

MAR 07 2025

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# SENATE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF HEALTH TO CONVENE A PHARMACY BENEFIT  
MANAGER WORKING GROUP TO DETERMINE THE BEST POLICIES TO  
REFORM PHARMACY BENEFIT MANAGER PRACTICES IN THE STATE TO  
ENSURE TRANSPARENCY AND FAIRNESS FOR CONSUMERS AND IN THE  
PHARMACEUTICAL SECTOR, LOWER DRUG COSTS TO PATIENT  
CONSUMERS, AND INCREASE ACCESS TO HEALTH CARE.

1           WHEREAS, community pharmacies remain the most accessible  
2 health care locations, servicing remote and underserved  
3 communities with hours that often extend beyond those of other  
4 health care offices; and

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6           WHEREAS, medication price transparency and the reduction of  
7 medication costs are priorities of the Legislature; and

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9           WHEREAS, over the past decade, pharmacy benefit managers  
10 (PBMs), the intermediary between pharmacies and insurance  
11 companies, have morphed into large health care conglomerates  
12 that exercise control over every link in the prescription drug  
13 delivery chain; and

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15           WHEREAS, the largest health care conglomerates each own  
16 PBMs, who pay for pharmacy services, as well as the pharmacy  
17 chains that provide those services. This inherent conflict of  
18 interest results in higher drug costs for patients and increased  
19 profits for the corporate health care conglomerates; and

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21           WHEREAS, the three largest PBMs control eighty percent of  
22 the United States prescription drug market, profiting from the  
23 use of spread pricing models, also known as pay-to-play models,  
24 where the PBMs profit from the difference between what they  
25 charge health insurers for drugs and the amount they reimburse  
26 the pharmacies, which is often less than the actual costs for  
27 the pharmacies to acquire and dispense the drugs; and  
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1           WHEREAS, the spread pricing model is criticized for  
2 incentivizing PBMs to charge more to health insurers, thereby  
3 leading to higher drug costs for patients, while negotiating  
4 lower reimbursement rates with pharmacies, leading to lower  
5 quality of care or restricted access to medications; and  
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7           WHEREAS, both independent community pharmacies and  
8 unaffiliated pharmacies, or pharmacies that do not own or  
9 operate a PBM, are disproportionately affected by PBM price  
10 manipulation tactics and are ceasing operations at high rates  
11 across the country and in the State, impacting access to health  
12 care especially in rural areas; and  
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14           WHEREAS, other states are enacting a wide range of PBM  
15 policy reforms that are resulting in millions of dollars in cost  
16 savings for the states, and their community pharmacies and  
17 patients, while simultaneously improving access to health care;  
18 and  
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20           WHEREAS, oversight over PBMs is critically needed in the  
21 State to evaluate current PBM practices and their effects across  
22 the health care spectrum pertaining to both medication cost and  
23 access; and  
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25           WHEREAS, S.B. No. 1509, introduced in the Regular Session  
26 of 2025, proposes to require PBMs and health insurers to pass on  
27 rebate savings to patient consumers to essentially create a  
28 reimbursement rate floor for and prohibit spread pricing of  
29 prescription drugs; and  
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31           WHEREAS, the Legislature recognizes the urgent need for  
32 meaningful PBM policy reform to ensure transparency and fairness  
33 for consumers and in the pharmaceutical sector; now, therefore,  
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35           BE IT RESOLVED by the Senate of the Thirty-third  
36 Legislature of the State of Hawaii, Regular Session of 2025, the  
37 House of Representatives concurring, that the Director of Health  
38 is requested to convene a Pharmacy Benefit Manager Working Group  
39 to determine the best policies to reform PBM practices in the  
40 State to ensure transparency and fairness for consumers and in  
41 the pharmaceutical sector, lower drug costs to patient  
42 consumers, and increase access to health care; and



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BE IT FURTHER RESOLVED that the Director of Health, or the Director's designee, is requested to serve as chairperson of the Pharmacy Benefit Manager Working Group and to invite the following members to participate in the Working Group:

- (1) A representative from the Insurance Division of the Department of Commerce and Consumer Affairs;
- (2) A representative from the Department of the Attorney General;
- (3) A representative from the MedQUEST Division of the Department of Human Services;
- (4) A representative from the Board of Pharmacy;
- (5) A representative from the Hawaii Pharmacists Association;
- (6) A representative from the National Community Pharmacists Association;
- (7) A representative from the Hawaii Association of Health Plans;
- (8) Two representatives from independent community pharmacies; and
- (9) Two representatives from unaffiliated pharmacies; and

BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager Working Group is requested to evaluate the following priority areas:

- (1) The appropriate state agency to oversee PBM practices;
- (2) PBM reporting requirements and intervals;
- (3) Fair pharmacy audit procedures;
- (4) Protections from medication under-reimbursements;



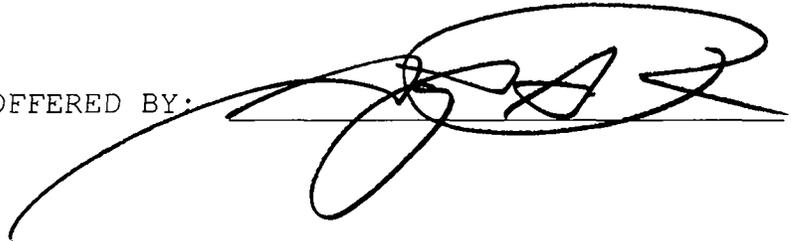
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- (5) Reimbursements to PBM-owned pharmacies compared to non-network or unaffiliated pharmacies;
- (6) Prohibitions against arbitrary accreditation requirements; and
- (7) Protections from patient steering practices; and

BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager Working Group is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2026; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of Health, Director of Commerce and Consumer Affairs, Insurance Commissioner, Attorney General, Director of Human Services, Administrator of the Med-QUEST Division of the Department of Human Services, and Chair of the Board of Pharmacy.

OFFERED BY:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and difficult to decipher, but appears to consist of several large loops and flourishes.