



**Eric P. Douglas**  
Senior Director, Government Affairs

2211 Sanders Road  
Northbrook, IL 60062

**p** 847.559.3422  
**c** 847.651.9807  
**f** 401.652.9342

[Eric.Douglas@CVSHealth.com](mailto:Eric.Douglas@CVSHealth.com)

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The Honorable Josh Green  
Chair, Senate Committee on Health  
Hawaii State Capitol, 415 South Beretania Street  
Honolulu, HI 96813

**RE: House Bill 252 HD1 – Relating to Pharmacy Benefit Managers - COMMENTS**

Aloha Chair Green, Vice Chair Wakai and members of the Committee:

CVS Health would like to submit the following comments regarding HB252 HD1. MAC (Maximum Allowable Cost) is a common cost management tool specifying the reimbursement limit for a particular strength and dosage of a generic prescription drug that is available from multiple manufacturers, but sold at different prices as a commodity. MAC pricing is the best system available for ensuring generic prices remain low and that payors are protected and pharmacies appropriately reimbursed.

Specifically, this bill sets parameters for pharmacy benefit managers, health plans and pharmacies to establish a MAC appeals process. The HD1 language before you is a collaboration of a working group comprised of invested parties, of which CVS Health participated. In light of these discussions, the resultant HD1 agreed-to language and the collaborative process with the measure's proponents, we no longer stand in opposition to the bill.

We thank you for your consideration of our comments.

CVS Health is deeply committed to Hawaii, employing approximately 2800 colleagues in our more than 60 pharmacy and MinuteClinic locations throughout the islands of Oahu, Kauai, Maui and Hawai'i. We proudly operate as the largest pharmacy chain in Hawaii, under our Longs Drugs banner and we also offer our patients and clients a wide range of comprehensive, integrated pharmacy and health operations statewide including: Pharmacy Benefit Management (PBM) services (CVS/caremark), Specialty Pharmacy (CVS/specialty), Mail-Order and Retail Pharmacy (CVS/pharmacy/Longs Drugs), Retail Health Clinics (CVS/minute clinic) and a distribution center.

Respectfully,

Eric P. Douglas