

Honolulu, Hawaii

, 2026

**MAR 20**

RE: S.B. No. 2047

S.D. 2

H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Health, to which was referred S.B. No. 2047, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PHARMACY BENEFIT MANAGERS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish certain requirements for pharmacy benefit managers that reimburse contracting pharmacies for drugs on a maximum allowable cost basis; and
- (2) Require pharmacy benefit managers to:
  - (A) Disclose lower-priced equivalent drugs when a maximum allowable cost is upheld on appeal; and
  - (B) Allow contracting pharmacies to reverse and rebill claims if a maximum allowable cost is denied on appeal and recoup any overpayment.

Your Committee received testimony in support of this measure from the State Health Planning and Development Agency; Mauliloa Pharmacy; Hawaii Pharmacists Association; National Community Pharmacists Association; and two individuals. Your Committee



received comments on this measure from the Department of Commerce and Consumer Affairs; Department of the Attorney General; Hawaii Primary Care Association; Kaiser Permanente Hawai'i; and Pharmaceutical Care Management Association.

Your Committee finds that a maximum allowable cost list is a list of the maximum amounts that a pharmacy benefit manager will reimburse a pharmacy for various drugs. Your Committee further finds that lack of transparency regarding maximum allowable cost reimbursement practices can lead to aggressively low pharmacy reimbursements, higher costs for plan sponsors and patients, and practices like copay clawbacks. This measure is intended to protect the State's independent pharmacies and consumers by establishing clear standards for pharmacy benefit manager contracts and maximum allowable cost lists and reports.

Your Committee has amended this measure by:

- (1) Clarifying that health maintenance organizations that own and operate their own pharmacies are not subject to the requirements of this measure;
- (2) Clarifying that this measure is not intended to impair any contract existing as of the effective date of this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that it is unclear if the external review process established by the Insurance Commissioner pursuant to this measure is intended to be binding. Your Committee respectfully requests your Committee on Consumer Protection & Commerce, should it deliberate on this measure, to consider clarifying if the external review process should be binding. Additionally your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$1,500,000, including the establishment of five full-time equivalent positions.

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 S.B. No. 2047, S.D. 2, as amended herein, and recommends that it pass



Second Reading in the form attached hereto as S.B. No. 2047, S.D. 2, 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,



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GREGG TAKAYAMA, Chair



