federal Regulations, investigational new drug means a new drug or biological drug that is used in a clinical investigation. The term also includes a biological product that is used in vitro for diagnostic purposes.



DISABILITY AND COMMUNICATION ACCESS BOARD

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April 17, 2024

TESTIMONY TO THE SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION AND ON HEALTH AND HUMAN SERVICES

House Concurrent Resolution 225 – Requesting the Auditor to Conduct a Social and Financial Assessment of Proposed Mandatory Health Insurance Coverage for Step Therapy Requirements for Stage Two through Five Cancer

The Disability and Communication Access Board (DCAB) supports House Concurrent Resolution 225 – Requesting the Auditor to Conduct a Social and Financial Assessment of Proposed Mandatory Health Insurance Coverage for Step Therapy Requirements for Stage Two through Five Cancer.

Requiring a person with cancer to go through step therapy may limit full access to effective treatment options at the early stage of illness, where intervention has the greatest chance of success. The study is an important first step to prohibiting this requirement.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW
Executive Director

Senate Committee on Commerce and Consumer Protection
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Senate Committee on Health and Human Services
Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair

Wednesday
April 17, 2024
9:35 am
Conference Room 225

Testimony in Support of HCR No. 225, Requesting the Auditor to Conduct a Social and Financial Assessment of Proposed Mandatory Health Insurance Coverage for Step Therapy Requirements for Stage Two Through Stage Five Cancer.

A sad reality for many cancer patients today is the fact that health care insurers require an insured patient diagnosed with stage two through stage five cancer to undergo step therapy prior to coverage for drugs prescribed by the insured's health provider. A person's fight against cancer is always a race against time. Health insurers' insistence that coverage can only be authorized after two failed chemo/radiation treatments often spells death for many patients.

This year, support for H.B. 2194 spoke of hope for a change in the rules. Although the measure was deferred, the intent of the bill has survived in the form of this Resolution. Passed by the House with no votes in opposition, the fate of this measure now rests with the decision of your conference committee. Please consider the fact that the fate of many cancer patients could also be hanging in the balance. The report of the Auditor's findings and recommendations as requested in Concurrent Resolution 225 could very well tip the balance in favor of their survival.

Mahalo,
Laura Figueira
59-288 Kamehameha Hwy
Haleiwa, HI 96712

HCR-225

Submitted on: 4/16/2024 7:59:48 AM

Testimony for CPN on 4/17/2024 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Cynthia Au	Individual	Support	Written Testimony Only

Comments:

Chair Keohokalole, Chair San Buenaventura and committee members:

My name is Cynthia Au and I support HCR225 for the Auditor to conduct a sunrise analysis on insurance coverage and step therapy impacting cancer patients.

Sincerely,

Cynthia Au

Honolulu, HI 96814