JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKUʻĀINA ʻO HAWAIʻI
OFFICE OF THE DIRECTOR
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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Consumer Protection & Commerce
Tuesday, March 24, 2026
2:00 p.m.
State Capitol, Conference Room 329 and via videoconference

On the following measure:
S.B. 2047, S.D. 2, H.D. 1, RELATING TO PHARMACY BENEFIT MANAGERS

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

My name is Scott K. Saiki, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to (1) establish requirements for pharmacy benefit managers, other than health maintenance organizations that own and operate their own pharmacies, that reimburse contracting pharmacies for drugs on a maximum allowable cost basis; (2) allow contracting pharmacies to reverse and rebill claims if a maximum allowable cost is denied on appeal; (3) authorize the Insurance Commissioner to assess fines for violations; and (5) appropriate funds.

The Department notes that this bill establishes several operational requirements for Pharmacy Benefit Managers (PBMs) that use maximum allowable cost (MAC) lists. While the Department appreciates the Legislature's intent, the Department lacks the technical expertise to oversee the MAC lists. Managing MAC lists requires deep

knowledge of pharmaceutical pricing compendia and market data to ensure reimbursements are fair and that lists are updated at least once every seven days as mandated by this bill. To determine whether a violation has occurred, the Insurance Division would be required to have specialized pharmaceutical market expertise that currently falls outside the Division's oversight and ability.

The Department specifically notes the following mandates and the technical expertise required for their enforcement:

- Subsection (c): PBMs must provide comprehensive and up-to-date MAC reports to pharmacies upon request. The Insurance Division would require staff with expertise to verify that these reports are "comprehensive" and accurately reflect the actual prices used for reimbursement.
- Subsection (d): This subsection prohibits a drug from being on a MAC list unless it is "A" or "B" rated, generally available for purchase in the State, and not "obsolete". The Insurance Division would require staff with expertise of the "Orange Book" and other nationally recognized references, knowledge of local wholesale availability, and whether or not a drug is obsolete.
- Subsection (e): PBMs must review and adjust MAC prices at least once every seven days and apply those updates the same day. The Insurance Division would require auditing staff to conduct frequent data reviews to verify that price updates were applied within the mandatory same day period.
- Subsection (f): PBMs must resolve appeals within 14 business days and, upon a successful appeal, allow the pharmacy to "reverse and rebill" the original claim and all claims for the same drug at the plan level. The Insurance Division would require auditing staff to perform audits to ensure that retroactive payments were correctly made.
- Subsection (h): The Commissioner is authorized to establish a process for external review of pharmacy complaints. It is unclear whether the Insurance Division would be conducting the external review process or whether the Insurance Division would merely set up the procedure for an external review process that would be contracted to a third-party.

Due to these requirements, the Insurance Division would need to hire additional staff or contract with appropriate experts and request that funding be appropriated to facilitate these requirements. To meet the proposed requirements, we are requesting a General Fund appropriation for FY 2026–2027 of **$1,500,000 and 5.0 FTE positions** to establish PBM MAC oversight, appeals enforcement, and external review capacity. The Department notes that these amounts are estimates and likely to be higher. Additionally, the licensing fees of pharmacy benefit managers would not be sufficient to cover ongoing operational costs into future years and as such General Fund appropriations will need to continue at comparable levels and account for rising costs.

Thank you for the opportunity to testify on this bill.

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY
DEPARTMENT OF HEALTH - *KA ʻOIHANA OLAKINO*

JOSH GREEN, MD
GOVERNOR OF HAWAIʻI
KE KIAʻĀINA O KA MOKUʻĀINA ʻO HAWAIʻI

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HOʻOKELE

JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

1177 Alakea Street, #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

March 23, 2026

TO: HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Scot Z. Matayoshi, Chair
Representative Tina Nakada Grandinetti, Vice Chair
Honorable Members

FROM: John C. (Jack) Lewin, MD, Administrator, SHPDA, and Sr. Advisor to Governor Josh Green, MD on Healthcare Innovation

RE: **SB 2047-SD2-HD1 -- RELATING TO PHARMACY BENEFIT MANAGERS**

HEARING: Tuesday, March 24, 2026 @ 2:00 pm; Conference Room 329

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA strongly supports SB 2047-SD2-HD1, with comments.

