



Testimony in **SUPPORT of HB1643 HD2 SD1**  
Presented before the Senate Committee on Commerce and Consumer Protection  
Tuesday, April 7, 2026

Corrie L. Sanders on behalf of  
The Hawai'i Pharmacists Association (HPhA)

Honorable Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

The Hawai'i Pharmacists Association is in **strong support of HB1643 HD2 SD1**, which would establish standardized auditing and recordkeeping procedures for pharmacy claims. Independent community pharmacies across Hawai'i have long reported inconsistent and burdensome audit practices that vary widely between payors, create significant logistical and administrative challenges, and often result in significant financial penalties. HB1643 would establish reasonable auditing guardrails that still allow for oversight while protecting patient care and pharmacy operations.

Other states that have enacted Pharmacy Audit Bill of Rights-type protections, including Tennessee, Arkansas, Georgia, Indiana, Kentucky and Florida, have recognized the importance of transparent and fair audit standards to ensure that audits serve the intended purpose of protecting program integrity without unnecessarily disrupting pharmacy operations or pulling valuable time and resources away from patient care.<sup>1</sup> Community pharmacies serve as one of the most accessible health care touchpoints in Hawai'i, particularly in rural island communities. When audit practices are excessive or unpredictable, they divert time, staff, and resources away from patients. Establishing a transparent framework benefits not only pharmacy professionals, but also the communities we serve every day.

We appreciate the opportunity to respond to important questions regarding HB1643 in the previous testimony from the Hawaii Medical Service Association. HB1643 HD2 is designed to complement the PBM Reform Act of 2025, which will reshape Medicare and employer-sponsored PBM operations beginning in 2028–2029. Its standards align with federal reform principles—clear definitions, predictable processes, and limits on disproportionate claw backs.

The bill also balances limitations on recoupment with existing contractual protections by restricting claw backs to verified overpayments rather than extrapolated or punitive amounts, while preserving the ability of plans to pursue fraud, intentional misconduct, or significant contractual breaches. By targeting minor documentation discrepancies that do not cause financial harm, HB1643 protects community pharmacies, supports patient access,

1: National Community Pharmacy Association. *Pharmacy benefit manager business practice regulation: state legislative action*. [https://www.ncpa.co/pdf/leg/leg\\_pbm\\_business\\_practice\\_regulation.pdf](https://www.ncpa.co/pdf/leg/leg_pbm_business_practice_regulation.pdf)

and maintains affordability, all while allowing health plans to focus program integrity efforts on meaningful cases of waste, abuse, or non-compliance.

We remain committed to working collaboratively with payers and policymakers to ensure HB1643 achieves its goals of fairness, transparency, and sustainability without creating unnecessary operational burdens

On behalf of the Hawai'i Pharmacists Association, mahalo for the opportunity to testify in **strong support of HB1643 HD2 SD1.**

Very Respectfully,

A handwritten signature in black ink that reads "Corrie Sanders". The signature is written in a cursive, flowing style.

Corrie L. Sanders, PharmD., BCACP, CPGx  
Executive Director, Hawai'i Pharmacists Association



Testimony – HB 1643 HD 2)

DATE: March 20, 2026 – 1:00 p.m.

COMMITTEE ON HEALTH AND HUMAN SERVICES

Position: Comments with Amendment Recommendation

\*\* \*\*

**Re: HB 1643 HD 2– Relating to Pharmacy Benefit Managers (MAC)**

Dear Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

On behalf of the Pharmaceutical Care Management Association (PCMA), we appreciate the opportunity to provide comments on **HB 1643 HD 2**. PCMA is the national association of America’s pharmacy benefit managers (PBMs).

