STAND. COM. REP. NO. 1526

Honolulu, Hawaii

, 2023

MAR 24

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 Health & Homelessness, to which was referred S.B. No. 1381, S.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 finds that under existing law, the Department of Health is required to oversee an appeals process for pharmacies that dispense prescription medications pursuant to a contract with a health plan based on the "maximum allowable charge" payment model. This regulatory oversight, intended as a price control function, is outside of the Department of Health's expertise and offers no realistic or substantive relief to the State's pharmacies from the volatile price fluctuations of the prescription drug market. Your Committee further finds that regulation of the insurance industry's process for reimbursement

to pharmacies of prescription drug costs, and of the contractual relationship between pharmacy benefit managers and pharmacies, is likely more effectively achieved by other means.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1381, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Health & Homelessness,



## State of Hawaii House of Representatives The Thirty-second Legislature

HSCK 1526

## **Record of Votes of the Committee on Health & Homelessness**

Bill/Resolution No.:	Committee Referral:		Date: 3/22/23			
SB 1381,5Pl	HLT, CF	3/2-/23				
The committee is reconsidering its previous decision on the measure.						
The recommendation is to:	e 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)					
HLT Members		Ayes	Ayes (WR)	Nays	Excused	
1. BELATTI, Della Au (	C)	/				
2. TAKENOUCHI, Jenn	a (VC)					
				<b>经基本证</b> 证的		
3. AMATO, Terez					<b>2 1</b> 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
4. ILAGAN, Greggor				Transako a militarra		
5. KOBAYASHI, Bertra	nd		<b>再带进制。</b> [[2]	性"略如《注意》		
5. KOBAYASHI, Bertra				三级全个运动。(18)	<b>1,7</b> 70,000 - 14,000 - 10	
6. MIZUNO, John M.			D. British Markett			
7. NISHIMOTO, Scott Y	7		<u> </u>			
8. GARCIA, Diamond						
				-		
		·				
					·	
TOTAL (	(8)	9				
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						