

STAND. COM. REP. NO.

1233

Honolulu, Hawaii

**MAR 14**

, 2025

RE: S.B. No. 1509  
S.D. 1  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Health, to which was referred S.B. No. 1509, S.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:

- (1) Require a health care insurer or pharmacy benefit manager to reduce an enrollee's cost share for a prescription drug by an amount equal to at least one hundred percent of any prescription drug rebate received;
- (2) Require pharmacy benefit managers to submit a certification of compliance with cost sharing requirements to the Insurance Commissioner on an annual basis;
- (3) Establish protections for the publishing of certain confidential or proprietary information by health insurers, pharmacy benefit managers, or plan sponsors that perform health care or administrative services on behalf of a health insurer or pharmacy benefit manager; and

2025-2590 SB1509 HD1 HSCR HMSO



- (4) Establish provisions relating to the final reimbursements, dispensing fees, and reimbursement rates paid to pharmacies by pharmacy benefit managers.

Your Committee received testimony in support of this measure from the State Health Planning and Development Agency; National Community Pharmacists Association; KTA Super Stores, Pharmacy; American Pharmacists Association; Patient Pocket Protector Coalition; Hawai'i Pharmacists Association; Walgreen Co.; Coalition of State Rheumatology Organizations; 5 Minute Pharmacy; Moloka'i Drugs, Inc.; and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii Insurers Council; Hawaii Association of Health Plans; and Pharmaceutical Care Management Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Kaiser Permanente Hawai'i; and National Labor Alliance of Health Care Coalitions.

Your Committee finds that rising prescription drug costs are a major concern to Hawaii residents. Your Committee further finds that community pharmacies play a crucial role in providing health care in underserved and rural areas of the State. Your Committee believes that increasing transparency in the pricing methodologies of pharmacy benefit managers will ensure a fair and equitable reimbursement rate for prescription drug coverage.

However, your Committee recognizes that the State's unique geography and geographic isolation present particular challenges when tackling a complex issue like the regulation of pharmacy benefit managers. Your Committee believes that additional study is required to ensure that any additional regulation of pharmacy benefit managers, including the implementation of a prescription drug rebate cost sharing program, does not result in increases to enrollees or local pharmacies.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its substantive contents and inserting language requiring the Legislative Reference Bureau to conduct a study on best practices for the regulation of pharmacy benefit managers and reduction in the cost of prescription drugs for health insurance plan beneficiaries; and



1233

- (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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1509, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1509, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



---

GREGG TAKAYAMA, Chair



