

# VETO

HOUSE OF REPRESENTATIVES  
TWENTY-FOURTH LEGISLATURE, 2007  
STATE OF HAWAII

H.B. NO. 7  
H.D. 1  
S.D. 1

## A BILL FOR AN ACT

**VETO OVERRIDE**

RELATING TO THE I-SEVERX PRESCRIPTION DRUG PROGRAM.

ACT No. 59

Approved: 

Dated: May 1, 2008

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

- 1 SECTION 1. The legislature finds that:
- 2 (1) I-SaveRx is a prescription drug reimportation program
- 3 developed by the State of Illinois that allows
- 4 Illinois consumers to refill prescriptions from
- 5 pharmacies in Canada and the United Kingdom for the
- 6 most common brand-name prescription drugs used to
- 7 treat chronic illness at affordable prices;
- 8 (2) Illinois has expended significant time and resources
- 9 conducting required inspections of the participating
- 10 foreign pharmacies to ensure safety and quality;
- 11 (3) Effective July 1, 2006, Illinois selected a new
- 12 pharmacy benefits manager, Pegasus Health Services
- 13 Limited, a vendor with extensive experience in the
- 14 international prescription drug services industry and
- 15 with existing relationships with licensed pharmacies
- 16 in Canada, the United Kingdom, Australia, and New
- 17 Zealand;



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

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



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

4 "PART . I-SAVERX PRESCRIPTION DRUG PROGRAM

5 §346-A Definitions. As used in this part, unless the  
6 context otherwise requires:

7 "Network pharmacies" shall have the same meaning as the  
8 term is defined in the pharmacy benefits management agreement.

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

13 §346-B I-SaveRx prescription drug program; participation.

14 The governor shall enter into a written agreement with the State  
15 of Illinois and any other state necessary to provide access for  
16 program participants, including Hawaii residents, to safe and  
17 affordable prescription drugs from Europe and Canada through the  
18 Illinois I-SaveRx prescription drug program, no later than  
19 January 1, 2009.

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



1           §346-C Agreement to participate. The written agreement  
2 authorizing the State of Hawaii to participate in the I-SaveRx  
3 prescription drug program shall:

4           (1) State that all Hawaii residents shall be provided  
5 access to the I-SaveRx prescription drug program  
6 through the Internet and a twenty-four-hour toll-free  
7 telephone number and shall be considered program  
8 participants;

9           (2) Contain specific standards for quality control and  
10 safety that are comparable to the standards of the  
11 United States;

12           (3) Provide that Hawaii, with Illinois, may participate in  
13 on-site inspections of participating network  
14 pharmacies; Hawaii may independently inspect any  
15 pharmacy that is subsequently added to the network of  
16 pharmacies; provided that Hawaii shall submit to  
17 Illinois written notice of intent to conduct an  
18 independent inspection no fewer than fourteen days  
19 prior to the inspection, unless the inspection is an  
20 investigation of a complaint;

21           (4) Require that the pharmacy benefits manager shall  
22 immediately suspend a participating pharmacy upon



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

10 **§346-D Program access; benefits.** (a) In the pharmacy  
11 benefits management agreement, Illinois shall state that Hawaii  
12 residents shall have access to the services of the I-SaveRx  
13 prescription drug program and that Hawaii residents shall be  
14 "program participants" as defined in the pharmacy benefits  
15 management agreement.

16 (b) The prescription drugs most commonly used to treat  
17 chronic illnesses shall be available to refill prescriptions for  
18 Hawaii residents through a network of inspected and approved  
19 pharmacies in countries other than the United States.

20 Prescription drugs not approved by Illinois shall not be  
21 available from network pharmacies for program participants.



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

4 §346-E State internet website; I-SaveRx internet website.

5 (a) The operation and administration of the internet website  
6 accessed via the I-SaveRx site shall be the responsibility of  
7 the pharmacy benefits manager.

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

13 (1) The affordable prescription drugs offered through the  
14 I-SaveRx prescription program are from Europe and  
15 Canada through the Illinois I-SaveRx prescription  
16 program; and

17 (2) The State shall not be liable for injury or damage  
18 caused to a person from prescription drugs obtained  
19 through the I-SaveRx prescription program.

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



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

5 §346-F Drug supply. Hawaii shall cooperate with  
6 participating states to ensure an adequate supply of  
7 prescription drugs from the program's participating pharmacies.  
8 If demand exceeds the prescription drugs available, an agreement  
9 may provide that Illinois residents have priority over other  
10 program participants in other participating states.

11 §346-G Joint work group. (a) To ensure adequate input  
12 from Hawaii regarding the safe and effective administration of  
13 the I-SaveRx prescription drug program, Hawaii shall be a member  
14 of the joint work group, composed of two representatives from  
15 each participating state.

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

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



1 the approved drug list or to the standards of practice shall  
2 require the consent of the joint work group.

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

5 **§346-H Pharmacy benefits management agreement; compliance.**

6 (a) Illinois shall be the primary administrator of the pharmacy  
7 benefits management agreement.

