

STAND. COM. REP. NO.

70

Honolulu, Hawaii

FEB 04 , 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 Health, to which was referred H.B. No. 712
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 restricting the use of or denying access to
pharmacies that are contracted with any 340B covered entity in the
State.

Your Committee received testimony in support of this measure
from the Hawaii Island Community Health Center; Kōkua Kalihi
Valley; Hawai'i Health & Harm Reduction Center; Hawai'i Pacific
Health; Hawai'i Primary Care Association; Hawai'i Island Community
Health Center; Healthcare Association of Hawaii; Hawai'i Children's
Action Network Speaks!; The Queen's Health Systems; and numerous
individuals. Your Committee received testimony in opposition to
this measure from the Biotechnology Innovation Organization and
Pharmaceutical Research and Manufacturers of America. Your
Committee received comments on this measure from the Department of
Health and Department of the Attorney General.

Your Committee finds that the federal 340B Drug Pricing
Program (340B Program) is essential for providing health care

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access to low-income and uninsured populations. The 340B Program requires drug manufacturers to offer significant discounts on outpatient medications to eligible health care facilities. Your Committee further finds that drug manufacturers have consistently limited the use of contract pharmacies by 340B covered entities, which significantly impacts the abilities of patients to access prescription medications. This measure will ensure access to essential health care for all persons, and particularly the State's rural population, by prohibiting drug manufacturers from restricting the use of pharmacies contracted with 340B covered entities.

Your Committee has amended this measure by:

- (1) Placing the statutory provisions of this measure under chapter 481B, Hawaii Revised Statutes, which relates to unfair and deceptive practices, rather than under chapter 321, Hawaii Revised Statutes;
- (2) Removing references to wholesale distributors and clarifying the prohibition against manufacturers denying, restricting, or prohibiting the acquisition, shipping, or delivery of a 340B drug to a 340B contract pharmacy;
- (3) Amending the definition of "340B drug" to mean a prescription drug that is purchased by a 340B covered entity through the 340B Drug Pricing Program as authorized by federal law and is dispensed by a pharmacy;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 712, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Health,



GREGG TAKAYAMA, Chair



