STAND. COM. REP. NO. **1811** Honolulu, Hawaii **APR 0.3**, 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



STAND. COM. REP. NO. 877 Page 2

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

2023-3111 SB1381 HD1 HSCR HMSO

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB BBISDI HDI	Committee Referral: HLT, CPC		Date: 03-30-23	
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. NAKASHIMA, Mark M. (C)	/			·····
2. SAYAMA, Jackson D. (VC)				
3. AMATO, Terez		·		
4. BELATTI, Della Au				
DELATIT, DELA AU		T. H. Martin		
5. HASHEM, Mark J.				
				M Alera .
6. HUSSEY-BURDICK, Natalia				
7. GATES, Cedric Asuega				
8. LOWEN, Nicole E.				
9. ONISHI, Richard H.K.				
10. TAM, Adrian K.				
	TRACE WORK I			
11. PIERICK, Elijah				
		· ·		
TOTAL (11)	10			<u>ا</u>
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				