

STAND. COM. REP. NO.

1877

Honolulu, Hawaii

APR 03 , 2023

RE: S.B. No. 1381
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1381, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE REPEAL OF SECTION 328-106, HAWAII REVISED STATUTES,"

begs leave to report as follows:

The purpose of this measure is to repeal section 328-106, Hawaii Revised Statutes, which requires the Department of Health to regulate business practices between private entities engaged in the selling, billing, and reimbursement of pharmaceuticals.

Your Committee received testimony in support of this measure from the Department of Health. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that section 328-106, Hawaii Revised Statutes, created a parallel but ineffective and unenforceable regulatory mechanism for pharmacy benefit managers. Your Committee notes that chapter 431S, Hawaii Revised Statutes, offers a more appropriate regulatory framework for pharmacy benefit managers, including clearer definitions and rule making authority.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to

2023-3111 SB1381 HD1 HSCR HMSO



this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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



MARK M. NAKASHIMA, Chair



