

ACT 197

H.B. NO. 261

A Bill for an Act Relating to Consumer Protection.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

“§431:10A- Formulary; accessibility requirements. (a) Each insurer offering or renewing an individual or group accident and health or sickness insurance policy on or after January 1, 2017, shall provide the following information via a public website and through a toll-free number that is posted on the insurer’s website:

- (1) Its formulary; provided that notice of any changes due to the addition of a new drug or deletion of any existing drug shall be made available no later than seventy-two hours after the effective date of the change; provided further that notice of other changes, including drug strength or form, shall be made available within fourteen calendar days of the effective date of the change;
- (2) Provide a system that allows an insured or potential insured to determine whether prescription drugs are covered under the plan’s medical benefits and typically administered by a provider, along with any cost-sharing imposed on such drugs;
- (3) Indicate a dollar amount range of cost-sharing typically paid by an insured of each specific drug included on the formulary based on the information the insurer has available, as follows:

(A) \$100 and under:	\$;
(B) Over \$100 to \$250:	\$\$;
(C) Over \$250 to \$500:	\$\$\$;
(D) Over \$500 to \$1,000:	\$\$\$\$; and
(E) Over \$1,000:	\$\$\$\$\$; and
- (4) Display standardized content for the formulary for each product offered by the plan pursuant to recommendations made by the formulary accessibility working group established pursuant to Act , Session Laws of Hawaii 2015.

(b) For the purposes of this section, “formulary” means the complete list of drugs preferred for use and eligible for coverage under a policy, including drugs covered under the policy’s pharmacy benefit and medical benefit as defined by the health care service plans.

(c) This section shall not apply to limited benefit health insurance as provided in section 431:10A-102.5; provided further that this section shall not apply to medicare, medicaid, or other federally financed plans.”

SECTION 2. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

“§432:1- Formulary; accessibility requirements. (a) Each mutual benefit society offering or renewing an individual and group hospital or medical service plan contract on or after January 1, 2017, shall provide the following information via a public website and through a toll-free number that is posted on the mutual benefit society’s website:

- (1) Its formulary; provided that notice of any changes due to the addition of a new drug or deletion of any existing drug shall be made available no later than seventy-two hours after the effective date of the change; provided further that notice of other changes, including drug strength or form, shall be made available within fourteen calendar days of the effective date of the change;
- (2) Provide a system that allows a subscriber or potential subscriber to determine whether prescription drugs are covered under the plan’s medical benefits and typically administered by a provider, along with any cost-sharing imposed on such drugs;

- (3) Indicate a dollar amount range of cost-sharing typically paid by a subscriber of each specific drug included on the formulary based on the information the mutual benefit society has available, as follows:
 - (A) \$100 and under: \$;
 - (B) Over \$100 to \$250: \$\$;
 - (C) Over \$250 to \$500: \$\$\$;
 - (D) Over \$500 to \$1,000: \$\$\$\$; and
 - (E) Over \$1,000: \$\$\$\$\$; and

- (4) Display standardized content for the formulary for each product offered by the plan pursuant to recommendations made by the formulary accessibility working group established pursuant to Act , Session Laws of Hawaii 2015.

(b) For the purposes of this section, “formulary” means the complete list of drugs preferred for use and eligible for coverage under a policy, including drugs covered under the policy’s pharmacy benefit and medical benefit as defined by the health care service plans.

(c) This section shall not apply to limited benefit health insurance as provided in section 431:10A-102.5; provided further that this section shall not apply to medicare, medicaid, or other federally financed plans.”

SECTION 3. Section 432D-23, Hawaii Revised Statutes, is amended to read as follows:

“**§432D-23 Required provisions and benefits.** Notwithstanding any provision of law to the contrary, each policy, contract, plan, or agreement issued in the State after January 1, 1995, by health maintenance organizations pursuant to this chapter, shall include benefits provided in sections 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121, 431:10A-125, 431:10A-126, 431:10A-122, [and] 431:10A-116.2, and 431:10A-____, and chapter 431M.”

SECTION 4. (a) There is established a formulary accessibility working group to be appointed and administered by the insurance commissioner for the purpose of making recommendations for a standard formulary template pursuant to this Act. The working group shall include the following members:

- (1) Insurance commissioner, or the commissioner’s designee, who shall serve as chair;
- (2) Director of health, or the director’s designee;
- (3) Representatives from the health care provider community;
- (4) Representatives from the board of pharmacy;
- (5) Representatives from the Hawaii Association of Health Plans; and
- (6) One representative from the American Cancer Society Cancer Action Network – Hawaii Pacific Region.

(b) The formulary accessibility working group shall make its recommendations related to a standard formulary template to the legislature no later than twenty days prior to the convening of the regular session of 2016.

(c) The formulary accessibility working group shall dissolve on June 30, 2016.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2015.

(Approved July 2, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.