

STAND. COM. REP. NO. **605**

Honolulu, Hawaii

March 5, 2015

RE: H.B. No. 252
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 252 entitled:

"A BILL FOR AN ACT RELATING TO PHARMACY BENEFIT MANAGERS,"

begs leave to report as follows:

The purpose of this measure is to authorize a pharmacy benefit manager to establish a maximum reimbursement amount for a drug if the drug is available in the State at a unit price at or below that amount.

The Queen's Health Systems and Hawaii Community Pharmacy Association testified in support of this measure. CVC Health testified in opposition to this measure. The Hawaii Employer-Union Health Benefits Trust Fund, Express Scripts, and Hawaii Medical Service Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Removing the language that authorizes a pharmacy benefit manager to establish a maximum reimbursement amount for a drug if the drug is available in the State at a unit price at or below that amount;
- (2) Inserting language that specifies:

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- (A) The requirements for a pharmacy benefit manager who reimburses a contracting pharmacy for a drug on a maximum allowable cost basis; and
- (B) The minimum requirements for the process that allows a contracting pharmacy to appeal the maximum allowable cost for a drug on a maximum allowable cost list;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that this measure is a work in progress. Not all members of the working group agreed upon the language of this measure. However, this measure is a vehicle to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



