

Honolulu, Hawaii

MAR 29 2010

RE: S.C.R. No. 42  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Health, to which was referred S.C.R. No. 42  
entitled:

"SENATE CONCURRENT RESOLUTION EXPRESSING SUPPORT FOR LOCAL  
ACCOUNTABILITY OF DRUG FORMULARIES AND DRUG PRIOR  
AUTHORIZATION POLICIES,"

begs leave to report as follows:

The purpose of this measure is to support the practice of  
utilizing locally-based drug formulary advisory boards to  
determine drug formularies and drug prior authorization policies  
for all insurance plans doing business in Hawaii.

Your Committee received testimony in support of this measure  
from the Hawaii Medical Association, the Hawaii Government  
Employees Association, AFSCME Local 152, AFL-CIO, the American  
Cancer Society, and two individuals. Testimony in support of the  
intent of this measure with amendments was received from the  
Hawaii Medical Service Association. Written testimony presented  
to the Committee may be reviewed on the Legislature's website.

Your Committee finds that outsourcing the determination of  
drug formularies and drug prior authorization policies to out-of-  
state pharmacy benefit managers has had negative effects on the  
quality of care and the practice of medicine in Hawaii.  
Complaints in this regard include poor service, delays in  
receiving medications, and poor communication with the provider.  
In addition, out-of-state pharmacy benefit managers may have no



meaningful accountability to local physicians, pharmacists, and patients.

This measure expresses legislative support for the maintenance of locally-based pharmacy and therapeutics committees comprising Hawaii-licensed physicians and pharmacists who are actually engaged in practice in Hawaii. Requiring health insurers to use their own local formulary boards will improve the efficiency and quality of health care in Hawaii and reduce administrative burdens currently experienced by Hawaii physicians and patients.

Your Committee has amended this measure by:

- (1) Adding representatives of the Hawai'i Employer-Union Health Benefits Trust Fund to the pharmacy and therapeutics committees that will examine the drug formulary and drug prior authorization policies of all health insurance plans doing business in Hawaii; and
- (2) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 42, S.D. 1.

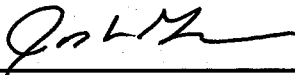
Respectfully submitted on  
behalf of the members of the  
Committee on Health,

  
\_\_\_\_\_  
DAVID Y. IGE Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SCR 42</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">HTH, CPN</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3/3/10</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <input type="checkbox"/> Pass, unamended 2312         </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div> <input type="checkbox"/> Hold 2310         </div> <div> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
GREEN, M.D., Josh (VC)	✓			
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
HEMMINGS, Fred				✓
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;">  </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

**\*Only one measure per Record of Votes**