

Honolulu, Hawaii

MAR 30, 2026

RE: S.B. No. 2047

S.D. 2

H.D. 2

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

Madame:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 2047, S.D. 2, H.D. 1, 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;
- (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; and
- (3) Appropriate funds to the Insurance Division of the Department of Commerce and Consumer Affairs.



Your Committee received testimony in support of this measure from the State Health Planning and Development Agency; Hawaii Pharmacists Association; and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Kaiser Permanente Hawaii; Hawai'i Primary Care Association; and one individual.

Your Committee finds that community pharmacies play a critical role in ensuring timely access to prescription drugs and essential health care services, particularly for rural, underserved, and vulnerable populations. Your Committee further finds that reimbursement practices based on maximum allowable cost methodologies can lack transparency and consistency, resulting in pharmacies being reimbursed below acquisition cost, which undermines their financial viability. Clear requirements governing maximum allowable cost lists, timely updates, and meaningful appeal processes will promote fairness, accountability, and transparency in pharmacy benefit manager practices.

Your Committee also finds that ensuring access to lower-cost equivalent drugs and allowing pharmacies to reverse and rebill claims when appropriate helps prevent disruptions in patient care. This measure establishes enforceable standards and oversight mechanisms for pharmacy benefit managers to support a more equitable reimbursement system, preserve access to pharmacy services, and protect patients from reduced access to necessary medications.

Your Committee has amended this measure by:

- (1) Clarifying the types of entities subject to the requirements relating to reimbursing contracting pharmacies for drugs on a maximum allowable cost basis, which does not include health maintenance organizations;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider:



- (1) An appropriation amount of \$1,500,000 and five full-time equivalent (5.00 FTE) permanent positions; and
- (2) Whether health maintenance organizations, due to the nature of their operations, should be exempt from other regulations applicable to pharmacy benefit managers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2047, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2047, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATAYOSHI, Chair