This bill is intended to restore strong, enforceable oversight of pharmacy benefit manager (PBM) maximum allowable cost (MAC) reimbursement practices to improve transparency and fairness in prescription drug reimbursement. It responds to concerns that non-transparent MAC practices can lead to aggressively low pharmacy reimbursements, higher costs for plan sponsors and patients, and practices like copay claw backs, while also recognizing that prior regulation was repealed because responsibility was placed in the wrong agency. By moving these protections into chapter 431R under the Insurance Commissioner's authority, the bill establishes clear standards for PBM contracts, maximum allowable cost lists and reports, appeal rights, and enforcement that help protect pharmacies and consumers across Hawaiʻi.

This bill provides several benefits for Hawaiʻi's patients, plan sponsors, and contracting pharmacies by improving transparency and accountability in PBM reimbursement methodologies. This bill defines "contracting pharmacy" more broadly as a non-affiliated pharmacy that is not part of a regional or national chain, rather than using the narrower SD1 definition tied to PSAO participation and a ten-mile radius requirement. This bill also strengthens the definition of "maximum allowable cost list" by making clear that it includes not only a list of drugs but also the reimbursement methodologies PBMs use, including benchmarks such as national average drug

acquisition cost, average manufacturer price, average wholesale price, federal upper limits, wholesale acquisition cost, discount indexing, and other terms used to establish pharmacy reimbursement rates.

The bill also requires PBMs to identify the pricing sources or other data sources used to set MAC rates, provide contracting pharmacies with accessible and current MAC reports upon request, and review and update MAC pricing at least every seven days using the most recent available data. Just as importantly, it preserves a meaningful appeal process with firm timelines: PBMs must explain upheld MAC rates by identifying a lower-priced equivalent drug, and when an appeal is successful, they must promptly adjust the MAC and allow pharmacies to reverse and rebill affected claims so pharmacies can recover underpayments.

In closing, this bill is a practical and targeted step to restore transparency and accountability in pharmacy benefit manager maximum allowable cost reimbursement.

Thank you for hearing SB 2047-SD2-HD1.

- -- Jack Lewin, MD, Administrator, SHPDA

Hawaii Pharmacists Association

Testimony in SUPPORT WITH AMENDMENTS
presented before the
House Committee on Consumer Protection
March 24, 2026

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

To the Honorable Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee,

Maximum Allowable Cost, or MAC pricing, is intended to be a benchmark for reimbursing pharmacies fairly for widely available, multiple-source generic drugs. However, in practice, MAC pricing is often set unilaterally by pharmacy benefit managers (PBMs) using opaque methodologies that do not reflect real-world drug acquisition costs. Pharmacies are frequently reimbursed below what they pay to obtain medications, forcing them to dispense prescriptions at a loss. This disconnect undermines the sustainability of community pharmacies and threatens patient access to essential medications, particularly in rural and underserved areas.

A significant concern with current MAC practices is the lack of transparency and accountability. Pharmacies are often unable to determine how MAC prices are calculated, what data sources are used, or whether drugs placed on MAC lists are truly available from multiple manufacturers at those prices. In many cases, MAC lists include drugs that are in short supply, single-source generics, or products subject to rapid market price fluctuations. Compounding this issue, appeals processes are frequently burdensome, slow, or ineffective, leaving pharmacies with little recourse when reimbursement does not reflect market realities. Reasonable MAC reform is not about eliminating cost controls, but about restoring fairness, predictability, and consumer protection to the system.

We do appreciate the intent of this initiative to address a specific aspect of medication pricing transparency; however, we believe more impactful PBM reform measures could better reduce costs for pharmacies, payors, and patients. These include establishing a reimbursement floor tied to NADAC plus a reasonable dispensing fee, prohibiting spread pricing practices, and mandating fiduciary duties for PBMs to act in the best interest of plan sponsors and patients.

We are in **support of this initiative with an amendment** to further refine the definition of ‘contracting pharmacy’ to include the non-affiliated chain pharmacies that are not owned by PBMs, nor considered independent entities.

