

MAR 12 2021

SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND, AND MED-QUEST DIVISION TO PROVIDE INFORMATION TO THE LEGISLATURE REGARDING THE COSTS AND BENEFITS OF RELYING ON A SINGLE PROVIDER TO FULFILL PRESCRIPTION MEDICATION.

1 WHEREAS, the Hawaii Employer-Union Trust Fund (EUTF) has
2 recently executed a contract that provides for only a single,
3 United States mainland-based, pharmacy provider to fulfill
4 pharmacy benefits for EUTF members enrolled in Preferred
5 Provider Organization plans; and

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7 WHEREAS, pursuant to this contract, EUTF enrollees must
8 fulfill their prescriptions through the single pharmacy provider
9 or go through a much more onerous out-of-network claims process;
10 and

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12 WHEREAS, the reimbursement rates for prescriptions
13 fulfilled out-of-network are significantly lower than those
14 fulfilled in-network; and

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16 WHEREAS, although the goal of this EUTF contract may be to
17 save money for the State and EUTF members, it could possibly
18 result in many severe adverse consequences; and

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20 WHEREAS, most significantly, forcing EUTF members to
21 fulfill their prescriptions with a single provider will likely
22 cause smaller community pharmacies to lose business; and

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24 WHEREAS, small, independent pharmacies are an important
25 part of the communities they serve, especially in rural areas
26 and on the neighbor islands; and

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28 WHEREAS, these independent pharmacies have accumulated
29 generations worth of knowledge about the communities that they
30 serve and understand them better than anyone else; and



1 WHEREAS, these pharmacies have long-standing personal
2 relationships with their clients, which is an important aspect
3 of effective healthcare; and

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5 WHEREAS, the potential damage to community pharmacies may
6 far outweigh any benefits the EUTF contract may bring the State;
7 and

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9 WHEREAS, due to increasing competition from internet-based,
10 mail-order, and large corporate-owned "big box" pharmacies, many
11 small and independent pharmacies have been forced out of
12 business in recent years, and this situation has been
13 exacerbated by additional challenges arising from the ongoing
14 coronavirus disease 2019 pandemic; and

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16 WHEREAS, once these community institutions close, they are
17 gone forever; and

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19 WHEREAS, Hawaii has experienced analogous situations in the
20 past; and

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22 WHEREAS, in 2006, Mesa Air Group entered the State's
23 interisland airline market under the trade name "Go!," selling
24 tickets at artificially low prices; and

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26 WHEREAS, although interisland travelers initially
27 benefitted from lower airline ticket prices, Mesa Air Group's
28 anticompetitive practices resulted in the bankruptcy of Aloha
29 Airlines, a local company with sixty-two years of service to the
30 community; and

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32 WHEREAS, Mesa Air Group withdrew from the State in 2014,
33 leaving a single air carrier in Hawaii with a virtual monopoly
34 over the interisland air travel market and resulting in more
35 expensive costs for interisland travelers; and

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37 WHEREAS, the State must analyze the practices of the EUTF,
38 as well as the Med-QUEST Division of the Department of Human
39 Services, which also manages a number of healthcare plans, to
40 ensure that moneys used to provide medication to members of
41 those programs are being expended in a fair and equitable manner



1 and that the State is not unduly placing short-term benefits
2 over long-term adverse consequences; now, therefore,

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4 BE IT RESOLVED by the Senate of the Thirty-first
5 Legislature of the State of Hawaii, Regular Session of 2021, the
6 House of Representatives concurring, that the Auditor is
7 requested to conduct a study that analyzes the costs and
8 benefits of the Hawaii Employer-Union Health Benefits Trust Fund
9 relying on a single provider to fulfill prescription drugs; and

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11 BE IT FURTHER RESOLVED that the study examine the immediate
12 cost savings of relying on a single provider to fulfill
13 prescription drugs against the long-term cost of potentially
14 losing independent community pharmacies, including:

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16 (1) The costs of losing pharmacies in rural communities
17 that have accumulated generations of knowledge about
18 the communities that they serve; and
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20 (2) Costs to Hawaii Employer-Union Health Benefits Trust
21 Fund members who live in locations that do not have
22 convenient access to the single provider; and
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24 BE IT FURTHER RESOLVED that the Auditor is requested to
25 submit a report of its findings and recommendations, including
26 any proposed legislation, to the Legislature no later than
27 twenty days prior to the convening of the Regular Session of
28 2022; and
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30 BE IT FURTHER RESOLVED that each pharmacy provider in the
31 State is requested to submit to the Hawaii Employer-Union Health
32 Benefits Trust Fund a listing of the top fifteen generic
33 medications, by number of units, dispensed by the pharmacy for
34 Hawaii Employer-Union Health Benefits Trust Fund enrollees and
35 the following data for each medication:

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37 (1) Generic drug name;
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39 (2) National drug code;
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41 (3) Reimbursement per unit;
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1 (4) Total units dispensed in 2020;

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3 (5) Total value; and

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5 (6) Plan BIN and PCN; and

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7 BE IT FURTHER RESOLVED that the Hawaii Employer-Union
8 Health Benefit Trust Fund is requested to compile the data
9 submitted by the pharmacies and submit the information to the
10 Legislature no later than twenty days prior to the convening of
11 the Regular Session of 2022; and

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13 BE IT FURTHER RESOLVED that each pharmacy provider in the
14 State is requested to submit to the Med-QUEST Division of the
15 Department of Human Services a listing of the top fifteen
16 generic medications, by number of units, dispensed by the
17 pharmacy for Med-QUEST enrollees and the following data for each
18 medication:

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20 (1) Generic drug name;

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22 (2) National drug code;

23

24 (3) Reimbursement per unit;

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26 (4) Total units dispensed in 2020;

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28 (5) Total value; and

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30 (6) Plan BIN and PCN; and

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32 BE IT FURTHER RESOLVED that the Med-QUEST Division of the
33 Department of Human Services is requested to compile the data
34 submitted by the pharmacies and submit the information to the
35 Legislature no later than twenty days prior to the convening of
36 the Regular Session of 2022; and

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38 BE IT FURTHER RESOLVED that all data submitted by the
39 pharmacies, Hawaii Employer-Union Health Benefits Trust Fund,
40 and Med-QUEST Division of the Department of Human Services is
41 requested to be deidentified; and

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S.C.R. NO. 114

1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Auditor; Chair of
3 the Board of Trustees of the Hawaii Employer-Union Health
4 Benefits Trust Fund, who is requested to further transmit copies
5 of this Concurrent Resolution to each pharmacy in the State that
6 has fulfilled prescriptions for Hawaii Employer-Union Health
7 Benefits Trust Fund enrollees in 2020; and Administrator of the
8 Med-QUEST Division of the Department of Human Services, who is
9 requested to further transmit copies of this Concurrent
10 Resolution to each pharmacy in the State that has fulfilled
11 prescriptions to Med-QUEST enrollees in 2020.

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OFFERED BY: 
By Request