**About PBMs**

PBMs are hired by employers, unions, government programs, and others to drive down prescription drug costs and administer prescription drug plans for more than 289 million Americans. Before getting into specifics on **HB 1643 HD 2**. There are four things to know about PBMs:

- PBMs are the only part of the drug supply chain whose primary role is to lower prescription drug costs. On average, they save patients and families about \$1,154 per person each year.
- PBMs are extremely effective at reducing prescription drug costs for employers and patients, which is why some industries that profit from high drug prices oppose them.
- For the enormous savings and value that PBMs provide, they operate on thin profit margins.
- Hiring a PBM is optional. Employers, unions, government programs, and others choose to use PBMs because they help lower drug costs and manage prescription benefits more efficiently. PBMs negotiate lower drug prices, process claims, and perform safety checks.

This amendment removes a new restriction on standard audit operations and clarifies that audit notice may identify claims through a masked prescription number or date range.

**HB 1643 HD2**

**Proposed Amendment**

This amendment makes two targeted changes to improve the bill’s audit provisions while preserving the overall framework.

First, it deletes subsection (g), which would otherwise create a new statutory restriction prohibiting auditor entry into the prescription department. That restriction is not reflective of current audit practice and may unintentionally limit the ability to verify basic compliance conditions related to medication handling, storage, inventory, and other routine audit functions.

Second, the amendment revises subsection (a)(1) to clarify that audit notice may identify prescriptions subject to review through a prescription number that may be partially masked, including the last two digits, or by a date range sufficient to identify the claims, along with the date of fill. This change preserves audit functionality, provides operational flexibility, and addresses privacy concerns in a practical way consistent with approaches used in other states.



**Page 2**

Testimony – HB 1643 HD 2)

DATE: March 20, 2026 – 1:00 p.m.

COMMITTEE ON HEALTH AND HUMAN SERVICES

Position: Comments with Amendment Recommendation

**Proposed Amendment Language**

In subsection **(a)(1)**, amend to read:

“(1) Written electronic notice shall be given to the registered pharmacist or pharmacy at least two weeks before conducting the on-site audit for each audit cycle and shall include ~~the prescription number~~ **a list identifying the prescriptions subject to audit by prescription number, which may be partially masked, including the last two digits, or by date range sufficient to identify the claims, and the date of fill;**”

In subsection **(g)**:

**Delete subsection (g) in its entirety.**

PCMA appreciates the Committee’s consideration and looks forward to working on balanced solutions.

Thank you.

A handwritten signature in blue ink, appearing to read "Tonia Sorrell-Neal".

Tonia Sorrell-Neal  
Sr. Director of State Affairs  
Pharmaceutical Care Management  
Association 425-246-2785

**LATE**



**MOLOKA'I DRUGS, INC.**  
EST. 1935

April 6, 2026

**Testimony in Support**

**HB1643 HD2 SD1**

**Relating to Pharmacy – Establishment of Framework for Pharmacy Audits & Records**

Dear Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee:

My name is Kelly Go and I am the pharmacist-in-charge at Molokai Drugs, Inc. (MDI), which serves our island of 6,500 full-time residents.

MDI is a rural, community pharmacy and we have been providing services to Molokai and her people since 1935. My sister, Kimberly Mikami Svetin, and I manage this small business. Our pharmacy was started by our late grandfather 91 years ago.

I am respectfully submitting testimony in **strong support of HB1643 HD2 SD1**, which establishes a fair framework for pharmacy audits in Hawaii.

I am responsible for coordinating all prescription audits from prescription benefit management companies (PBMs) and insurance companies at Molokai Drugs.

We are audited almost every week by PBMs and insurance companies. I estimate we coordinate about 50 audits a year.

**We have been “sucker-punched” with audits involving over 100 prescriptions.** On the other extreme, we also coordinate audits for one prescription for one insurance plan.

These extensive and exhausting audits are never for the “cheap” medicines such as Atorvastatin, aspirin, and Metformin. They are for Ozempic, insulins, and three-digit and four-digit drugs. The audits are used for financial gains. If we do not show proof, the funds are taken back by the PBMs.

**One loss of one prescription during an audit includes the cost of the drug (purchased from the drug wholesaler); the initial reimbursement from the PBM; labor and operating costs; and paying back the reimbursement back to the PBM after the audit.** Please note: we are not reimbursed for the cost of the drug, labor, and operating costs from the initial dispensing of the rx. The medicine has already been dispensed and given to the patient. We take the loss.

--more--

**Testimony in Support**

**HB1643 HD2 SD1**

**Relating to Pharmacy – Establishment of Framework for Pharmacy Audits & Records**

**Page 2 of 2**

***These excessive audits take hours of my time away from my patients.*** Patient care (and access) is compromised. On a daily basis, I manage dozens of Molokai residents. Many do not have family/caregivers on the island and need their doctor's offices and Molokai Drugs, Inc. to help them stay healthy. Many of our senior citizens do not have computers and smart phones and some do not have phones.

Under our guidance, our staff help our patients:

- decipher the insurance snail mail and brochures that come to the post office;
- help them make phone calls to garner more information;
- register online so they know some of their benefits;
- contact their providers for refills and other questions;
- check to see which of their medicines may have drug-drug interactions;
- with many other duties that are too numerous to list here.

I have worked at Molokai Drugs since I was a teenager and these patients are more than a number. They are our neighbors, friends, community members and family.

***I work for a rural healthcare provider and access to comprehensive, high-quality health care services for our Molokai residents is our mission at Molokai Drugs, Inc.***

HB1643 HB2 SD1 would create reasonable guardrails that still allow for oversight while protecting patient care and pharmacy operations. I respectfully ask for your support of HB1643 HD2 SD1.

Thank you.

With aloha,

***Kelly Go /s/***

Kelly S.M. Go  
Pharmacist-in-Charge and Vice President  
Molokai Drugs, Inc.  
PO Box 558  
Kaunakakai, Molokai, HI 96748  
Work 808-553-5790  
Fax 808-553-5038



**LATE**

April 6, 2026

**Testimony in Support  
HB1643 HD2 SD1  
Relating to Pharmacy – Establishment of Framework for Pharmacy Audits and Records**

Dear Chair Keohokalole, Vice Chair Fukunaga, and Commerce and Consumer Protection Committee Members:

On behalf of the 6,500 residents of Molokai, I respectfully submit testimony in strong support of HB1643 HD2 SD1, which would establish a fair framework for pharmacy audits and record retrieval in the state of Hawaii.

Molokai Drugs, Inc. is a rural, community pharmacy and we have been providing services to Molokai and her people since 1935. Molokai Drugs provides prescription drugs for many on our island, especially our kupuna. We manage over 700 patients in a synchronization program so they only have to come in once a month; we deliver to home-bound kupuna for free; we call providers all over Hawaii for patient's refill requests; and we call our patients to confirm that they have no refills and need to see their doctors.

Our pharmacist-in-charge is responsible for coordinating all prescription audits from prescription benefit management companies (PBMs), insurance companies, and the Centers for Medicare and Medicaid Services (CMS).

There are two types of audits that we coordinate – the in-person and the desk audit. For the in-person audits, some of the pharmacy benefit management companies (PBMs) will pay a mainland-based employee to fly to Hawaii; stay at hotels; rental car costs; and pay for meals and incidentals.

A desk audit is a request sent by fax. Most of our audits are desk audits since it costs significantly more to fly to Molokai (\$250 roundtrip air and other expenses). Our pharmacist-in-charge is taken from her duties to coordinate all of the documents. We would then fax or mail these documents back to the PBM.

All of these audits could easily be done by desk-audit at a much lesser price. This would save county, state, and federal tax payers; insurance companies; PBMs; and clients/payors millions of dollars a year.

**These extensive and exhausting audits are almost always for the expensive medicines such as insulins, Ozempic, and Zepbound.** We are not being audited for Metformin or Atorvastatin. The audits are used for financial gains and as a bullying tactic. If we do not show proof, the funds are taken back by the PBMs. One loss of one prescription during an audit includes the cost of the drug; the reimbursement; labor and operating costs; and paying back the reimbursement. The medicine has already been dispensed and given to the patient. We take the loss.

As a **rural** healthcare provider, access to comprehensive, high-quality health care services is our mission at Molokai Drugs, Inc. Thank you for the opportunity to provide testimony in support of HB1643 HD2 SD1 and for your commitment to protecting the health of all of Hawaii's consumers and residents.

Respectfully,

*/s/ Kimberly Mikami Svetin*

Kimberly Mikami Svetin  
President  
Molokai Drugs, Inc.  
P.O. Box 558  
Kaunakakai, HI 96748  
Work 808-553-5790

April 7, 2026

The Honorable Jarret Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Commerce and Consumer Protection

**Re: HB 1643 HD2 SD1 – RELATING TO PHARMACY**

Dear Chair San Keohokalole, Vice Chair Fukunaga and Members of the Committee,

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments on HB 1643 HD2 SD1, which specifies a framework for the administration of audits of pharmacists and pharmacies.

We understand the intent of the bill is to create a regulatory structure for pharmacy audit practices. HMSA supports efforts that promote transparency, fairness, and accountability within the healthcare system. However, we respectfully raise several questions and considerations regarding the bill as currently drafted.

- Given that Congress recently enacted the PBM Reform Act of 2025, which will significantly reshape PBM operations beginning in 2028 and 2029 for Medicare and employer-sponsored insurance, how does HB 1643 intend to align its requirements with these forthcoming federal regulations? We raise the question because misalignment could create operational or compliance challenges for health plans.
- For PBMs that are already required to follow Medicare auditing standards, how does HB 1643 account for the additional operational complexity that may result from applying different audit rules to different lines of business, and the potential increase in administrative costs across the healthcare system?
- How does the bill envision balancing the proposed limitations and requirements on the recoupment of overpayments with existing contractual arrangements that are designed to protect healthcare funding and maintain affordability?

In addition, HMSA respectfully requests clarification regarding what constitutes clerical or recordkeeping errors in the audit process. As currently drafted, the provision could be interpreted in a manner that limits the ability of health plans to address claims that lack required supporting documentation. Clear documentation standards are essential to ensuring payment accuracy, program integrity, and compliance with state and federal requirements. To prevent unintended consequences, HMSA requests the addition of the following language **to page 6, section (12)**:

“For purposes of this section, clerical or recordkeeping errors shall not include the absence of documentation necessary to substantiate the validity of the claim, including but not limited to a valid prescription or drug acquisition record.”

We appreciate the opportunity to share these comments.

Sincerely,



Walden Au  
Director of Government Relations

**HB-1643-SD-1**

Submitted on: 4/3/2026 11:08:08 AM

Testimony for CPN on 4/7/2026 9:25:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ronald Taniguchi, Pharm.D., MBA	Individual	Support	Written Testimony Only

Comments:

I support the framework for the administration of audits of records of registered pharmacists and pharmacies as specified in HB1643 HD2 SD1. Mahalo

SENATE REGULAR SESSION OF 2026  
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Hearing on Tuesday, April 7<sup>th</sup> 2026  
**Testimony in SUPPORT for HB1643**

To the honorable Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee,

My name is Kevin Glick, Pharm.D., and I am a licensed pharmacist practicing in Hawaii for than 40 years. I am writing in **strong support of HB1643**, which establishes a clear and fair framework for pharmacy audits in Hawai'i. In my experience, pharmacy audits are not simply routine oversight tools — they can be disruptive, inconsistent, and financially punitive in ways that ultimately impact patient care.

I have personally experienced audits that have been punitive in nature Examples can include:

- Initiated with little notice, requiring our team to pull hundreds of prescriptions while simultaneously trying to serve patients.
- Audits resulting from questioning the PBM staff about under paid claims in contravention of Hawaii state law
- Auditors requested access to sensitive areas of the pharmacy without clear boundaries, asking to walk around the inside of the pharmacy unattended in observance of private business and patient records.
- Focused on financial penalties rather than patient outcomes used to benefit the PBM and not improve patient care.
- Hawai'i lacks a standardized process governing notice timelines, audit look-back periods, and reporting procedures, leaving pharmacies with limited recourse when audit practices feel unreasonable or inconsistent.

