STAND. COM. REP. NO.

Honolulu, Hawaii February 14, 2019

RE: H.B. No. 1442 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred H.B. No. 1442, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PHARMACY BENEFIT MANAGERS,"

beg leave to report as follows:

The purpose of this measure is to:

- Transfer jurisdiction over pharmacy benefit managers from the Department of Health to the Department of Commerce and Consumer Affairs, including for purposes of reimbursements, disclosure of information, complaints process, and enforcement;
- (2) Require pharmacy benefit managers to disclose lowerpriced equivalent drugs when a maximum allowable cost rate is upheld upon appeal; and
- (3) Allow contracting pharmacies to reverse or rebill claims as a means of recouping any overpayment if a maximum allowable cost is denied on appeal.

Hawaii Pharmacist Association and Times Pharmacy in oral testimony testified in support of this measure. The Department of Commerce and Consumer Affairs, Department of the Attorney General, The Queen's Health System, Hawaii Medical Service Association,



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Cigna, and Pharmaceutical Care Management Association provided comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1442, H.D. 1, and recommend that it be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

CHRIS LEE, Chair

ROY M. TAKUMI, Chair



State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:Committee Referral:Date:HB 1442, HD1HLT, CPC/JVD, FIN $2/12/19$						
□ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)						
CPC Members	Ayes	Ayes (WR)	Nays	Excused		
1. TAKUMI, Roy M. (C)		studenaları etməsi insistanı ida ta				
2. ICHIYAMA, Linda (VC)	✓					
3. AQUINO, Henry J.C.						
4. BELATTI, Della Au				✓		
5. CABANILLA ARAKAWA, Rida				✓ ✓		
				Carl Strange		
6. CACHOLA, Romy M.	√					
7. HAR, Sharon E.	1					
8. KONG, Sam Satoru						
9. MIZUNO, John M.						
10. ONISHI, Richard H.K.	√					
11. MATSUMOTO, Lauren		and the second				
TOTAL (11)	9	0	0	2		
The recommendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						

State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB 1442 HD	Committee Referral: HLT, CPC/JUD, FIN Date: 2/12/19						
The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
JUD Members	Ayes	Ayes (WR)	Nays	Excused			
1. LEE, Chris (C)							
2. SAN BUENAVENTURA, Joy A.	(VC)						
2. SAN DOENAVENTORA, JOY A.							
3. BROWER, Tom							
4. CREAGAN, Richard P.			Sector Constant and the				
5. LOWEN, Nicole É.							
6. McKELVEY, Angus L.K.							
7. MORIKAWA, Dee							
7. MORIKAWA, Dee							
8. SAY, Calvin K.Y.							
9. TAKAYAMA, Gregg							
10. YAMANE, Ryan I.							
11. THIELEN, Cynthia							
TOTAL (11)	01			1			
The recommendation is: Adopted If joint referral, did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO							

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