

MAR 07 2025

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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2 BE IT FURTHER RESOLVED that the Director of Health, or the
3 Director's designee, is requested to serve as chairperson of the
4 Pharmacy Benefit Manager Working Group and to invite the
5 following members to participate in the Working Group:
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- 7 (1) A representative from the Insurance Division of the
8 Department of Commerce and Consumer Affairs;
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10 (2) A representative from the Department of the Attorney
11 General;
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13 (3) A representative from the MedQUEST Division of the
14 Department of Human Services;
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16 (4) A representative from the Board of Pharmacy;
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18 (5) A representative from the Hawaii Pharmacists
19 Association;
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21 (6) A representative from the National Community
22 Pharmacists Association;
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24 (7) A representative from the Hawaii Association of Health
25 Plans;
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27 (8) Two representatives from independent community
28 pharmacies; and
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30 (9) Two representatives from unaffiliated pharmacies; and
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32 BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager
33 Working Group is requested to evaluate the following priority
34 areas:
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- 36 (1) The appropriate state agency to oversee PBM practices;
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38 (2) PBM reporting requirements and intervals;
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40 (3) Fair pharmacy audit procedures;
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42 (4) Protections from medication under-reimbursements;



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2 (5) Reimbursements to PBM-owned pharmacies compared to
3 non-network or unaffiliated pharmacies;
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5 (6) Prohibitions against arbitrary accreditation
6 requirements; and
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8 (7) Protections from patient steering practices; and
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10 BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager
11 Working Group is requested to submit a report of its findings
12 and recommendations, including any proposed legislation, to the
13 Legislature no later than twenty days prior to the convening of
14 the Regular Session of 2026; and
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16 BE IT FURTHER RESOLVED that certified copies of this
17 Concurrent Resolution be transmitted to the Director of Health,
18 Director of Commerce and Consumer Affairs, Insurance
19 Commissioner, Attorney General, Director of Human Services,
20 Administrator of the Med-QUEST Division of the Department of
21 Human Services, and Chair of the Board of Pharmacy.
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OFFERED BY: 

