
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND, AND MED-QUEST DIVISION OF THE DEPARTMENT OF HUMAN SERVICES TO PROVIDE INFORMATION TO THE LEGISLATURE REGARDING THE COSTS AND BENEFITS OF RELYING ON A SINGLE PROVIDER TO FULFILL PRESCRIPTION MEDICATION.

1 WHEREAS, the Hawaii Employer-Union Health Benefits Trust
2 Fund (EUTF) contracts with a pharmacy benefits manager (PBM) who
3 further contracts with local and national pharmacies to fill
4 prescriptions for EUTF members; and

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6 WHEREAS, the PBM's network is open to all licensed
7 pharmacies in Hawaii, excluding Kaiser Permanente and military
8 pharmacies, and approximately 99.95 percent of EUTF member
9 prescriptions are filled at an in-network pharmacy; and

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11 WHEREAS, the reimbursement rates for prescriptions
12 fulfilled out-of-network may be lower than those fulfilled in-
13 network; and

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15 WHEREAS, although the goal of the EUTF contract may be to
16 save money for the State and EUTF members, it could possibly
17 result in adverse consequences; and

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19 WHEREAS, most significantly, forcing EUTF members to
20 fulfill their prescriptions at in-network pharmacies may cause
21 smaller community pharmacies to lose business; and

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23 WHEREAS, small, independent pharmacies are an important
24 part of the communities they serve, especially in rural areas
25 and on the neighbor islands; and



1 WHEREAS, these independent pharmacies have accumulated
2 generations worth of knowledge about the communities that they
3 serve and understand them better than anyone else; and
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5 WHEREAS, these pharmacies have long-standing personal
6 relationships with their clients, which is an important aspect
7 of effective health care; and
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9 WHEREAS, due to increasing competition from Internet-based,
10 mail-order, and large corporate-owned "big box" pharmacies, many
11 small and independent pharmacies have been forced out of
12 business in recent years, and this situation has been
13 exacerbated by additional challenges arising from the ongoing
14 coronavirus disease 2019 pandemic; and
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16 WHEREAS, once these community institutions close, they are
17 gone forever; and
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19 WHEREAS, Hawaii has experienced analogous situations in the
20 past; and
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22 WHEREAS, in 2006, Mesa Air Group entered the State's
23 interisland airline market under the trade name "Go!," selling
24 tickets at artificially low prices; and
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26 WHEREAS, although interisland travelers initially
27 benefitted from lower airline ticket prices, Mesa Air Group's
28 anticompetitive practices resulted in the bankruptcy of Aloha
29 Airlines, a local company with sixty-two years of service to the
30 community; and
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32 WHEREAS, Mesa Air Group withdrew from the State in 2014,
33 leaving a single air carrier in Hawaii with a virtual monopoly
34 over the interisland air travel market and resulting in more
35 expensive costs for interisland travelers; and
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37 WHEREAS, the State must analyze the practices of the EUTF,
38 as well as the Med-QUEST Division of the Department of Human
39 Services, which also manages a number of health care plans, to
40 ensure that monies used to provide medication to members of
41 those programs are being expended in a fair and equitable manner



1 and that the State is not unduly placing short-term benefits
2 over long-term adverse consequences; now, therefore,

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4 BE IT RESOLVED by the House of Representatives of the
5 Thirty-first Legislature of the State of Hawaii, Regular Session
6 of 2021, the Senate concurring, that the Auditor, Hawaii
7 Employer-Union Health Benefits Trust Fund, and Med-QUEST
8 Division of the Department of Human Services are requested to
9 provide information to the Legislature regarding the costs and
10 benefits of relying on a single provider to fulfill prescription
11 medication; and

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13 BE IT FURTHER RESOLVED that the Auditor is requested to
14 conduct a study that analyzes the costs and benefits of the
15 Hawaii Employer-Union Health Benefits Trust Fund relying on a
16 single provider to fulfill prescription drugs; and

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18 BE IT FURTHER RESOLVED that the Auditor's study examine the
19 immediate cost savings of relying on a single provider to
20 fulfill prescription drugs against the long-term cost of
21 potentially losing independent community pharmacies, including:

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23 (1) The costs of losing pharmacies in rural communities
24 that have accumulated generations of knowledge about
25 the communities that they serve; and

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27 (2) Costs to Hawaii Employer-Union Health Benefits Trust
28 Fund members who live in locations that do not have
29 convenient access to the single provider; and

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31 BE IT FURTHER RESOLVED that the Auditor is requested to
32 submit a report of its findings and recommendations, including
33 any proposed legislation, to the Legislature no later than
34 twenty days prior to the convening of the Regular Session
35 of 2022; and

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37 BE IT FURTHER RESOLVED that the Hawaii Employer-Union
38 Health Benefits Trust Fund is urged to request each pharmacy
39 provider in the State to submit to the Hawaii Employer-Union
40 Health Benefits Trust Fund a listing of the top fifteen generic
41 medications, by number of units, dispensed by the pharmacy for



1 Hawaii Employer-Union Health Benefits Trust Fund enrollees and
2 the following data for each medication:

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- 4 (1) Generic drug name;
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- 6 (2) National drug code;
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- 8 (3) Reimbursement per unit;
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- 10 (4) Total units dispensed in 2020;
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- 12 (5) Total value; and
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- 14 (6) Plan BIN and PCN; and
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16 BE IT FURTHER RESOLVED that the Hawaii Employer-Union
17 Health Benefit Trust Fund is requested to compile the data
18 submitted by the pharmacies and submit the information to the
19 Legislature no later than twenty days prior to the convening of
20 the Regular Session of 2022; and

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22 BE IT FURTHER RESOLVED that the Med-QUEST Division of the
23 Department of Human Services is requested to develop a listing
24 of the top fifteen generic medications, by number of units,
25 dispensed by each pharmacy in the State for Med-QUEST enrollees
26 and the following data for each medication:

- 27
- 28 (1) Generic drug name;
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- 30 (2) National drug code;
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- 32 (3) Reimbursement per unit;
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- 34 (4) Total units dispensed in 2020;
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- 36 (5) Total value; and
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- 38 (6) Plan BIN and PCN; and
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40 BE IT FURTHER RESOLVED that the Med-QUEST Division of the
41 Department of Human Services is requested to compile the data
42 and submit the information to the Legislature no later than



1 twenty days prior to the convening of the Regular Session
2 of 2022; and

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4 BE IT FURTHER RESOLVED that all data submitted by the
5 pharmacy providers, Hawaii Employer-Union Health Benefits Trust
6 Fund, and Med-QUEST Division of the Department of Human Services
7 is requested to be deidentified; and

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9 BE IT FURTHER RESOLVED that certified copies of this
10 Concurrent Resolution be transmitted to the Auditor; Chair of
11 the Board of Trustees of the Hawaii Employer-Union Health
12 Benefits Trust Fund, who is requested to further transmit copies
13 of this Concurrent Resolution to each pharmacy in the State that
14 has fulfilled prescriptions for Hawaii Employer-Union Health
15 Benefits Trust Fund enrollees in 2020; and Administrator of the
16 Med-QUEST Division of the Department of Human Services, who is
17 requested to further transmit copies of this Concurrent
18 Resolution to each pharmacy in the State that has fulfilled
19 prescriptions to Med-QUEST enrollees in 2020.

