

## ACT 59

H.B. NO. 7

A Bill for an Act Relating to the I-Saverx Prescription Drug Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that:

- (1) I-SaveRx is a prescription drug reimportation program developed by the State of Illinois that allows Illinois consumers to refill prescriptions from pharmacies in Canada and the United Kingdom for the most common brand-name prescription drugs used to treat chronic illness at affordable prices;
- (2) Illinois has expended significant time and resources conducting required inspections of the participating foreign pharmacies to ensure safety and quality;
- (3) Effective July 1, 2006, Illinois selected a new pharmacy benefits manager, Pegasus Health Services Limited, a vendor with extensive experi-

ence in the international prescription drug services industry and with existing relationships with licensed pharmacies in Canada, the United Kingdom, Australia, and New Zealand;

- (4) Since Illinois implemented the I-SaveRx prescription drug program, Wisconsin, Missouri, Kansas, and Vermont have joined the program as participating states;
- (5) Program participants have access to the I-SaveRx program through an internet website and a toll-free twenty-four-hour telephone number;
- (6) Program participants are expected to save twenty-five to fifty per cent on the cost of their medications;
- (7) Like Illinois residents, Hawaii residents require timely access to safe, high-quality, and efficacious prescription drugs at affordable prices; and
- (8) Although reimportation of drugs is not a long-term, comprehensive solution to the problem of affordable drugs, Hawaii's participation in the I-SaveRx prescription drug program will provide residents with an interim option for obtaining safe and affordable prescription drugs.

The purpose of this Act is provide increased access to safe prescription drugs at affordable prices by directing the governor to enter into the appropriate written agreement that authorizes Hawaii residents to participate in the I-SaveRx prescription drug program.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

**“PART . I-SAVERX PRESCRIPTION DRUG PROGRAM**

**§346-A Definitions.** As used in this part, unless the context otherwise requires:

“Network pharmacies” shall have the same meaning as the term is defined in the pharmacy benefits management agreement.

“Participating states” means Illinois and any other state that enters or has entered into an agreement with the State of Illinois to participate in the I-SaveRx prescription drug program.

**§346-B I-SaveRx prescription drug program; participation.** The governor shall enter into a written agreement with the State of Illinois and any other state necessary to provide access for program participants, including Hawaii residents, to safe and affordable prescription drugs from Europe and Canada through the Illinois I-SaveRx prescription drug program, no later than January 1, 2009.

The program shall be operational and available to Hawaii residents by July 1, 2009.

**§346-C Agreement to participate.** The written agreement authorizing the State of Hawaii to participate in the I-SaveRx prescription drug program shall:

- (1) State that all Hawaii residents shall be provided access to the I-SaveRx prescription drug program through the Internet and a twenty-four-hour toll-free telephone number and shall be considered program participants;
- (2) Contain specific standards for quality control and safety that are comparable to the standards of the United States;
- (3) Provide that Hawaii, with Illinois, may participate in on-site inspections of participating network pharmacies; Hawaii may independently inspect any pharmacy that is subsequently added to the network of pharmacies; provided that Hawaii shall submit to Illinois written notice of intent to conduct an independent inspection no fewer than fourteen days prior to the inspection, unless the inspection is an investigation of a complaint;

- (4) Require that the pharmacy benefits manager shall immediately suspend a participating pharmacy upon receiving a written notice from Hawaii of the pharmacy's violation of the standards of practice;
- (5) Require written notice to the governor when other states are added to the I-SaveRx prescription drug program as participating states; and
- (6) Provide that Hawaii may terminate the written agreement to participate in the I-SaveRx prescription drug program with or without cause, after giving written notice to the participating states.

**§346-D Program access; benefits.** (a) In the pharmacy benefits management agreement, Illinois shall state that Hawaii residents shall have access to the services of the I-SaveRx prescription drug program and that Hawaii residents shall be "program participants" as defined in the pharmacy benefits management agreement.

(b) The prescription drugs most commonly used to treat chronic illnesses shall be available to refill prescriptions for Hawaii residents through a network of inspected and approved pharmacies in countries other than the United States. Prescription drugs not approved by Illinois shall not be available from network pharmacies for program participants.

(c) Program participants in Hawaii shall refill prescriptions in an amount equal to a three-month supply from the program.

**§346-E State internet website; I-SaveRx internet website.** (a) The operation and administration of the internet website accessed via the I-SaveRx site shall be the responsibility of the pharmacy benefits manager.

(b) The governor shall establish, operate, and administer a separate internet website to provide Hawaii residents with information relating to the I-SaveRx prescription drug program. The information on the I-SaveRx internet website shall also expressly state to program participants that:

- (1) The affordable prescription drugs offered through the I-SaveRx prescription program are from Europe and Canada through the Illinois I-SaveRx prescription program; and
- (2) The State shall not be liable for injury or damage caused to a person from prescription drugs obtained through the I-SaveRx prescription program.

The State's internet website shall provide a link to the program's internet website.

(c) Hawaii residents shall be deemed program participants and shall have access to the services of the I-SaveRx prescription drug program in the same manner as other program participants in other participating states.

