THE SENATE THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII

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S.R. NO. ⁵³ S.D. 1

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

6 WHEREAS, medication price transparency and the reduction of 7 medication costs are priorities of the Legislature; and

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

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

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 28



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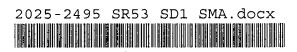
WHEREAS, the spread pricing model is criticized for 1 incentivizing PBMs to charge more to health insurers, thereby 2 leading to higher drug costs for patients, while negotiating 3 lower reimbursement rates with pharmacies, leading to lower 4 5 quality of care or restricted access to medications; and 6 WHEREAS, both independent community pharmacies and 7 8 unaffiliated pharmacies, or pharmacies that do not own or operate a PBM, are disproportionately affected by PBM price 9 manipulation tactics and are ceasing operations at high rates 10 across the country and in the State, impacting access to health 11 care especially in rural areas; and 12 13 WHEREAS, other states are enacting a wide range of PBM 14 15 policy reforms that are resulting in millions of dollars in cost savings for the states, and their community pharmacies and 16 patients, while simultaneously improving access to health care; 17 18 and 19 20 WHEREAS, oversight over PBMs is critically needed in the 21 State to evaluate current PBM practices and their effects across the health care spectrum pertaining to both medication cost and 22 access; and 23 24 WHEREAS, S.B. No. 1509, introduced in the Regular Session 25 of 2025, proposes to require PBMs and health insurers to pass on 26 rebate savings to patient consumers to essentially create a 27 reimbursement rate floor for and prohibit spread pricing of 28 29 prescription drugs; and 30 WHEREAS, the Legislature recognizes the urgent need for 31 32 meaningful PBM policy reform to ensure transparency and fairness for consumers and in the pharmaceutical sector; now, therefore, 33 34 35 BE IT RESOLVED by the Senate of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2025, 36 that the Administrator of the State Health Planning and 37 Development Agency is requested to convene a Pharmacy Benefit 38 Manager Working Group to determine the best policies to reform 39 PBM practices in the State to ensure transparency and fairness 40 for consumers and in the pharmaceutical sector, lower drug costs 41 for patient consumers, and increase access to health care; and 42



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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		o 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		I FURTHER RESOLVED that the Pharmacy Benefit Manager	
34	Working G:	roup 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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3 4	(5)	Reimbursements to PBM-owned pharmacies compared to non-network or unaffiliated pharmacies;	
5 6 7	(6)	Prohibitions against arbitrary accreditation requirements; and	
8 9 10	(7)	Protections from patient steering practices; and	
11 12 13 14 15	BE IT FURTHER RESOLVED that the Pharmacy Benefit Manager Working Group is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2026; and		
16 17 18 19 20 21 22 23	BE I Resolution Health Pla Consumer A Director o	F FURTHER RESOLVED that certified copies of this to be transmitted to the Administrator of the State anning and Development Agency, Director of Commerce and Affairs, Insurance Commissioner, Attorney General, of Human Services, Administrator of the Med-QUEST of the Department of Human Services, and Chair of the	

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