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# SENATE 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

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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,  
37 that the Administrator of the State Health Planning and  
38 Development Agency is requested to convene a Pharmacy Benefit  
39 Manager Working Group to determine the best policies to reform  
40 PBM practices in the State to ensure transparency and fairness  
41 for consumers and in the pharmaceutical sector, lower drug costs  
42 for patient consumers, and increase access to health care; and



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2 BE IT FURTHER RESOLVED that the Administrator of the State  
3 Health Planning and Development Agency, or the Administrator's  
4 designee, is requested to serve as chairperson of the Pharmacy  
5 Benefit Manager Working Group and to invite the following  
6 members to participate in the Working Group:  
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- 8 (1) A representative from the Insurance Division of the  
9 Department of Commerce and Consumer Affairs;  
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- 11 (2) A representative from the Department of the Attorney  
12 General;  
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- 14 (3) A representative from the MedQUEST Division of the  
15 Department of Human Services;  
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- 17 (4) A representative from the Board of Pharmacy;  
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- 19 (5) A representative from the Hawaii Pharmacists  
20 Association;  
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- 22 (6) A representative from the National Community  
23 Pharmacists Association;  
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- 25 (7) A representative from the Hawaii Association of Health  
26 Plans;  
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- 28 (8) Two representatives from independent community  
29 pharmacies; and  
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- 31 (9) Two representatives from unaffiliated pharmacies; and  
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33 BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager  
34 Working Group is requested to evaluate the following priority  
35 areas:  
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- 37 (1) The appropriate state agency to oversee PBM practices;  
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- 39 (2) PBM reporting requirements and intervals;  
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- 41 (3) Fair pharmacy audit procedures;  
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- 1 (4) Protections from medication under-reimbursements;
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- 3 (5) Reimbursements to PBM-owned pharmacies compared to
- 4 non-network or unaffiliated pharmacies;
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- 6 (6) Prohibitions against arbitrary accreditation
- 7 requirements; and
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- 9 (7) Protections from patient steering practices; and

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

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