We are also in full support of a study to gather state specific information on PBM oversight. We strongly suggest exploring the establishment of an oversight fund to ensure that fines, penalties, and licensure fees are collected and distributed appropriately to support the designated oversight entity**.**

We propose the following amendment in SECTION 3. Section 431R-1:

"Contracting pharmacy" means a pharmacy that is not directly owned or operated by a pharmacy benefits manager.

If a study is deemed appropriate by this Committee, we suggest the following language be inserted into the measure:

The legislature finds that while this Act establishes important requirements for pharmacy benefit managers (PBMs), additional evaluation is necessary to ensure effective enforcement, appropriate agency oversight, and long-term sustainability of regulatory activities.

Accordingly, the legislature determines that a comprehensive audit and feasibility study is necessary to identify the appropriate state entity to oversee PBM regulation, estimate implementation costs, and evaluate funding mechanisms to support ongoing enforcement.

The auditor shall conduct a comprehensive audit and feasibility study to:

(a) Determine the most appropriate state department or agency to administer and enforce the provisions of this Act, including but not limited to the Department of Commerce and Consumer Affairs, Office of the Attorney General, or other relevant entities;
(b) Evaluate the staffing, infrastructure, and administrative resources required to implement and enforce PBM regulations;
(c) Estimate the costs associated with the establishment, implementation, and ongoing maintenance of regulatory oversight of Pharmacy Benefit Managers;
(d) Assess enforcement mechanisms, including complaint processes, audit authority, and penalties, necessary to ensure compliance with this Act;
(e) Review and compare pharmacy benefit manager regulatory frameworks in other states, including best practices, enforcement structures, and emerging policy trends;
(f) Identify gaps or barriers in the State's current regulatory authority over pharmacy benefit managers.
(g) Evaluation of the feasibility of establishing a PBM Oversight Fund to support regulatory authorities including
    a. The collection and allocation of fines, penalties, and licensure or registration fees assessed upon pharmacy benefit managers;
    b. Mechanisms to ensure that revenues are deposited into and expended from the fund in a manner that directly supports administrative activities;
    c. Safeguards to ensure transparency, accountability, and appropriate use of funds;

On behalf of The Hawai'i Pharmacists Association, mahalo for this opportunity to testify in **support of this initiative with suggested amendments.**

Very Respectfully,

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

KAISER PERMANENTE®

LATE

Testimony of
John M. Kirimitsu
Counsel

Before:
House Committee on Consumer Protection & Commerce
The Honorable Scot Z. Matayoshi, Chair
The Honorable Tina Nakada Grandinetti, Vice Chair

March 24, 2026
2:00 pm
Conference Room 329

Chair, Vice Chair, and committee members thank you for this opportunity to provide testimony on SB 2047 SD2 HD1 that establishes establish requirements for pharmacy benefit managers ("PBM") that reimburse contracting pharmacies for drugs on a maximum allowable cost basis.

Kaiser Permanente Hawaii requests an amendment.

Currently, the latest amended version of this bill includes Kaiser's requested amendment to exclude an HMO that owns and operates its own pharmacies is not included in the definition of "pharmacy benefit manager," however, this amendment was included under a newly created section 431R (maximum allowable cost) instead of section 431S-1, which defines terms related to pharmacy benefit managers. Therefore, Kaiser requests the following amendment on Page 9, lines 1-4:

(i) [For purposes of this section, "pharmacy benefit manager" has the same meaning as in section 431S-1. Provided, however, that ~~T~~[t]his section shall not apply to a health maintenance organization that is part of a fully integrated delivery system in which enrollees primarily use pharmacies that are owned and operated by the health maintenance organization."

[bracketed and underlined language is added]

Thank you for the opportunity to comment.

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E-mail: John.M.Kirimitsu@kp.org

HPCA
HAWAI'I PRIMARY CARE ASSOCIATION

LATE

Testimony to the House Committee on Consumer Protection and Commerce
Tuesday, March 24, 2026; 2:00 p.m.
State Capitol, Conference Room 329
Via Videoconference

RE: SENATE BILL NO. 2047, SENATE DRAFT 2, HOUSE DRAFT 1, RELATING TO PHARMACY BENEFIT MANAGERS.

