

STAND. COM. REP. NO.

1664

Honolulu, Hawaii

MAR 22 , 2019

RE: S.B. No. 1521
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 1521, S.D. 1, H.D. 1,
entitled:

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

beg leave to report as follows:

The purpose of this measure is to transfer regulatory
jurisdiction over pharmacy benefit managers from the Department of
Health to the Department of Commerce and Consumer Affairs.
Specifically, this measure:

- (1) Limits the application of regulations to pharmacy
benefit manager contracts with small, independent, and
geographically isolated pharmacies;
- (2) Specifies drug price information that must be included
in the contract between a pharmacy benefit manager and
an eligible pharmacy;
- (3) Requires pharmacy benefit managers to provide covered
pharmacies with up-to-date information on the maximum
allowable cost for which a pharmacy will be reimbursed
for providing prescription drugs to benefit plan members

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and to issue reimbursements pursuant to up-to-date costs;

- (4) Requires pharmacy benefit managers to establish an appeals process for drug reimbursements that includes rebilling by the pharmacy of claims that are found to have been underpaid; and
- (5) Establishes requirements for nondisclosure of pricing and related information by covered pharmacies.

The Hawaii Pharmacist Association, Times Pharmacy, KTA Super Stores, Pharmacare, Waimanalo Pharmacy Inc, Hawaii Food Industry Association, and several individuals testified in support of this measure. Hawaii Medical Service Association testified in opposition to this measure. The Department of Commerce and Consumer Affairs, The Queen's Health Systems, and CVS Health provided comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1521, S.D. 1, H.D. 1, and recommend that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



CHRIS LEE, Chair



ROY M. TAKUMI, Chair



State of Hawaii
House of Representatives
The THIRTIETH Legislature

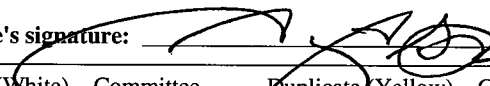
HSCR 1664

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 1521 SD1 HD1	Committee Referral: HLT, CPC/JUD, FIN	Date: 3/20/19		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au				✓
5. CABANILLA ARAKAWA, Rida	✓			
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.	✓			
8. KONG, Sam Satoru	✓			
9. MIZUNO, John M.	✓			
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

HSCE 1664

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB 1521 SOI HD1	Committee Referral: HLT, CPC/JUD, FIN	Date: 3/20/17		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	/			
2. SAN BUENAVENTURA, Joy A. (VC)	/			
3. BROWER, Tom				/
4. CREAGAN, Richard P.	/			
5. LOWEN, Nicole E.	/			
6. McKELVEY, Angus L.K.	/			
7. MORIKAWA, Dee	/			
8. SAY, Calvin K.Y.		/		
9. TAKAYAMA, Gregg	/			
10. YAMANE, Ryan I.				/
11. THIELEN, Cynthia	/			
TOTAL (11)	8	1		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				