



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
KA 'OIHANA PILI KĀLEPA  
335 MERCHANT STREET, ROOM 310  
P.O. BOX 541  
HONOLULU, HAWAII 96809  
Phone Number: 1-844-808-DCCA (3222)  
Fax Number: (808) 586-2856  
cca.hawaii.gov

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

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO  
DIRECTOR | KA LUNA HO'OKELE

DEAN I. HAZAMA  
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Consumer Protection and Commerce  
Wednesday, April 22, 2026  
2:00 p.m.  
State Capitol, Room 430 and via Videoconference**

**On the following measure:  
S.C.R. 109, S.D. 1, URGING THE INSURANCE COMMISSIONER TO  
STUDY THE POTENTIAL BENEFITS OF EXPANDING THE  
USE OF MAIL-ORDER PHARMACY IN THE STATE.**

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 supports this concurrent resolution and offers comments.

The purpose of this concurrent resolution is to urge the Insurance Commissioner to study the potential benefits of expanding the use of mail-order pharmacy in the State.

The Department supports the goal of ensuring Hawaii residents have access to affordable prescription medications, particularly those who reside on neighbor islands and in rural areas.

The Department offers the following comments on this measure.

The prescribed study is urged to examine, at a minimum:

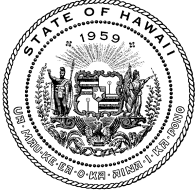
- (1) The effect of mail-order pharmacy on patient medication adherence and the management of chronic disease;

- (2) Potential cost savings for consumers, insurers, and the health care system as a whole;
- (3) The ability of mail-order pharmacy to improve access for kupuna, rural residents, and individuals with disabilities or limited mobility;
- (4) The reliability and safety of existing mail-order shipping, tracking, and temperature-control systems;
- (5) Opportunities to use mail-order pharmacy to strengthen access to health care during emergencies, supply-chain disruptions, and periods of high demand;
- (6) Options to ensure that patients who prefer mail-order pharmacy can readily select this option as part of their prescription benefits;
- (7) The impact of mail-order pharmacy on community pharmacy sustainability;  
and
- (8) The impact of mail-order pharmacy on rural access to local pharmacies

Topics (1), (4) and (5) in particular require an assessment of medical, geographic and emergency (disaster) practices and outcomes. An assessment would require the Department to rely upon data and analysis conducted by other county and state agencies, and may also require funding for technical, medical and scientific services.

Therefore, the Department requests that this measure be amended such that a nominal amount of funds (e.g., \$100,000) be appropriated to complete the study and report.

Thank you for the opportunity to testify on this concurrent resolution.



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

**JOSH GREEN, MD**  
GOVERNOR OF HAWAII  
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

**KENNETH S. FINK, MD, MGA, MPH**  
DIRECTOR OF HEALTH  
KA LUNA HO'ŌKELE

**JOHN C. (JACK) LEWIN, MD**  
ADMINISTRATOR

1177 Alakea Street, #402, Honolulu, HI 96813

Phone: 587-0788 Fax: 587-0783 [www.shpda.org](http://www.shpda.org)

April 21, 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: SCR 109-SD1 -- RELATING TO MAIL-ORDER PHARMACY**

**HEARING:** Wednesday, April 22, 2026 @ 2:00 pm; Conference Room 430

**POSITION:** SUPPORT with COMMENTS

---

Testimony:

SHPDA doesn't support this resolution which could possibly reduce prescription costs for insurers and possibly also prescription costs for consumers. However, it would also undermine the financial viability of small pharmacies and eliminate the benefits of having pharmacist-to-patient direct interactions to answer questions about prescriptions and review medication side effects and adverse interactions with other meds. Mail order pharmacy is already available here in most urban areas at least.

We think this resolution should be deferred as not needed.

■ -- Jack Lewin, MD, Administrator, SHPDA



April 22, 2026

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

Re: SCR109 SD1 – URGING THE INSURANCE COMMISSIONER TO STUDY THE  
POTENTIAL BENEFITS OF EXPANDING THE USE OF MAIL-ORDER  
PHARMACY IN THE STATE.