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA offers **COMMENTS** on Senate Bill No. 2047, Senate Draft 2, House Draft 1, RELATING TO PHARMACY BENEFIT MANAGERS.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This measure, as received by your Committee, would:

(1) Establish requirements for pharmacy benefit managers (PBMs) that reimburse contracting pharmacies for drugs on a maximum allowable cost basis, including contents of contracts, maximum allowable cost lists, and maximum allowable cost reports, and complaint process; and

(2) Require PBMs to disclose lower-priced equivalent drugs when a maximum allowable cost is upheld on appeal and allow contracting pharmacies to reverse any rebill claims if a maximum allowable cost is denied on appeal and recoup any overpayment.

The bill would also appropriate an unspecified amount of general funds for fiscal year 2026-2027 for Insurance Division of the Department of Commerce and Consumer Affairs to effectuate this bill.

This bill would take effect on January 30, 2050.

ADD 1003 BISHOP STREET PAUAHI TOWER SUITE 1810 HONOLULU, HI 96813 TEL 808.536.8442 WEB HAWAIIPCA.NET

LATE

For more than thirty years, the 340B Program has provided critical resources that enable FQHCs and other program participants to deliver affordable and accessible health care services to communities. Unlike private, for-profit health care facilities, FQHCs do not have substantial revenue streams such as endowments or investments to offset their costs. That is why the 340B is so important. Without it, FQHCs do not have sufficient resources to do what they do.

Critics of the program have argued that the savings provided are improperly utilized for extravagant executive salaries, bonuses or other perks. However, by law, FQHCs:

> *". . . must document that any non-grant funds generated from health center program project activities in excess of what is necessary to support the total health center project budget were utilized. . .to benefit the current or proposed patient population and were not utilized for purposes that are specifically prohibited by the health center program. . ."* [**See**, HRSA, Health Center Program Compliance Manual, August 20, 2018, p. 63.]

Over the past few years, statutory ambiguities have allowed other parties to claim the savings that were intended to accrue to the patients of FQHCs and other 340B providers. Because of this, the HPCA believes that the 340B Program must be preserved to ensure stability for Hawaii's safety net providers and enable them to effectively care for patients that otherwise would not have access to affordable health care services and medications.

Just last year, the Legislature approved House Bill No. 712, Conference Draft 1, which was signed into law as Act 143, Session Laws of Hawaii 2025, to prohibit drug manufacturers from denying, restricting, or prohibiting the acquisition, shipping, or delivery of a 340B drug to pharmacies contracted with 340B covered entities under the federal 340B drug Pricing Program. More specifically, Act 143 authorized covered entities and the Attorney General to bring a civil action for enforcement within four years of a violation. Apparently, the Legislature took this approach because it was unclear whether the State had sufficient statutory authority to regulate drug manufacturers or PBMs. [**See**, HRS §26H-6.]

Be that as it may, it is the HPCA's understanding that shortly after its enactment, Act 143 has been challenged in both federal and state courts by drug manufacturers, and that these cases are pending further action.

We also note that a measure was recently introduce in the United States Congress to ensure that the 340B Program operates as it was intended. Entitled, the "Community Health Center Drug Pricing Protection Act", was introduced by Representative Jack Bergman and received strong bipartisan support. Among other things, this legislation would prohibit the federal Health Resources and Services

LATE

Administration from approving any agreement with a drug manufacturer that requires an FQHC to pay more than the 340B ceiling process for covered outpatient drugs at the time of purchase, with later reconciliation through a rebate, reimbursement, or other payment. The bill would also clarify that no arrangement under the 340B Program may permit manufacturers to charge FQHCs more than the 340B ceiling price up-front, regardless of how the payment is later reconciled.

For your information and files, attached please find:

(1) A status report on Act 143, Session Laws of Hawaii 2025; and

(2) A copy of the Bergman Bill and additional information on that legislation.

