

STAND. COM. REP. NO. 2918

Honolulu, Hawaii

MAR 06 2026

RE: S.B. No. 2047
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Ways and Means, to which was referred S.B. No. 2047, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish requirements for pharmacy benefit managers that reimburse contracting pharmacies for drugs on a maximum allowable cost basis, including maximum allowable cost lists, maximum allowable cost reports, and a complaint process;
- (2) Require pharmacy benefit managers to disclose lower-priced equivalent drugs when a maximum allowable cost is upheld on appeal;
- (3) Allow contracting pharmacies to reverse and rebill claims if a maximum allowable cost is denied on appeal;
- (4) Authorize the Insurance Commissioner to adopt rules and assess fines for violations; and
- (5) Appropriate funds.



Your Committees received testimony in support of this measure from the State Health Planning and Development Agency and Hawaii Pharmacists Association.

Your Committees received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, Hawai'i Primary Care Association, and Pharmaceutical Care Management Association.

Your Committees find that maximum allowable cost lists for widely-available, multiple-source generic drug reimbursements to pharmacies, which are administered by pharmacy benefit managers, are intended to be a general pricing benchmark. However, since regulatory oversight was repealed in 2023 due to administrative issues, pharmacy benefit managers have been able to use opaque methodologies when setting maximum allowable cost pricing. This can result in reimbursements to pharmacies below cost price, higher drug costs for plan sponsors and patients, and copay clawbacks. This measure would reinstate enforceable regulatory oversight of maximum allowable cost pricing, overseen by the Insurance Commissioner rather than the Department of Health, to improve transparency and fairness in prescription drug reimbursements for pharmacies and consumers.

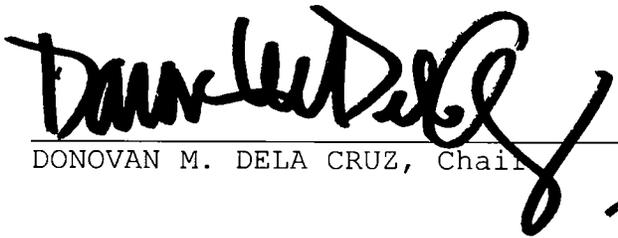
Your Committees have amended this measure by:

- (1) Replacing language to clarify the definitions of:
 - (A) "Contracting pharmacy" to mean a non-affiliated pharmacy that is not part of a regional or national chain; and
 - (B) "Maximum allowable cost list" to mean a listing of drugs or other methodology used by a pharmacy benefits manager, directly or indirectly, setting the maximum allowable payment to a pharmacy or pharmacist for certain drugs and to include certain information; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2047, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2047, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Ways
and Means,


DONOVAN M. DELA CRUZ, Chair


JARRETT REOHOKALOLE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

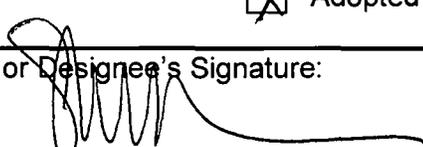
Record of Votes
 Committee on Commerce and Consumer Protection
 CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2047 SDI	HHS, CPN/WAM	3/3/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.	✓			
AWA, Brenton				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Carol Fukunaga</i></div>				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

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<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt				X
TOTAL	12	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Committee	Drafting Agency		

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