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

HMSA appreciates the opportunity to testify in support of SCR 109 SD1, which urges the insurance commissioner to study the potential benefits of expanding the use of mail order pharmacy in the state.

SCR109 SD1 takes a measured and thoughtful approach to improving access to prescription medications by urging the Insurance Commissioner to study the potential benefits of expanding the use of mail-order pharmacy in Hawai‘i. This resolution is especially timely given the ongoing challenges many residents face in accessing affordable and timely medications—particularly kūpuna, individuals with chronic conditions, and those living in rural or Neighbor Island communities.

The landscape of logistics and healthcare is ever evolving. HMSA is constantly exploring ways that we can improve our member’s health and experience while staying sensitive to the impacts growing expenses related to health care. Studies have shown that mail order pharmacy utilization can decrease out of pocket costs for our members, improve medication adherence, and support health outcomes. We do not believe that any modality of medication delivery should ever be mandated but feel it is important to continue to allow our members to have a choice in how they procure their medication, whether it be through mail order or traditional brick and mortar.

For these reasons, we respectfully urge the Committee to support **SCR109 SD1** and advance this resolution as an important step toward improving medication access and healthcare affordability for the people of Hawai‘i.

Sincerely,

Walden Au  
Director of Government Relations



Testimony in OPPOSITON of SCR109 presented before the  
House Committee on Consumer Protection  
Wednesday, March 22, 2026

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

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

The Hawai'i Pharmacists Association (HPhA) **stands in opposition of SCR 109**, which requests that the Insurance Commissioner conduct a study on the impact of mail-order pharmacies. While we appreciate the Legislature's interest in better understanding this issue, HPhA is concerned that the Insurance Commissioner's Office does not possess the clinical expertise, data collection infrastructure, or patient-facing insight necessary to meaningfully evaluate health outcomes associated with pharmacy delivery models. A study of this nature requires integration of clinical pharmacy practice, patient behavior, and care coordination. These elements extend well beyond traditional insurance oversight.

A meaningful evaluation of mail-order pharmacy impact must go far beyond claims-based metrics and instead **assess true patient outcomes**. This includes validated measures of medication adherence, rates of therapy discontinuation due to delayed or failed deliveries, and the frequency with which local pharmacies must intervene when medications arrive compromised, particularly for temperature-sensitive therapies exposed to Hawai'i's climate during transit. It must also examine how often community pharmacies are required to re-dispense medications at their own expense to ensure continuity of care. These are real, daily occurrences that are not captured in administrative datasets but have significant implications for patient safety and pharmacy revenue streams.

Independent analyses consistently show that mail-order pharmacy does not reliably lower costs and, in many cases, drives them higher. Research evaluating prescription claims has found that mail-order pharmacies can charge substantially higher prices for the same medications, with markups far exceeding those of community pharmacies.<sup>1</sup> A 2024 Wall Street Journal investigation further reported that automatic and early refills associated with mail-order dispensing generated approximately **\$3 billion in excess costs to Medicare and patients over a two-year period**, despite mail-order accounting for a relatively small share of total prescriptions.<sup>2</sup> Additional national studies confirm that waste from oversupply and automatic refills is significantly more common in mail-order pharmacy models leading to increased overall system costs without improving adherence or patient outcomes.<sup>3</sup>

Equally important are patient experience and safety considerations. National polling shows that roughly **85 percent of patients prefer to receive their medications from a local pharmacist**, citing trust, access to counseling, and timely problem resolution as key reasons for that preference.<sup>4</sup> Surveys of pharmacists and patients also document recurring mail-order failures—including delayed deliveries, lost shipments, temperature-sensitive medications exposed to heat, and dispensing errors—that local pharmacies must often correct.<sup>4,5</sup>

Another critical consideration is the downstream effects on access to care. **Any credible study must evaluate the impact of mail-order expansion on community pharmacy sustainability**, including closures that directly reduce access to essential services such as vaccinations, chronic disease management, and urgent medication needs, especially on our rural and neighbor island communities.