In conclusion, your Committee may decide best to await the Court's determination on Act 143 before taking action on this bill. As an alternative, this Committee might consider the adoption of a Concurrent Resolution in accordance with Section 26H-6, Hawaii Revised Statutes, requesting the Auditor to determine whether regulation of PBMs and drug manufacturers are warranted.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.

attachments

2025 Archives

You are viewing archived information from 2025

HB712 HD2 SD2 CD1

Measure Title:	RELATING TO HEALTH.
Report Title:	AG; Affordable Health Care; Prescription Drugs; 340B Drug Pricing Program; Pharmacies; Covered Entities; Discriminatory Practices; Reports
Description:	Prohibits drug manufacturers from denying, restricting, or prohibiting the acquisition, shipping, or delivery of a 340B drug to pharmacies contracted with 340B covered entities under the federal 340B Drug Pricing Program. Authorizes 340B covered entities and the Attorney General to bring a civil action for enforcement within four years of a violation. Beginning 7/1/2026, requires each 340B covered entity in the State to report certain information annually to the hospital trade association operating in the State and requires the hospital trade association to prepare and publicly post an aggregate report of reports submitted by each 340B covered entity. (CD1)
Companion:	SB480
Package:	None
Current Referral:	HLT, CPC, JHA, FIN
Introducer(s):	TAKAYAMA, AMATO, BELATTI, CHUN, GRANDINETTI, IWAMOTO, KAPELA, KITAGAWA, LAMOSAO, LOWEN, MARTEN, MATAYOSHI, MIYAKE, OLDS, PERRUSO, PIERICK, SAYAMA, SOUZA, TARNAS
Act:	143

Sort by Date		Status Text
5/30/2025	H	Act 143, on 05/30/2025 (Gov. Msg. No. 1243).
5/30/2025	S	Act 143, 05/30/2025 (Gov. Msg. No. 1243).
5/1/2025	H	Transmitted to Governor.
5/2/2025	S	Received notice of passage on Final Reading in House (Hse. Com. No. 821).
5/1/2025	H	Received notice of Final Reading (Sen. Com. No. 888).
4/30/2025	H	Passed Final Reading as amended in CD 1 with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Pierick excused (2).
4/30/2025	S	Passed Final Reading, as amended (CD 1). Ayes, 25; Aye(s) with reservations: none . 0 No(es): none. 0 Excused: none.
4/25/2025	S	48 Hrs. Notice (as amended CD 1) 04-30-25
4/25/2025	S	Reported from Conference Committee as amended CD 1 (Conf. Com. Rep. No. 254).
4/25/2025	H	Forty-eight (48) hours notice Wednesday, 04-30-25.

