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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Tuesday, April 1, 2025
10:06 a.m.
State Capitol, Conference Room 229 and Via Videoconference

On the following measure:
S.C.R. 70, REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO ESTABLISH AND CONVENE A PHARMACY REIMBURSEMENT WORKING GROUP TO EXPLORE AND PROPOSE LEGISLATION FOR THE 2026 LEGISLATIVE SESSION.

Chair Keohokalole and Members of the Committee:

My name is Jerry Bump, and I am the Acting Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this resolution.

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs to establish and convene a Pharmacy Reimbursement Working Group to explore and propose legislation for the 2026 Legislative Session.

The resolution requests the Director of Commerce and Consumer Affairs to invite the Insurance Commissioner to participate as a member of the Working Group. We request that the resolution be amended to allow the Insurance Commissioner *or the Commissioner's designee* to participate as a member of the Working Group.

Thank you for the opportunity to testify on this resolution.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 30, 2025

TO: Senator Jarrett Keohokalole
Chair, Committee on Commerce and Consumer Protection

Senator Carol Fukunaga
Vice Chair, Committee on Commerce and Consumer Protection

FROM: Tiffany Yajima

RE: **SCR70 / SR54 – REQUESTING THE DEPARTMENT OF COMMERCE
AND CONSUMER AFFAIRS TO ESTABLISH AND CONVENE A
PHARMACY REIMBURSEMENT WORKING GROUP TO EXPLORE AND
PROPOSE LEGISLATION FOR THE 2026 LEGISLATIVE SESSION.**

**Hearing Date: Tuesday, April 1, 2025 at 10:06 a.m.
Conference Room: 229**

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee on Commerce and Consumer Protection:

We submit this testimony on behalf of Walgreen Co. (“Walgreens”). Walgreens operates stores at more than 9,000 locations in all 50 states, the District of Columbia, and Puerto Rico. In Hawaii, Walgreens has 13 stores on the islands of Oahu and Maui.

Walgreens **supports** SCR70 / SR54, which requests the Department of Commerce and Consumer Affairs to establish and convene a pharmacy reimbursement working group to explore and propose legislation for the 2026 Legislative Session.

Walgreens prefers S.B. 1245, SD2, HD1, which would mandate reimbursement for services provided by participating registered pharmacists practicing within their scope of practice by private and public health plans in the State and require the health plans to recognize pharmacists licensed in the State as participating providers.

The practice of pharmacy has evolved alongside significant changes in healthcare delivery. Patient demand on the healthcare system is expected to increase significantly and outpace current provider supply over the next few years. As a result, pharmacists today play a vital role in health care and are

increasingly providing patient care services beyond the traditional prescription dispensing function.

Pharmacists are now offering patient care services such as medication therapy management, immunizations, health screenings, chronic disease management, and patient education and counseling. In addition, over the past decade the legislature has expanded on pharmacy services and given pharmacists the ability to perform tasks such as prescribing and dispensing contraceptive supplies (Act 67 (2017)), ordering and performing certain CLIA-waived tests (Act 103 (2023)), and most recently, allowing pharmacists the ability order immunizations and for pharmacists, pharmacy technicians and pharmacy interns the ability to administer minor immunizations (Act 104 (2024)).

The next step is to ensure that pharmacists are fairly reimbursed by health plans in the State for the clinical services they provide within their scope of practice. This will also help to ensure that pharmacies can continue to serve our communities. Pharmacies are convenient and accessible, especially in underserved areas, making them a vital resource for healthcare delivery. They can also help with cost savings by preventing hospital readmissions and managing chronic conditions thereby reducing overall healthcare costs and increasing positive patient outcomes.

It is for these reasons that Walgreens is in support of this measure.

Thank you for the opportunity to submit this testimony.



**Testimony to the Senate Committee on Commerce and Consumer Protection
Tuesday, April 1, 2025; 10:06 a.m.
State Capitol, Conference Room 229
Via Videoconference**

**RE: SENATE CONCURRENT RESOLUTION NO. 070/SENATE RESOLUTION NO. 054,
REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO
ESTABLISH AND CONVENE A PHARMACY REIMBURSEMENT WORKING GROUP TO
EXPLORE AND PROPOSE LEGISLATION FOR THE 2026 LEGISLATIVE SESSION.**

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Concurrent Resolution No. 070 and Senate Resolution No. 054, REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO ESTABLISH AND CONVENE A PHARMACY REIMBURSEMENT WORKING GROUP TO EXPLORE AND PROPOSE LEGISLATION FOR THE 2026 LEGISLATIVE SESSION.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

These resolutions, as received by your Committee, would request the Department of Commerce and Consumer Affairs to establish a Pharmacy Reimbursement Working Group to study mandatory health insurance coverage and payment for health care services provided by pharmacists and to propose legislation mandating reimbursement for pharmacy services to be introduced during the Regular Session of 2026

Due to significant and longstanding shortages in Hawaii's health care work force, most primary care providers have had to find new ways of delivering services to meet the ever-present needs of patients. This has especially been the case in dealing with chronic diseases such as asthma, diabetes, and heart maladies to name a few.

FQHCs have found patient education and constant interaction between providers and patients to be extremely effective in improving health care outcomes. Because of physician shortages, FQHCs have begun to rely on teams consisting of a physician, advanced practice registered nurse, pharmacist, and medical assistants to oversee the patient's management of chronic diseases. Each professional has a specific role that complements the activities of others. In this arrangement, the pharmacist does more than merely dispense medication.

For example, in diabetes management, the pharmacist meets with the patient to explain when and how to use diagnostic tools such as glucose monitors, and instructs the patient on the use of injectable medications. These activities supplement and reinforces the therapeutic treatments that are conducted by the physician and advanced practice nurse. The medical assistants provide logistical and other support services needed by the patient and partner providers.

In the case of pharmacists, because these types of services are currently not eligible for insurance reimbursement, FQHCs have had to find other resources to offset these costs. As such, there are limits to the number of patients who can be serviced in this manner. Yet, due to the benefits demonstrated in patient outcomes, it is clear that this approach works, and will be how health care is provided moving forward.

For these reasons, the HPCA respectfully urges your favorable consideration of these resolutions.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.

SCR-70

Submitted on: 3/25/2025 11:51:04 PM

Testimony for CPN on 4/1/2025 10:06:00 AM

Submitted By	Organization	Testifier Position	Testify
Ronald Taniguchi, Pharm.D., MBA	Individual	Support	Written Testimony Only

Comments:

I support SCR70 & SR54. Mahalo