

STAND. COM. REP. NO. 421

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 449  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 449 entitled:

"A BILL FOR AN ACT RELATING TO PATIENT PRESCRIPTION INFORMATION,"

begs leave to report as follows:

The purpose of this measure is to protect patient prescription information confidentiality by prohibiting the sale of prescriber-specific prescription drug data.

Your Committee received testimony in support of this measure from Hawaii Insurers Council and one private citizen. Testimony in opposition to this measure was received from the Department of Health, the Department of Human Services, Pharmaceutical Research and Manufacturers of America, and Med-QUEST Division. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is essential to protect private patient medical information from sale to pharmaceutical companies motivated by profit rather than by the interests of patients. Your Committee notes that the cost of marketing by pharmaceutical companies is one of the main reasons why prescription drug prices are so much higher in the United States than in the rest of the developed world, which restricts such activity.

Your Committee heard the concerns of the pharmaceutical industry that restricting the purchase of patient information will

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negatively impact the industry's ability to disseminate drug safety information and finds those concerns to be without merit. Your Committee also heard concerns from the Med-QUEST Division that enactment of this measure would have a negative impact on the Hawaii Rx Plus program. Your Committee notes that Hawaii RX Plus, a discounted drug program, was never contemplated to derive discounts from fees generated by selling prescription user information. Your Committee believes that providing prescriber and user information to pharmaceutical companies adds to the overall cost of prescription drugs and thus negatively impacts all of the residents in the State who struggle with the high cost of needed medications.

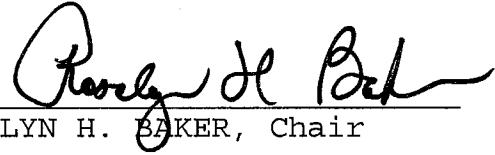
Your Committee has amended this measure by:

- (1) Narrowing the scope of the prohibition to apply only to pharmacies licensed in this State and to exclude mail order or internet pharmacies not subject to state licensure;
- (2) Applying the prohibition to medical doctors licensed to practice in this State;
- (3) Delegating enforcement authority to the Regulated Industries Complaints Office;
- (4) Deferring the effective date of this Act to July 1, 2015; and
- (5) Making nonsubstantive, technical changes for clarity and accuracy in section one.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 449, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.



Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 449</b>	Committee Referral: <b>CPN, J90</b>	Date: <b>02/13/09</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓		<i>WJ</i>	
HEMMINGS, Fred	✓			
<b>TOTAL</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">David Y Ige</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes