



STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
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**Testimony COMMENTING on HB1643
RELATING TO PHARMACY**

REPRESENTATIVE GREGG TAKAYAMA, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date, Time and Room Number: 02/13/2026, 9:00 am, 329

1 **Fiscal Implications:** The Department of Health (“Department”) requests that this measure be
2 considered so long as it does not supplant the priorities and requests outlined in the Governor’s
3 executive budget request.

4 **Department Position:** The Department offers comments on this measure.

5 **Department Testimony:** The Environmental Health Services Division, Food and Drug Branch
6 (“EHSD-FDB”) provides the following testimony on behalf of the Department:

7 HB1643 amends Hawaii Revised Statutes (“HRS”) chapter 461 to establish requirements
8 for audits of pharmacist and pharmacy records. One requirement is that government, for-profit,
9 non-profit, and other organizations are required to give prior written notice of at least two
10 weeks before conducting an initial onsite audit.

11 The Department is responsible for conducting inspections and investigations involving
12 pharmacies as part of regulatory duties set forth in HRS chapter 328. Specifically, EHSD-FDB is
13 responsible for ensuring that prescription medications and supplies dispensed by pharmacies
14 are safe, and conducting unannounced inspections of storage, handling, and specific
15 recordkeeping requirements outlined in chapter 328-16, HRS, is essential to protect public
16 health. In conducting these activities, prior notice may compromise the efficacy of EHSD-FDB’s

1 regulatory activities and potentially delay investigations into drugs and products which may
2 require recall. Having a delay of two weeks to conduct critical inspections, investigations and
3 tracebacks may severely compromise the safety of the public.

4 The Department defers to the Department of Commerce and Consumer Affairs and the
5 Board of Pharmacy as to the implementation and substantive matters of this measure. A plain
6 reading of HB1643 indicates that these audits are primarily for payment, dispensation, contract,
7 and billing reconciliation. However, to provide clarity for pharmacies, pharmacists, and EHSD-
8 FDB's inspectors, the Department respectfully requests that a clarifying definition of "audit"
9 exempting the Department be included in this measure.

10 **Offered Amendments:** None.

11 Thank you for the opportunity to testify on this measure.

Testimony of the Board of Pharmacy

**Before the
House Committee on Health
Friday, February 13, 2026
9:00 a.m.
Conference Room 329 & Via Videoconference**

**On the following measure:
H.B. 1643, RELATING TO PHARMACY**

Chair Takayama and Members of the Committee:

My name is Christopher Fernandez, and I am the Executive Officer of the Board of Pharmacy (Board). The Board supports the intent and offers comments on this bill.

The purpose of this bill is to specify a framework for the administration of audits of records of pharmacists and pharmacies.

The Board is concerned that the audits proposed in this measure may increase pharmacists' and pharmacies' workload in a manner that could compromise patient safety. Pharmacies are often required to respond to audits during peak prescription filling periods such as the first seven days of each month, which results in staff diverting time from patient care to audit compliance. While auditors retain broad discretion in how they conduct audits, pharmacies have limited flexibility in managing these demands. Providing Hawaii pharmacies with reasonable timelines, additional opportunities to respond, and good-faith remedies would help ensure that patient safety and continuity of care are not adversely affected during audit processes.

The Board also notes that the bill does not address the frequency of audits and recommends that a reasonable limit be considered. The Board is aware that some pharmacies are audited weekly. Repetitive audits place significant strain on pharmacy operations and staff, increasing the risk of errors while offering additional benefit in preventing discrepancies.

Thank you for the opportunity to testify on this bill.



You're Someone Special

**HOUSE OF REPRESENTATIVES
REGULAR SESSION OF 2026
COMMITTEE ON HEALTH
Hearing on Friday, February 13, 2026**

Testimony in SUPPORT for HB1643

To the honorable Chair Takayama, Vice Chair Keohokapu-Lee Loy, and members of the Committee,

My name is Megan Arbles, PharmD, and I am a licensed pharmacist practicing in Hilo, Hawai'i. I currently serve in a leadership role at KTA Pharmacy, a locally owned community pharmacy serving Hawai'i 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.

I have personally experienced audits that:

- Are initiated with minimal notice, requiring our team to pull hundreds of prescriptions while simultaneously trying to serve patients.
- Focus on minor clerical discrepancies rather than true fraud or abuse, resulting in financial recoupments that far exceed any actual error.
- Request access to pharmacy work areas in ways that disrupt workflow and raise concerns about patient privacy.
- Emphasize financial penalties rather than patient outcomes or safety improvements.

Hawai'i currently lacks standardized processes governing notice timelines, audit look-back periods, documentation requirements, and reporting procedures. This leaves pharmacies with limited recourse when audit practices feel unreasonable or inconsistent.

As a community pharmacy serving many rural and neighbor island patients, we are often one of the most accessible health care touchpoints. When audit practices are excessive or unpredictable, they divert time, staffing, and financial resources away from direct patient care — including medication counseling, chronic disease management, immunizations, and other clinical services our patients rely on.

HB1643 would create reasonable guardrails that allow for appropriate oversight while protecting patient care and pharmacy operations. 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.

Sincerely,

Megan Arbles, PharmD
Licensed Pharmacist
Hilo, Hawai'i

KTASUPERSTORES.COM/PHARMACY

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**HOUSE OF REPRESENTATIVES
REGULAR SESSION OF 2026
COMMITTEE ON HEALTH
Hearing on Friday, February 13, 2026**

Testimony in SUPPORT for HB1643

To the honorable Chair Takayama, Vice Chair Keohokapu-Lee Loy, and members of the Committee,

My name is Travis Young, PharmD, and I am a licensed pharmacist practicing in Hilo, Hawai'i. I currently practice at KTA Pharmacy, a locally owned community pharmacy serving Hawai'i Island. I am writing in strong support of HB1643, which establishes a fair and transparent framework for pharmacy audits in Hawai'i.

As a practicing pharmacist, I have firsthand experience with pharmacy audits and their operational impact. While appropriate oversight is necessary, the current audit environment can be disruptive and financially punitive in ways that do not necessarily improve patient safety or prevent fraud.

In my experience, audits often:

- Require extensive record retrieval with minimal notice.
- Focus on minor clerical discrepancies rather than clinical appropriateness or fraud prevention.
- Result in recoupments that exceed the value of the actual error.
- Divert pharmacist time away from direct patient care activities.

When audits demand significant time and staffing resources, it directly affects patient care. As pharmacists, we provide medication counseling, chronic disease management, immunizations, medication therapy management, and coordination with prescribers. Time spent navigating unpredictable audit processes is time taken away from these essential clinical services.

In rural and neighbor island communities, community pharmacies are among the most accessible health care providers. Excessive or inconsistent audit practices strain already limited resources and can jeopardize the sustainability of local pharmacies.

HB1643 would create reasonable guardrails — including clearer timelines, standardized procedures, and defined parameters — while still preserving necessary oversight. Establishing consistency and transparency in audit processes protects both pharmacy operations and the patients we serve.

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

Sincerely,
Travis Young, PharmD
Licensed Pharmacist
Hilo, Hawai'i

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You're Someone Special

**HOUSE OF REPRESENTATIVES
REGULAR SESSION OF 2026
COMMITTEE ON HEALTH
Hearing on Friday, February 13, 2026**

Testimony in SUPPORT for HB1643

To the honorable Chair Takayama, Vice Chair Keohokapu-Lee Loy, and members of the Committee,

My name is Christina Requelman, and I am a Pharmacy Technician practicing in Hilo, Hawai'i. I work at KTA Pharmacy, a locally owned community pharmacy serving Hawai'i Island. I am writing in strong support of HB1643, which would establish clear and fair standards for pharmacy audits in Hawai'i.

As a pharmacy technician, I am often directly involved when audits occur. These audits can significantly impact our daily operations and our ability to care for patients.

During audits, we are often required to:

- Pull large volumes of prescription records with little notice.
- Divert time away from assisting patients at the counter and over the phone.
- Manage documentation requests that focus on minor clerical issues rather than patient safety.
- Navigate processes that feel inconsistent and unclear.

When audits require extensive time and staffing resources, it affects our workflow and can delay patient service. In our community — especially in rural areas — patients rely on us for timely access to medications and guidance. Disruptive audit practices ultimately impact the patients we serve.

HB1643 would create reasonable guardrails around audit timelines, documentation requirements, and procedures. This would still allow for oversight while helping ensure that pharmacies can continue focusing on patient care.

As someone working on the front lines in community pharmacy, I respectfully urge your support for HB1643.

Mahalo for the opportunity to testify.

Sincerely,

Christina Requelman
Christina Requelman

Pharmacy Technician
Hilo, Hawai'i

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Position: Strong Support

Re: HB1643 – Relating to Pharmacy Audit Procedures

House Committee on Health

Aloha Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committee,
On behalf of Mauliola Pharmacy, I respectfully submit testimony in strong support of HB1643, which seeks to establish a clear and balanced framework for pharmacy audit procedures in Hawai‘i.

Mauliola Pharmacy is an independent, locally owned pharmacy serving communities across Maui County, including rural and medically underserved areas. As frontline healthcare providers, we work closely with patients, providers, and community partners to ensure access to essential medications and clinical services. Our ability to sustain these services depends in part on fair and predictable audit practices.

While oversight and program integrity are important, current pharmacy audit processes can be administratively burdensome, unpredictable, and financially destabilizing—particularly for small, independent pharmacies operating on narrow margins. Audits that rely on technical or clerical discrepancies rather than material findings, or that impose retroactive recoupments without reasonable standards, divert valuable time and resources away from patient care.

HB1643 represents a thoughtful effort to promote transparency, consistency, and due process in pharmacy audits. Establishing reasonable notice requirements, standardized procedures, and fair dispute mechanisms helps ensure that audits focus on true compliance issues while preventing unnecessary disruption to patient access.

For rural and community-based pharmacies like ours, even modest financial clawbacks or prolonged audit disputes can have outsized operational impacts. By clarifying expectations for both pharmacies and payors, this bill strengthens the healthcare safety net and supports continued access to medications for Hawai‘i’s most vulnerable populations.

We respectfully urge the Committee to pass HB1643 and advance fair audit reform for the benefit of patients, providers, and the long-term stability of community pharmacy services in our state.

Mahalo for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Cory Lehano".

Cory Lehano, PharmD
CEO & Owner
Mauliola Pharmacy



February 13, 2026

The Honorable Gregg Takayama, Chair
The Honorable Sue Keohokapu-Lee Loy, Vice Chair

House Committee on Health

Re: HB 1643 – RELATING TO PHARMACY

Dear Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments on HB 1643, which specifies a framework for the administration of audits of records 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.
- How does the bill envision balancing the proposed limitations and requirements on the recoupment of overpayments with existing contractual arrangements which are designed to protect healthcare funding and maintain affordability?
- The proposed may have the unintended result that undermines program integrity efforts by preventing action on patterns of non-compliance that do not meet the high threshold of criminal fraud but still constitute waste, abuse, or contractual breach.

We appreciate the opportunity to share these comments.

Sincerely,

Walden Au
Director of Government Relations



MOLOKA'I DRUGS, INC.
EST. 1935

February 12, 2026

Testimony in Support

HB1643

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

Dear Chair Takayama, Vice Chair Keohokapu-Lee Loy, 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**, 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**. Some of these audits are for one prescription for one insurance plan. However, those are very rare.

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; the reimbursement; labor and operating costs; and paying back the reimbursement. We are not reimbursed for the cost of the drug, labor, and operating costs. The medicine has already been dispensed and given to the patient. We take the loss.

--more--

Testimony in Support

HB1643

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

Page 2

These excessive audits take hours of my time away from my patients. Patient care is compromised. On a daily basis, I manage dozens of Molokai residents. Many do not have family on the island and need their doctor's office and Molokai Drugs 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 kupuna:

- 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 would create reasonable guardrails that still allow for oversight while protecting patient care and pharmacy operations. I respectfully ask for your support of HB1643. 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
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Testimony in SUPPORT of HB1643
Presented before the House Committee on Health
Friday, February 13, 2026

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

Honorable Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committee,

The Hawai'i Pharmacists Association is in **strong support with amendments of HB1643**, 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.¹ 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.

The Hawai'i Pharmacists Association also suggests the following amendments that account for the staffing and workflow variations found in independent pharmacies across our islands:

Chapter 461 (1): Written **electronic** notice shall be given to the pharmacist or pharmacy at least two weeks before conducting the ~~initial~~ on-site audit for each audit cycle. **Audit notices must also include the prescription number and date of fill.**

Chapter 461 (7): A pharmacist or pharmacy shall be allowed the length of time described in the pharmacist's or pharmacy's contract or provider manual, whichever is applicable, which shall be no less than ~~thirty days~~ **sixty days**, following receipt of the preliminary audit report.

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

Chapter 461 (12)(e): (e) Auditors may enter the prescription department when accompanied by or authorized by a member of the pharmacy staff. During the auditing process, auditors shall not disrupt the provision of services to the pharmacy's customers. Audits may also be conducted in HIPAA compliant areas outside the prescription department itself.

Insertion of additional provisions:

Chapter 461 (13)(l): Recoupment of claims shall only be applied to prescriptions disclosed in the audit and cannot be extrapolated to apply to other prescriptions.

Chapter 461 (14): A pharmacist or pharmacy may be allowed to reverse and rebill prescriptions due to clerical changes during the correction time frame of the audit.

Addition of a new section for oversight:

SECTION 4. Section 431R-5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows: The insurance commissioner may assess a fine of up to \$10,000 for each violation by a pharmacy benefit manager or contracted auditor who is in violation of the outlined auditing procedures.

