

STAND. COM. REP. NO.

2872

Honolulu, Hawaii

MAR 29 2010

RE: S.R. No. 27
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.R. No. 27
entitled:

"SENATE 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.

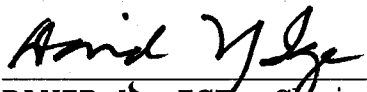
This measure expresses legislative support for the maintenance of locally-based pharmacy and therapeutics committees comprising Hawaii-licensed physicians and pharmacists who are actually engaged in practice in Hawaii. Requiring health insurers to use their own local formulary boards will improve the 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.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.R. No. 27, 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;">SR 27</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; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended <small>2312</small></div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments <small>2311</small></div> <div style="text-align: center;"><input type="checkbox"/> Hold <small>2310</small></div> <div style="text-align: center;"><input type="checkbox"/> Recommit <small>2313</small></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				✓
TOTAL	<div style="font-size: 1.2em; font-family: cursive;">5</div>	<div style="font-size: 1.2em; font-family: cursive;">0</div>	<div style="font-size: 1.2em; font-family: cursive;">0</div>	<div style="font-size: 1.2em; font-family: cursive;">1</div>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">J. L. H.</div>				
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> Distribution: Original File with Committee Report </div> <div style="text-align: center;"> Yellow Clerk's Office </div> <div style="text-align: center;"> Pink Drafting Agency </div> <div style="text-align: center;"> Goldenrod Committee File Copy </div> </div>				

*Only one measure per Record of Votes