

Honolulu, Hawaii

FEB 20 2020

RE: S.B. No. 2276
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2276, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require drug manufacturers to notify the insurance commissioner, prescription drug benefit plans, and pharmacy benefit managers if a proposed increase in the wholesale price of certain drugs would result in an unspecified percentage or more price increase over a two-year period;
- (2) Require the drug manufacturer to identify and report to the insurance commissioner information on certain drugs whose wholesale acquisition cost increases by a certain amount during a specified time frame; and
- (3) Require the insurance commissioner to post price information of certain drugs on the Department of Commerce and Consumer Affairs' website.

Your Committee received testimony in opposition to this measure from the Pharmaceutical Research and Manufacturers of America. Your Committee received comments on this measure from the



Department of Commerce and Consumer Affairs, Insurance Division; Office of Information Practices; and the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that one of the greatest threats to the affordability of health care coverage is the pharmaceutical industry's pricing of new and existing medications. This measure would require pharmaceutical manufacturers to report certain pricing information when implementing major price increases. This measure also provides assessable fines for a violation of the reporting requirements by drug manufacturers.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2276, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,

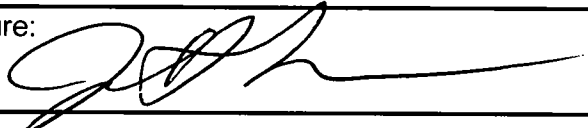


KARL RHOADS, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2276 SDI	CPH, JDC	2/25/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike				/
KIM, Donna Mercado	/			
FEVELLA, Kurt				/
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes