

Honolulu, Hawaii

, 2020

FEB 12

RE: H.B. No. 1608
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1608, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS,"

begs leave to report as follows:

The purpose of this measure is to address prescription drug inflation by authorizing the Department of Health to implement a program for wholesale importation of prescription drugs.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, AARP Hawaii, and one individual. Your Committee received testimony in opposition to this measure from The Partnership for Safe Medicines, Pharmaceutical Research and Manufacturers of America, and one individual. Your Committee received comments on this measure from the Department of the Attorney General, Department of Commerce and Consumer Affairs, and Board of Pharmacy.

Your Committee finds that the United States Department of Health and Human Services published proposed rules on December 23, 2019, to regulate wholesale importation of prescription drug programs. Under these rules, the State would be able to submit importation program proposals to the federal Food and Drug Administration for review and authorization. Your Committee notes that the rules are not yet final.



Your Committee further finds that this measure requires the Department of Health to be the licensed wholesaler, or license the entity that will be the wholesaler for the purposes of the drug importation. Concerns were raised that the Department of Health does not currently have the expertise to do either. Although the Department of Commerce and Consumer Affairs was suggested as an alternative agency to administer a drug importation program, testimony received by your Committee indicated that the Department of Commerce and Consumer Affairs lacks the expertise for this also. To address these concerns, your Committee believes that the best available option would be for the Department of Health to contract with a licensed wholesaler for the purpose of seeking federal certification and approval for the wholesale importation of safe prescription drugs.

Your Committee has amended this measure by:

- (1) Requiring that the Department of Health contract with a licensed wholesaler for the purpose of seeking federal certification and approval to import safe prescription drugs, rather than requiring DOH to become the licensed wholesaler or to license a wholesaler; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1608, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1608, H.D. 2.



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



ROY M. TAKUMI, Chair



