
SENATE CONCURRENT RESOLUTION

REQUESTING THE ADMINISTRATOR OF THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY 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 FOR 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

5
6 WHEREAS, medication price transparency and the reduction of
7 medication costs are priorities of the Legislature; and

8
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

14
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

20
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



1
2 WHEREAS, the spread pricing model is criticized for
3 incentivizing PBMs to charge more to health insurers, thereby
4 leading to higher drug costs for patients, while negotiating
5 lower reimbursement rates with pharmacies, leading to lower
6 quality of care or restricted access to medications; and
7

8 WHEREAS, both independent community pharmacies and
9 unaffiliated pharmacies, or pharmacies that do not own or
10 operate a PBM, are disproportionately affected by PBM price
11 manipulation tactics and are ceasing operations at high rates
12 across the country and in the State, impacting access to health
13 care especially in rural areas; and
14

15 WHEREAS, other states are enacting a wide range of PBM
16 policy reforms that are resulting in millions of dollars in cost
17 savings for the states, and their community pharmacies and
18 patients, while simultaneously improving access to health care;
19 and
20

21 WHEREAS, oversight over PBMs is critically needed in the
22 State to evaluate current PBM practices and their effects across
23 the health care spectrum pertaining to both medication cost and
24 access; and
25

26 WHEREAS, S.B. No. 1509, introduced in the Regular Session
27 of 2025, proposes to require PBMs and health insurers to pass on
28 rebate savings to patient consumers to essentially create a
29 reimbursement rate floor for and prohibit spread pricing of
30 prescription drugs; and
31

32 WHEREAS, the Legislature recognizes the urgent need for
33 meaningful PBM policy reform to ensure transparency and fairness
34 for consumers and in the pharmaceutical sector; now, therefore,
35

36 BE IT RESOLVED by the Senate of the Thirty-third
37 Legislature of the State of Hawaii, Regular Session of 2025, the
38 House of Representatives concurring, that the Administrator of
39 the State Health Planning and Development Agency is requested to
40 convene a Pharmacy Benefit Manager Working Group to determine
41 the best policies to reform PBM practices in the State to ensure
42 transparency and fairness for consumers and in the



1 pharmaceutical sector, lower drug costs for patient consumers,
2 and increase access to health care; and
3

4 BE IT FURTHER RESOLVED that the Administrator of the State
5 Health Planning and Development Agency, or the Administrator's
6 designee, is requested to serve as chairperson of the Pharmacy
7 Benefit Manager Working Group and to invite the following
8 members to participate in the Working Group:
9

- 10 (1) A representative from the Insurance Division of the
11 Department of Commerce and Consumer Affairs;
12
- 13 (2) A representative from the Department of the Attorney
14 General;
15
- 16 (3) A representative from the MedQUEST Division of the
17 Department of Human Services;
18
- 19 (4) A representative from the Board of Pharmacy;
20
- 21 (5) A representative from the Hawaii Pharmacists
22 Association;
23
- 24 (6) A representative from the National Community
25 Pharmacists Association;
26
- 27 (7) A representative from the Hawaii Association of Health
28 Plans;
29
- 30 (8) Two representatives from independent community
31 pharmacies; and
32
- 33 (9) Two representatives from unaffiliated pharmacies; and
34

35 BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager
36 Working Group is requested to evaluate the following priority
37 areas:
38

- 39 (1) The appropriate state agency to oversee PBM practices;
40
- 41 (2) PBM reporting requirements and intervals;
42



- 1 (3) Fair pharmacy audit procedures;
- 2
- 3 (4) Protections from medication under-reimbursements;
- 4
- 5 (5) Reimbursements to PBM-owned pharmacies compared to
- 6 non-network or unaffiliated pharmacies;
- 7
- 8 (6) Prohibitions against arbitrary accreditation
- 9 requirements; and
- 10
- 11 (7) Protections from patient steering practices; and
- 12

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

18
19 BE IT FURTHER RESOLVED that certified copies of this
20 Concurrent Resolution be transmitted to the Administrator of the
21 State Health Planning and Development Agency, Director of
22 Commerce and Consumer Affairs, Insurance Commissioner, Attorney
23 General, Director of Human Services, Administrator of the Med-
24 QUEST Division of the Department of Human Services, and Chair of
25 the Board of Pharmacy.