4/25/2025	H	Reported from Conference Committee (Conf Com. Rep. No. 254) as amended in (CD 1).
4/25/2025	H	The Conference Committee recommends that the measure be Passed, with Amendments. The votes were as follows: 4 Ayes: Representative(s) Takayama, Matayoshi, Poepoe, Takenouchi; Ayes with reservations: none; 0 Noes: none; and 1 Excused: Representative(s) Garcia.
4/25/2025	S	The Conference committee recommends that the measure be PASSED, WITH AMENDMENTS. The votes of the Senate Conference Managers were as follows: 4 Aye(s): Senator(s) San Buenaventura, Keohokalole, Aquino, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 1 Excused: Senator(s) Chang.
4/25/2025	H	Conference Committee Meeting will reconvene on Friday 04-25-25 5:20PM in conference room 329.
4/24/2025	H	Conference Committee Meeting will reconvene on Friday 04-25-25 3:35PM in conference room 329.
4/24/2025	H	Conference Committee Meeting will reconvene on Thursday 04-24-25 3:35PM in conference room 329.
4/22/2025	H	Bill scheduled for Conference Committee Meeting on Wednesday, 04-23-25 3:35PM in conference room 329.
4/21/2025	S	Received notice of appointment of House conferees (Hse. Com. No. 755).
4/17/2025	H	House Conferees Appointed: Takayama, Matayoshi, Poepoe, Takenouchi Co-Chairs; Garcia.
4/17/2025	H	Re-referred to HLT, CPC, JHA, FIN, referral sheet 33
4/15/2025	H	Received notice of Senate conferees (Sen. Com. No. 788).
4/15/2025	S	Senate Conferees Appointed: San Buenaventura Chair; Keohokalole, Aquino, Chang Co-Chairs; Fevella.
4/11/2025	S	Received notice of disagreement (Hse. Com. No. 704).
4/10/2025	H	House disagrees with Senate amendment (s).
4/8/2025	H	Returned from Senate (Sen. Com. No. 667) in amended form (SD 2).
4/8/2025	S	Report adopted; Passed Third Reading, as amended (SD 2). Ayes, 25; Aye(s) with reservations: none . Noes, 0 (none). Excused, 0 (none). Transmitted to House.
4/4/2025	S	48 Hrs. Notice 04-08-25.
4/4/2025	S	Reported from WAM/JDC (Stand. Com. Rep. No. 1709) with recommendation of passage on Third Reading, as amended (SD 2).
4/1/2025	S	The committee(s) on JDC recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in JDC were as follows: 5 Aye(s): Senator(s) Rhoads, Gabbard, Chang, San Buenaventura, Awa; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.
4/1/2025	S	The committee(s) on WAM recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in WAM were as follows: 11 Aye(s): Senator(s) Dela Cruz, Moriwaki, Aquino, Elefante, Hashimoto, Inouye, Kanuha, Kidani, Kim, Wakai, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 2 Excused: Senator(s) DeCoite, Lee, C..
3/27/2025	S	The committee(s) on WAM/JDC will hold a public decision making on 04-01-25 10:00AM; Conference Room 211 & Videoconference.
3/21/2025	S	Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM/JDC.
3/21/2025	S	Reported from HHS/CPN (Stand. Com. Rep. No. 1330) with recommendation of passage on Second Reading, as amended (SD 1) and referral to WAM/JDC.
3/19/2025	S	The committee(s) on CPN recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in CPN were as follows: 4 Aye(s): Senator(s) Keohokalole, Fukunaga, Awa; Aye(s) with reservations: Senator(s) McKelvey ; 0 No(es): none; and 1 Excused: Senator(s) Richards.
3/19/2025	S	The committee(s) on HHS recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in HHS were as follows: 4 Aye(s): Senator(s) San Buenaventura, Aquino, Hashimoto, Keohokalole; Aye(s) with reservations: none ; 0 No(es): none; and 1 Excused: Senator(s) Fevella.
3/14/2025	S	The committee(s) on HHS/CPN has rescheduled its public hearing to 03-19-25 9:30AM; CR 229 & Videoconference.
3/13/2025	S	The committee(s) on HHS/CPN has scheduled a public hearing on 03-19-25 8:30AM; Conference Room 229 & Videoconference.

3/6/2025	S	Referred to HHS/CPN, WAM/JDC.
3/6/2025	S	Passed First Reading.
3/6/2025	S	Received from House (Hse. Com. No. 272).
3/4/2025	H	Passed Third Reading as amended in HD 2 with none voting aye with reservations; none voting no (0) and Representative(s) Pierick, Ward excused (2). Transmitted to Senate.
2/28/2025	H	Forty-eight (48) hours notice Tuesday, 03-04-25.
2/28/2025	H	Reported from JHA (Stand. Com. Rep. No. 1072) as amended in HD 2, recommending passage on Third Reading.
2/25/2025	H	The committee on JHA recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 7 Ayes: Representative(s) Tarnas, Poepoe, Belatti, Hashem, Perruso, Takayama, Todd; Ayes with reservations: none; Noes: none; and 4 Excused: Representative(s) Cochran, Kahaloa, Garcia, Shimizu.
2/21/2025	H	Bill scheduled to be heard by JHA on Tuesday, 02-25-25 2:00PM in House conference room 325 VIA VIDEOCONFERENCE.
2/13/2025	H	Report adopted; referred to the committee(s) on JHA with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Kitagawa, Ward excused (3).
2/13/2025	H	Reported from CPC (Stand. Com. Rep. No. 558), recommending referral to JHA.
2/11/2025	H	The committee on CPC recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 10 Ayes: Representative(s) Matayoshi, Chun, Ilagan, Ichiyama, Iwamoto, Kong, Lowen, Marten, Tam, Pierick; Ayes with reservations: none; Noes: none; and Excused: none.
2/7/2025	H	Bill scheduled to be heard by CPC on Tuesday, 02-11-25 2:00PM in House conference room 329 VIA VIDEOCONFERENCE.
2/4/2025	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on CPC with none voting aye with reservations; none voting no (0) and Representative(s) Cochran, Kong, Ward excused (3).
2/4/2025	H	Reported from HLT (Stand. Com. Rep. No. 70) as amended in HD 1, recommending passage on Second Reading and referral to CPC.
1/31/2025	H	The committee on HLT recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 9 Ayes: Representative(s) Takayama, Keohokapu-Lee Loy, Amato, Chun, Marten, Olds, Takenouchi, Alcos, Garcia; Ayes with reservations: none; Noes: none; and Excused: none.
1/29/2025	H	Bill scheduled to be heard by HLT on Friday, 01-31-25 9:15AM in House conference room 329 VIA VIDEOCONFERENCE.
1/21/2025	H	Referred to HLT, CPC, JHA, referral sheet 2
1/21/2025	H	Introduced and Pass First Reading.
1/17/2025	H	Pending introduction.

