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# SENATE CONCURRENT RESOLUTION

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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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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  
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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  
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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  
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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  
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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,  
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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  
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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:  
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- 10 (1) A representative from the Insurance Division of the  
11 Department of Commerce and Consumer Affairs;  
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- 13 (2) A representative from the Department of the Attorney  
14 General;  
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- 16 (3) A representative from the MedQUEST Division of the  
17 Department of Human Services;  
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- 19 (4) A representative from the Board of Pharmacy;  
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- 21 (5) A representative from the Hawaii Pharmacists  
22 Association;  
23
- 24 (6) A representative from the National Community  
25 Pharmacists Association;  
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- 27 (7) A representative from the Hawaii Association of Health  
28 Plans;  
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- 30 (8) Two representatives from independent community  
31 pharmacies; and  
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- 33 (9) Two representatives from unaffiliated pharmacies; and  
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35 BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager  
36 Working Group is requested to evaluate the following priority  
37 areas:  
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- 39 (1) The appropriate state agency to oversee PBM practices;  
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- 41 (2) PBM reporting requirements and intervals;  
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- 1 (3) Fair pharmacy audit procedures;  
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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  
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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  
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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.

