

STAND. COM. REP. NO.

558

Honolulu, Hawaii

FEB 13 , 2025

RE: H.B. No. 712

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 712, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to preserve the integrity of
the federal 340B Drug Pricing Program by prohibiting drug
manufacturers from denying, restricting, or prohibiting the
acquisition, shipping, or delivery of a 340B drug to a pharmacy
under contract with any 340B covered entity in the State.

Your Committee received testimony in support of this measure
from the State Health Planning and Development Agency; Hawai'i
Pacific Health; Hawaii Primary Care Association; Healthcare
Association of Hawaii; Hawai'i Island Community Health Center; The
Queen's Health Systems; Hawai'i Health & Harm Reduction Center;
Waianae Coast Comprehensive Health Center; AlohaCare; and two
individuals. Your Committee received testimony in opposition to
this measure from the Pharmaceutical Research and Manufacturers of
America and Biotechnology Innovation Organization. Your Committee
received comments on this measure from the Department of Health;
Department of Commerce and Consumer Affairs; Alliance for Safe
Biologic Medicines; Biomarker Collaborative; Coalition of
Hematology & Oncology Practices; Exon20 Group; H.E.A.L.S. of the
South; Hispanic Business Alliance; International Cancer Advocacy

2025-1779 HB712 HD1 HSCR HMSO



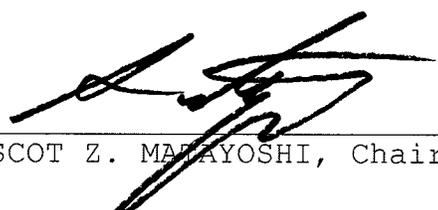
Network; Lupus and Allied Diseases Association, Inc.; MET Crusaders; National Infusion Center Association; Neuropathy Action Foundation; and PDL1 Amplifieds.

Your Committee finds that section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients. These organizations include federal grantee organizations and several types of hospitals, including critical access hospitals, sole community hospitals, rural referral centers, and public and nonprofit disproportionate share hospitals that serve low-income and indigent populations.

Your Committee further finds that the 340B drug pricing program is critical to Hawaii's public health and health care systems. For example, Hawaii's Federally Qualified Health Centers, the largest of which attends to over forty thousand lives, rely on 340B savings for patients and organization to continue providing quality services due to less-than-market reimbursement. This measure preserves the 340B Drug Pricing Program in the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 712, H.D. 1, and recommends that it be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATAYOSHI, Chair