S = Senate | H = House | D = Data Systems | $ = Appropriation measure | ConAm = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit Adobe's download page for detailed instructions.

HB712 HD2 SD2 CD1

.....

(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend title III of the Public Health Service Act to ensure that Federally-qualified health centers are not required to pay more than the 340B ceiling price for covered outpatient drugs at the time of purchase.

IN THE HOUSE OF REPRESENTATIVES

Mr. BERGMAN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title III of the Public Health Service Act to ensure that Federally-qualified health centers are not required to pay more than the 340B ceiling price for covered outpatient drugs at the time of purchase.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Health Center Drug Pricing Protection Act''.

SEC. 2. ENSURING UPFRONT 340B DISCOUNTED PRICING FOR FEDERALLY-QUALIFIED HEALTH CENTERS.

(a) IN GENERAL.—Section 340B(a) of the Public Health Service Act (42 U.S.C. 256b(a)) is amended by adding at the end the following new paragraph:

''(11) UPFRONT DISCOUNTED PRICING FOR FEDERALLY-QUALIFIED HEALTH CENTERS.—The Secretary may not enter into an agreement with a manufacturer of covered outpatient drugs under paragraph (1) under which the amount required to be paid to the manufacturer for covered outpatient drugs by a covered entity described in paragraph (4)(A) exceeds, at the point of purchase of such drug, the applicable ceiling price for such drug (as described in paragraph (1)).''.

(b) RULE OF CONSTRUCTION.—Nothing in this section, or the amendment made by this section, shall be construed to permit under paragraph (1) of section 340B(a) of the Public Health Service Act (42 U.S.C. 256b(a)) any arrangement under which a covered entity described in paragraph (4)(A) of such section pays to the manufacturer of a covered outpatient drug an amount in excess of the applicable ceiling price for such drug (as described in such paragraph (1)) at the time of purchase, with later reconciliation by rebate, reimbursement, or other payment.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this section and shall apply to drugs purchased on or after the date of the enactment of this section.

(2) APPLICATION TO EXISTING AGREEMENTS.—Beginning on the date of the enactment of this section, the amendments made by this section shall be taken into account in determining whether an agreement with a manufacturer of covered outpatient drugs meets the requirements of section 340B(a) of the Public Health Service Act (42 U.S.C. 256b(a)).

H.R. 7391

Community Health Center Drug Pricing Protection Act

Rep. Jack Bergman & Rep. Jake Auchincloss

Background:

The **340B Drug Pricing Program** requires drug manufacturers participating in Medicaid to sell certain outpatient drugs to eligible safety-net providers at significantly discounted ceiling prices.

Community Health Centers (CHCs), including **Federally Qualified Health Centers (FQHCs)**, are core 340B participants, largely serving medically underserved, rural, and low-income communities. Operating on the thinnest margins in the health care system – and providing care regardless of a patient's ability to pay – CHCs rely on the up-front 340B discount to stretch their scarce resources as far as possible and reinvest savings directly into patient care.