HB1643 would create reasonable guardrails that still allow for oversight while protecting patient care and pharmacy operations. Community pharmacies serve as one of the most accessible health care touchpoints in Hawai'i, particularly in rural and neighbor island communities. When audit practices are excessive or unpredictable, patient access and care suffer. Establishing a transparent framework benefits not only pharmacy professionals, but also the patients we serve every day.

For these reasons, I respectfully urge your support for HB1643. Mahalo for the opportunity to testify.

Kevin Glick, Pharm.D.

Lihue Pharmacy, Inc

HOUSE OF REPRESENTATIVES REGULAR SESSION OF 2026  
COMMITTEE ON CONSUMER PROTECTION  
Hearing on Tuesday, April 7th 2026  
**Testimony in SUPPORT for HB1643**

To the honorable Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee,

My name is Christina Requelman and I am a certified pharmacy technician practicing on the Big Island. I am writing in **strong support of HB1643**, which establishes a clear and fair framework for pharmacy audits in Hawai'i. In my experience, pharmacy audits are not simply routine oversight tools — they can be disruptive, inconsistent, and financially punitive in ways that ultimately impact patient care.

Examples can include:

- Initiated with little notice, requiring our team to pull hundreds of prescriptions while simultaneously trying to serve patients.
- Audits focused on minor clerical discrepancies rather than true fraud or abuse, resulting in financial recoupments that far exceed any actual error.
- Auditors requested access to sensitive areas of the pharmacy without clear boundaries, raising concerns about workflow disruption and patient privacy.
- Focused on financial penalties rather than patient outcomes
- Hawai'i lacks a standardized process governing notice timelines, audit look-back periods, and reporting procedures, leaving pharmacies with limited recourse when audit practices feel unreasonable or inconsistent.

HB1643 would create reasonable guardrails that still allow for oversight while protecting patient care and pharmacy operations. Community pharmacies serve as one of the most accessible health care touchpoints in Hawai'i, particularly in rural and neighbor island communities. When audit practices are excessive or unpredictable, they are extremely time consuming and affect workflow and patient care. Establishing a transparent framework benefits not only pharmacy professionals, but also the patients we serve every day.

For these reasons, I respectfully urge your support for HB1643. Mahalo for the opportunity to testify.

Mahalo,



Christina Requelman

**LATE**

## **Testimony in Support of HB 1643 (with amendments): Pharmacy Audits and Pharmacy Benefit Managers**

HOUSE OF REPRESENTATIVES REGULAR SESSION OF 2026

To the Honorable Chair Senator Jarrett Keohokalole and Vice Chair Senator Carol Fukunaga and fellow committee members:

I am writing to you as a practicing pharmacist, serving the people on the island of Kauai and am in **support of HB 1643 with several key amendments in place** to improve audit procedures and protect both pharmacy staff and patient safety. Our profession faces increasing pressure from Pharmacy Benefit Managers (PBMs) and their auditing practices, which often disrupt patient care and business operations. With the amendments in place, it will help to ensure that a fair, efficient, and respectful audit process in Hawaii's pharmacies occur.

### **Amendment 1: Extend Audit Response Time from 2 Weeks to 60 Days**

Giving pharmacies two weeks is not enough time for pharmacies to respond to audits. It is an unrealistic timeframe given our daily workload and the complexity of gathering necessary records. Extending the response time to 60 days would allow pharmacies to thoroughly review and provide accurate information without sacrificing patient care. Here are reasons why more time is needed to respond to an audit:

- The auditing pharmacist(s) may be on vacation or unavailable during the time of the audit
- Hawaii's changing weather conditions may bring unexpected power outages where computers, faxes that house the patient data may be down, making pharmacies unable to receive or respond to an audit. Our pharmacy had a power outage this weekend with the windstorm that just crossed the islands. Without power, I couldn't turn on my computers to gather the information to respond to the audit that was due this weekend.
- Hawaii's physician shortages have resulted in "locum" physicians flying into Hawaii to fill in, short-term, from out the of state, especially on the neighbor islands. If the pharmacy has a question for the physician concerning a patient/prescription, it often requires a longer period of time to obtain the requested information from the clinic or hospital where the locum physician is no longer employed or track down the physician who has moved out of Hawaii.
- Due to lowering reimbursements, many pharmacies are operating with fewer staff. With a short response time to an audit, a smaller pharmacy staff is rushed and has to squeeze in the many hours it takes to respond to an audit in between helping customers. This is very challenging and can pose a safety risk in the work that goes on in a pharmacy

Allowing sixty (60 days) to respond to an audit would help to prevent such issues and support pharmacies in maintaining compliance.

### **Amendment 2: Allow Reversal and Rebilling of Claims Due to Clerical Corrections**

Audits often reveal minor clerical errors that do not affect the validity or safety of the prescription. Pharmacies must be allowed to reverse and rebill claims during the audit correction window. Because claims older than two months are usually ineligible for electronic rebilling, this amendment would ensure

that pharmacies may electronically resubmit the claim. Having to submit a paper claim often gets lost on someone's desk, is not trackable and often doesn't get paid.

This is an example an audit with a clerical issue that I experienced: I had a patient who had a long Hawaiian name with an okina which the auditor couldn't read and said that because he couldn't read it and that the okina wasn't part of his name in their system, the payments for his prescriptions filled a year previously were taken back. Although the prescriptions were filled correctly and the patient received the medications, the insurance payments for the prescriptions and subsequent refills were taken back by the PBM, which was a significant financial loss to the pharmacy. Allowing me to reverse and rebill the claim without the okina could have avoided this take back.

### Amendment 3: Protect Patient Privacy During Audits

Auditors should not be permitted in the prescription area, where they may inadvertently view other patients' protected health information. This violates HIPAA regulations and undermines patient trust. Audits can and should be conducted in a separate area, such as the pharmacy lobby, to ensure privacy. For example, during a recent audit, an auditor entered the prescription area and saw personal information for patients not involved in the audit, raising concerns among staff and customers.

### Amendment 4: Require Specific RX Numbers and Fill Dates in Audit Notices

Audit requests frequently list broad ranges of prescription numbers, sometimes in the thousands, without specifying which prescriptions or fill dates are under review. This creates confusion and disrupts pharmacy operations, as staff must search through large volumes of records while attending to customers standing in the pharmacy. By requiring auditors to specify the exact RX numbers and fill dates, audits would be less disruptive and more focused. For example, an audit notice that simply requests "all prescriptions filled in March" forces staff to pull hundreds of records unnecessarily, diverting attention from patient care.

### Amendment 5: Limit PBM Takebacks to Audited Prescriptions Only

PBMs sometimes extrapolate findings from a small sample of audited prescriptions and apply takebacks to other prescriptions with similar diagnoses, which unfairly penalizes pharmacies for claims not actually reviewed. Limiting takebacks to the prescriptions audited would ensure fairness and accuracy. For example, if an audit finds a clerical error in five prescriptions, PBMs should not extrapolate this error to hundreds of similar prescriptions, which can result in significant and unjust financial losses for pharmacies.

### Amendment 6: Require Written Audit Requests and Signature Acknowledgment

All audit requests should be made in writing and include a process whereby the pharmacy provides a signature to acknowledge receipt of the audit notice. This amendment addresses situations where PBMs claim to have sent audit notifications—often by fax—that the pharmacy never receives. Requiring both written notification and a signature acknowledgment would ensure transparency, prevent disputes over notification, and protect pharmacies from unfair takebacks when there is no verifiable proof that the audit request was ever received.

In summary, these amendments will help ensure that audits are conducted in a fair, respectful, and compliant manner, prioritizing patient privacy and supporting pharmacy staff in their essential work. I urge the committee to support HB 1643 **with these amendments** to protect pharmacies and the patients we serve.

Thank you for your consideration.

Respectfully Submitted,

Lianne Malapit, Pharm.D.