**§346-F Drug supply.** Hawaii shall cooperate with participating states to ensure an adequate supply of prescription drugs from the program's participating pharmacies. If demand exceeds the prescription drugs available, an agreement may provide that Illinois residents have priority over other program participants in other participating states.

**§346-G Joint work group.** (a) To ensure adequate input from Hawaii regarding the safe and effective administration of the I-SaveRx prescription drug program, Hawaii shall be a member of the joint work group, composed of two representatives from each participating state.

(b) The governor and the director of human services, or their designees, shall be the work group representatives from Hawaii.

(c) The joint work group shall annually review the approved drug list and the standards of practice to consider whether modifications to either are necessary. Modifications to the approved drug list or to the standards of practice shall require the consent of the joint work group.

(d) The joint work group shall meet or confer on an as-needed basis.

**§346-H Pharmacy benefits management agreement; compliance.** (a) Illinois shall be the primary administrator of the pharmacy benefits management agreement.

(b) A set of standards of practice adopted by participating states shall be incorporated in the pharmacy benefits management agreement.

(c) The pharmacy benefits manager and the network of pharmacies shall comply with the terms of the pharmacy benefits management agreement.

**§346-I Inspection.** (a) Under the terms of the pharmacy benefits management agreement, participating pharmacies shall be subject to on-site inspection by Illinois and Hawaii, with or without advance notice.

(b) To the extent that additional pharmacies are added to the list of network pharmacies, Hawaii may independently inspect those pharmacies.

(c) Hawaii shall provide advance notice in writing to Illinois of any intent to conduct an independent inspection of a participating pharmacy no fewer than fourteen days prior to the inspection, unless the inspection is an investigation of a complaint.

**§346-J Monitoring.** (a) Any report issued by the pharmacy benefits manager or local regulatory authorities regarding the network pharmacies' compliance or noncompliance with the standards of practice shall be provided to Hawaii.

(b) The joint work group shall determine the data and information to be included in reports issued by the pharmacy benefits manager and the periodic basis on which the reports shall be issued.

**§346-K Violation.** (a) Hawaii shall provide written notice of a violation of the standards of practice to Illinois and the pharmacy benefits manager.

(b) Upon receiving the written notice from Hawaii, Illinois shall instruct the pharmacy benefits manager to immediately suspend the participating pharmacy, pending further review by the pharmacy benefits manager and the participating states.

(c) Upon completion of the review, the participating pharmacy shall be reinstated or excluded from the program, as appropriate.

**§346-L Cancellation.** Hawaii or Illinois may withdraw from this agreement and terminate this cooperative relationship at any time, with or without cause, upon written notice to the other participating states.

Hawaii may withdraw from the cooperative relationship by the amendment or repeal of this Act, or by the governor, with the approval of the senate and house committees with jurisdiction over this matter.

**§346-M State immunity.** The State of Hawaii shall not be liable for any injury or damage caused to a person from prescription drugs obtained through the I-SaveRx prescription drug program.

**§346-N Implementation of the I-SaveRx prescription drug program; consumer outreach and educational resources.** (a) Within twenty-one days of the effective date of this part, the governor shall convene a working group that shall promote the participation of Hawaii residents in the I-Saver prescription drug program by:

- (1) Developing consumer outreach and educational material to inform Hawaii residents about participation in the I-SaveRx prescription drug program; and
  - (2) Developing materials, forms, procedures, or other resources to implement and administer the I-SaveRx prescription drug program.
- (b) Members of the working group shall include:
- (1) The governor;
  - (2) The directors of human services, health, and human resources development, respectively;
  - (3) A representative from the executive office on aging;

- (4) Two public members who represent interested consumers and health care providers, respectively; and
- (5) Other representatives from interested parties or stakeholders, as deemed appropriate by the governor.

(c) In developing consumer outreach and educational materials and resources relating to program implementation, the working group shall be authorized to use the name, logo, internet website, and marketing materials for the I-SaveRx prescription drug program that have been developed by Illinois; provided that the Hawaii state seal may be added to existing I-SaveRx program materials where appropriate.

(d) The working group shall develop I-SaveRx prescription drug program resources that include enrollment forms, informational brochures or pamphlets, an internet website, promotional materials, and materials related to program implementation.”

SECTION 3. The department of human services shall submit a written report to the legislature that includes but is not limited to the following:

- (1) The status of the I-SaveRx prescription program in the in the<sup>1</sup> State, including the number of consumers participating in the program, consumer demographics, and consumer satisfaction with the program;
- (2) Any problems implementing the I-SaveRx prescription program, including any lawsuits, consumer complaints, and other factors that contributed to impeding the access to or enrollment in the program;
- (3) Any consumer outreach and educational program regarding the I-SaveRx prescription program implemented by the working group pursuant to section 346-N, Hawaii Revised Statutes, and the effectiveness of these outreach and educational programs; and
- (4) Any recommendations regarding the feasibility of the I-SaveRx prescription program, including any proposed legislation.

The written report shall be submitted to the legislature no later than twenty days prior to the 2011 Regular Session.

SECTION 4. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 5. This Act shall take effect upon its approval and shall be repealed on June 30, 2012.

(Vetoed by Governor and veto overridden by Legislature on May 1, 2008.)

**Note**

- 1. So in original.