In 2025, HRSA announced a **340B Rebate Model Pilot Program** that would require 340B participants to purchase drugs at full price and wait for manufacturers to reimburse the difference between the purchase price and the 340B ceiling price. Even before HRSA's pilot, several manufacturers have sought in recent years to unilaterally shift their participation in the 340B Program to a rebate-based model.

Any rebate model would be **uniquely harmful to CHCs**, which lack the financial reserves to front the full cost of high-priced drugs and then wait for reimbursement. Turning an up-front discount into a delayed rebate would undermine the ability of CHCs to immediately reinvest savings into patient care, threatening the very patients the 340B program was created by Congress to serve.

Summary:

The ***Community Health Center Drug Pricing Protection Act*** would protect FQHCs (and FQHC-lookalikes and Urban Indian Organizations participating in the 340B Program as FQHCs) from being forced into a 340B rebate-based pricing model by:

- Prohibiting HRSA from approving any agreement with a drug manufacturer that requires an FQHC to pay more than the 340B ceiling price for covered outpatient drugs at the time of purchase, with later reconciliation through a rebate, reimbursement, or other payment; and
- Clarifying that no arrangement under the 340B Program may permit manufacturers to charge FQHCs more than the 340B ceiling price up-front, regardless of how the payment is later reconciled.

Please contact Colin Gwillim (colin.gwillim@mail.house.gov) in Rep. Bergman's office with any questions.

H.R. 7391

Community Health Center Drug Pricing Protection Act

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Endorsing Organizations:

State/District Organizations

- Michigan Primary Care Association
- Georgia Primary Care Association
- Idaho Community Health Center Association
- Illinois Primary Health Care Association
- Iowa Primary Care Association
- Missouri Primary Care Association
- Mid-Atlantic Association of Community Health Centers (Maryland and Delaware)
- North Carolina Community Health Center Association
- Oregon Primary Care Association
- Rhode Island Health Center Association
- Washington Association for Community Health
- Ohio Association of Community Health Centers
- Arizona Alliance for Community Health Centers
- Indiana Primary Health Care Association
- Association for Utah Community Health
- Bi-State Primary Care Association (Vermont and New Hampshire)
- Community Care Network of Kansas
- Colorado Community Health Network
- Tennessee Primary Care Association
- Maine Primary Care Association
- Community Health Center Association of Connecticut
- Pennsylvania Association of Community Health Centers
- Community Health Care Association of New York State
- Massachusetts League of Community Health Centers
- Nevada Primary Care Association
- Minnesota Association of Community Health Centers
- Health Center Association of Nebraska
- Community Healthcare Association of the Dakotas (North Dakota and South Dakota)
- Community Health Centers of Arkansas, Inc.
- Florida Association of Health Centers
- Montana Primary Care Association
- Oklahoma Primary Care Association
- DC Primary Care Association
- Kentucky Primary Care Association
- Alabama Primary Care Association
- West Virginia Primary Care Association
- Wyoming Primary Care Association
- Alaska Primary Care Association
- Virginia Community Health Association
- Wisconsin Primary Health Care Association
- California Primary Care Association Advocates
- Hawaii Primary Care Association

National Organizations

- National Association of Community Health Centers
- Advocates for Community Health
- National Council of Urban Indian Health
- National Health Care for the Homeless Council
- Association of Asian Pacific Community Health Organizations

Local Organizations

- Coalition of Orange County Community Health Centers

Please contact Colin Gwillim (colin.gwillim@mail.house.gov) in Rep. Bergman's office with any questions.

SB-2047-HD-1
Submitted on: 3/20/2026 3:43:04 PM
Testimony for CPC on 3/24/2026 2:00:00 PM

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

Comments:

I support SB2047 SD2 HD1. Mahalo

SB-2047-HD-1
Submitted on: 3/21/2026 9:42:07 AM
Testimony for CPC on 3/24/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, COMMENT - APPROPRIATES FUNDS

IRAN WAR IS COSTING TAXPAYERS 1BILLION A DAY

LEGISLATORS MUST BE FISCAL REPONSIBLE THIS SESSION

2047 SB RELATING TO PHARMACY BENEFIT MANAGERS.