On behalf of the Hawai'i Pharmacists Association, mahalo for the opportunity to testify in support of HB1643 with amendments.

Very Respectfully,

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

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



MOLOKA'I DRUGS, INC.
EST. 1935

LATE

February 12, 2026

**Testimony in Support
HB1643**

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

Dear Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Committee Members:

On behalf of the 6,500 residents of Molokai, I respectfully submit testimony in strong support of HB1643, 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) and insurance companies at Molokai Drugs. We are audited almost every week by PBMs and insurance companies.

In fact, we just received a four-page audit request by fax yesterday.

There are two types of audits that we coordinate – in-person and 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; pay for meals and incidentals; charge for rental cars, taxis, and Ubers.

A desk audit is a request sent by fax. The audit we received yesterday was a desk audit. Our pharmacist-in-charge would coordinate all of the documents. We would then fax or mail these documents back to the PBM. These audits could easily be done by desk-audit at a much lesser price. This would save state and federal tax payers, insurance companies, PBMs and clients millions of dollars a year.

These extensive and exhausting audits are almost always for the cheap medicines vs. the Ozempics. 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; 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 and for your commitment to protecting the health of Hawaii's consumers.

Sincerely,

/s/ **Kimberly Mikami Svetin**

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

HB-1643

Submitted on: 2/11/2026 1:27:43 PM

Testimony for HLT on 2/13/2026 9:00:00 AM

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

Comments:

I strongly support passing HB1643 as written. Mahalo

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

HOUSE OF REPRESENTATIVES REGULAR SESSION OF 2026
COMMITTEE ON HEALTH
Hearing on Friday, February 13, 2026

To the Honorable Chair Gregg Takayama, Vice Chair Sue Keohokapu-Lee Loy and members of the Health Committee:

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** 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. The proposed amendments to HB 1643 are essential to ensure that a fair, efficient, and respectful audit process occurs.

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 Electronically 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.

HOUSE OF REPRESENTATIVES REGULAR SESSION OF 2026

COMMITTEE ON HEALTH

Hearing on Friday, February 13, 2026

Testimony in SUPPORT for HB1643

To the honorable Chair Takayama, Vice Chair Keohokapu-Lee Loy, and members of the Committee,

My name is Sue-Ann Yasuoka, and I am a licensed pharmacist practicing in a retail outpatient pharmacy on Oahu. I am writing in **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 a number of audits from various pharmacy benefit managers. There is no standard method for these audits and having legislation will standardize it.

- Audit notices come via fax, standard mail, and email. Sometimes they are sent with remittance and not directly to the pharmacy or pharmacist in charge.
- Some of the notices have a 48 hour turnaround.
- Some of the audits provide a range of prescription numbers, and no date of dispense vs. specific prescription numbers and the date of dispense. The range of prescription numbers, require a staff member to be pulled off-line to work with the auditor.
- My most recent audit was for 30 rx numbers, with multiple dispense dates for the same rx number, but appeared on multiple pages. Why couldn't the request keep the same Rx number together; I had to keep going back to the same Rx number file over and over again.
- An Rx audit requires the pharmacy to pull/ print the hard copy prescription, the fill information, any additional documentation/ communication about the prescription with the prescriber, the signature capture, and proof of delivery. Total 5 documents. 30 rx numbers on the audit x 5 pages is 150 pages printed for the auditor and no compensation from the auditor for the time or copies made.
- Recently had an audit for a medication prescribed for an amount that was out of the ordinary, but necessary and the physician provided supporting documentation. The pharmacy benefit manager audited the same prescription every time it was filled. The rx number never changed, the rx had refills.

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: divert time, staff, and resources away from patients who rely on us for medication counseling, and vaccinations. It also seems as though the audits are focused on financial penalties rather than patient outcomes. 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.

Sincerely,

SueAnn Yasuoka, RPh

LATE

HB-1643

Submitted on: 2/12/2026 9:24:03 AM

Testimony for HLT on 2/13/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Glick	Individual	Support	Written Testimony Only

Comments:

HOUSE OF REPRESENTATIVES REGULAR SESSION OF 2026

COMMITTEE ON HEALTH

Hearing on Friday, February 13, 2026

Testimony in SUPPORT for HB1643

To the honorable Chair Takayama, Vice Chair Keohokapu-Lee Loy, and members of the Committee,

My name is Kevin Glick, Pharm.D., and I have been a practicing pharmacist in Hawaii for more than 40 years in Honolulu and Kauai. 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:

- Audits initiated pursuant to complaining about underpaid claims
- 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 erode my ability to serve patients. 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.

Aloha and Mahalo,

Kevin Glick, Pharm.D.