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

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

14 **§346-I Inspection.** (a) Under the terms of the pharmacy  
15 benefits management agreement, participating pharmacies shall be  
16 subject to on-site inspection by Illinois and Hawaii, with or  
17 without advance notice.

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

21 (c) Hawaii shall provide advance notice in writing to  
22 Illinois of any intent to conduct an independent inspection of a





1 participating pharmacy no fewer than fourteen days prior to the  
2 inspection, unless the inspection is an investigation of a  
3 complaint.

4       **§346-J Monitoring.** (a) Any report issued by the pharmacy  
5 benefits manager or local regulatory authorities regarding the  
6 network pharmacies' compliance or noncompliance with the  
7 standards of practice shall be provided to Hawaii.

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

12       **§346-K Violation.** (a) Hawaii shall provide written  
13 notice of a violation of the standards of practice to Illinois  
14 and the pharmacy benefits manager.

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

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



1           **§346-L Cancellation.** Hawaii or Illinois may withdraw from  
2 this agreement and terminate this cooperative relationship at  
3 any time, with or without cause, upon written notice to the  
4 other participating states.

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

9           **§346-M State immunity.** The State of Hawaii shall not be  
10 liable for any injury or damage caused to a person from  
11 prescription drugs obtained through the I-SaveRx prescription  
12 drug program.

13           **§346-N Implementation of the I-SaveRx prescription drug**  
14 **program; consumer outreach and educational resources.** (a)  
15 Within twenty-one days of the effective date of this part, the  
16 governor shall convene a working group that shall promote the  
17 participation of Hawaii residents in the I-Saver prescription  
18 drug program by:

19           (1) Developing consumer outreach and educational material  
20           to inform Hawaii residents about participation in the  
21           I-SaveRx prescription drug program; and



- 1 (2) Developing materials, forms, procedures, or other  
2 resources to implement and administer the I-SaveRx  
3 prescription drug program.
- 4 (b) Members of the working group shall include:
- 5 (1) The governor;
- 6 (2) The directors of human services, health, and human  
7 resources development, respectively;
- 8 (3) A representative from the executive office on aging;
- 9 (4) Two public members who represent interested consumers  
10 and health care providers, respectively; and
- 11 (5) Other representatives from interested parties or  
12 stakeholders, as deemed appropriate by the governor.
- 13 (c) In developing consumer outreach and educational  
14 materials and resources relating to program implementation, the  
15 working group shall be authorized to use the name, logo,  
16 internet website, and marketing materials for the I-SaveRx  
17 prescription drug program that have been developed by Illinois;  
18 provided that the Hawaii state seal may be added to existing  
19 I-SaveRx program materials where appropriate.
- 20 (d) The working group shall develop I-SaveRx prescription  
21 drug program resources that include enrollment forms,  
22 informational brochures or pamphlets, an internet website,



1 promotional materials, and materials related to program  
2 implementation."

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

- 6 (1) The status of the I-SaveRx prescription program in the  
7 in the State, including the number of consumers  
8 participating in the program, consumer demographics,  
9 and consumer satisfaction with the program;
- 10 (2) Any problems implementing the I-SaveRx prescription  
11 program, including any lawsuits, consumer complaints,  
12 and other factors that contributed to impeding the  
13 access to or enrollment in the program;
- 14 (3) Any consumer outreach and educational program  
15 regarding the I-SaveRx prescription program  
16 implemented by the working group pursuant to section  
17 346-N, Hawaii Revised Statutes, and the effectiveness  
18 of these outreach and educational programs; and
- 19 (4) Any recommendations regarding the feasibility of the  
20 I-SaveRx prescription program, including any proposed  
21 legislation.



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

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

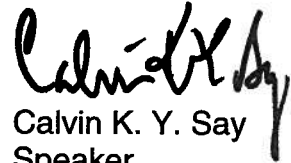
7 SECTION 5. This Act shall take effect upon its approval  
8 and shall be repealed on June 30, 2012.



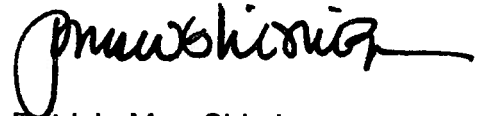
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2008  
Honolulu, Hawaii

We hereby certify that, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the House of Representatives of the State of Hawaii, on this date reconsidered House Bill No. 7, H.D. 1, S.D. 1, heretofore vetoed as contained in a Governor's Message dated May 1, 2008, and approved said bill by an affirmative vote of two-thirds of all members to which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, Regular Session of 2008, is entitled.



Calvin K. Y. Say  
Speaker  
House of Representatives



Patricia Mau-Shimizu  
Chief Clerk  
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 1, 2008  
Honolulu, Hawaii

We hereby certify that, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Senate of the State of Hawaii, on this date reconsidered House Bill No. 7, H.D. 1, S.D. 1, heretofore vetoed as contained in a Governor's Message dated May 1, 2008, and approved said bill by an affirmative vote of two-thirds of all members to which the Senate of the Twenty-fourth Legislature of the State of Hawaii, Regular Session of 2008, is entitled.



Colleen Hanabusa  
President of the Senate



Carol Taniguchi  
Clerk of the Senate