

STAND. COM. REP. NO. 2217

Honolulu, Hawaii

FEB 12 2026

RE: S.B. No. 2751  
S.D. 1

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

Sir:

Your Committees on Labor and Technology and Health and Human Services, to which was referred S.B. No. 2751 entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION,"

beg leave to report as follows:

The purpose and intent of this measure is to define compounded prescription drugs for the purposes of workers' compensation law.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Work Injury Medical Association of Hawaii, Carol A Orr MD LLC, and six individuals.

Your Committees received testimony in opposition to this measure from the Department of Human Resources Development and Solera Integrated Medical Solutions.

Your Committees received comments on this measure from the Hawaii Insurers Council.

Your Committees find that the fundamental intent of the State's Workers' Compensation Law is to ensure that injured workers receive appropriate, individualized medical care that promotes recovery and safe return to work. Your Committees further find that prescription drugs are a critical component of



this care, and in certain cases, compounded prescription drugs are essential when medications approved by the Food and Drug Administration are not suitable due to patient allergies, dosage requirements, or other clinical concerns. Your Committees find, however, that the lack of a definition for compounded prescription drugs in state law has led to inconsistent interpretations and inflated billing practices, undermining the law's intent. By adopting the definition used in section 503A of the Food, Drug, and Cosmetic Act into state law, this bill ensures that compounded drugs are prepared only for an identified individual patient based on a valid prescription, in accordance with the law's intent to provide care that is necessary and reasonable for the specific injury and patient.

Your Committees acknowledge the concerns raised in testimony regarding the lack of a statutory time frame limiting physician dispensing of prescription drugs following an industrial injury, and the lack of preapproval and documentation requirements for non-FDA-approved prescription drugs. Therefore, amendments to this measure are necessary to address these issues.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language limiting the dispensing of prescription drugs by physicians to thirty days following the industrial injury and requiring all prescription drugs to be obtained through the employer's pharmacy benefit manager thereafter;
- (2) Inserting language that:
  - (A) Requires non-FDA-approved prescription drugs, such as compounds, to be identified as compounds when listed on the treatment plan and when billed, and be supported by a statement of medical necessity documenting the case of medical need for a compound drug over an FDA-approved over-the-counter or prescription drug of similar therapeutic effect; and
  - (B) Establishes that failure to identify a compound on a treatment plan or when billed shall make the payment for the drug non-reimbursable;



- (3) Changing the definition of "compound prescription drug" to be "a drug product that is compounded in a compounding facility in compliance with section 503A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 353a) or any other type of similar compounding facility approved by the Federal Drug Administration";
- (4) Amending section 1 to reflect its amended purpose;
- (5) Inserting an effective date of January 1, 2077, to encourage further discussion; and
- (6) 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 Labor and Technology and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2751, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2751, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committees on Labor and Technology and Health and Human Services,



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JOY A. SAN BUENAVENTURA, Chair



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BRANDON J.C. ELEFANTE, Chair