For these reasons, HPhA respectfully urges the Committee to defer SCR 109 or, at minimum, ensure that any study of this complexity is conducted by an entity with appropriate clinical expertise and stakeholder representation, including practicing pharmacists and patient care experts. Without this, the resulting analysis risks being incomplete, misleading, and ultimately detrimental to patient care in Hawai'i. We suggest the following amendments to help determine the impact of Pharmacy Benefit Manager networks on the drug supply chain, including mail order, to collect accurate information that includes the previously highlighted concerns and data in this testimony.

**Proposed amendments to the introduction:**

**HOWEVER, the largest Pharmacy Benefit Mangers (PBMs) are vertically integrated with health insurers and pharmacy chains, creating conflicts of interest that may disadvantage unaffiliated rural pharmacies and limit fair competition and compensation within the pharmaceutical supply chain further limiting patient choice and potentially disrupting established patient-pharmacist relationships; and**

**WHEREAS, PBM practices such as mandatory mail-order dispensing, forced 90-day supply refills, and reimbursement below acquisition cost to unaffiliated pharmacies may contribute to medication waste and threaten the financial viability of rural community pharmacies that provide essential, face-to-face care services across the State; and**

**Additional data to collect in the study:**

**(9) The impact of mail-order pharmacy on drug costs between affiliated and non-affiliated pharmacies within a PBM network; and**

**(10) The extent of medication waste associated with PBM-driven dispensing practices, including mail order utilization, early refills, delayed deliveries, lost shipments, temperature-sensitive medications exposed to heat, dispensing errors and medication discontinuation rates;**

Mahalo for the opportunity to testify. Very respectfully,



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

References

1. National Community Pharmacists Association (NCPA). *Study Shows Mail-Order Drugs Drive Costs*. June 26, 2024.
2. Wall Street Journal. *Higher Drug Costs Are Linked to Mail-Order Prescriptions*. 2024.
3. NCPA. *Waste Not, Want Not: The Hidden Cost of Mail-Order Pharmacy*. January 2026.
4. NCPA. *National Poll Results: Patient Preferences for Pharmacy Care*. March 2021.
5. NCPA. *Mail-Order Pharmacy Survey Results*. December 2020.
6. NCPA. *Mail-Order Pharmacy One-Pager*. January 2021.

April 22, 2026

**To: Chair Matayoshi, Vice Chair Grandinetti, and Members of the House Committee on Consumer Protection and Commerce (CPC)**

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: Apr. 22, 2026; 2:00 p.m./Conference Room 430 & Videoconference

**Re: Support for SCR109 SD1 – URGING THE INSURANCE COMMISSIONER TO STUDY THE POTENTIAL BENEFITS OF EXPANDING THE USE OF MAIL-ORDER PHARMACY IN THE STATE.**

The Hawaii Association of Health Plans (HAHP) offers this testimony in support of **SCR109 SD1**. HAHP is a statewide partnership that unifies Hawaii's health plans to improve the health of Hawaii's communities together. A majority of Hawaii residents receive their health coverage through a plan associated with one of our organizations.

HAHP appreciates the efforts of legislators to study the potential benefits of expanding the use of mail order pharmacy services in Hawaii. We support initiatives that seek to lower healthcare costs while improving access to lifesaving medications. Expanding mail order pharmacy options may be particularly beneficial for residents on the Neighbor Islands and in rural or underserved areas. In addition, allowing patients meaningful choice in how they obtain their prescription medications offers several advantages including potential cost savings, increased convenience, and improved medication adherence.

Thank you for the opportunity to testify in **support** of SCR109 SD1.

Sincerely,

HAHP Public Policy Committee  
cc: HAHP Board Members



**LATE**

DATE: April 21, 2026

TO: Representative Scot Matayoshi  
Chair, House Committee on Consumer Protection and Commerce

Representative Tina Grandinetti  
Vice Chair, House Committee on Consumer Protection and Commerce

FROM: Tiffany Yajima

RE: **SCR 109 SD1 – URGING THE INSURANCE COMMISSIONER TO STUDY  
THE POTENTIAL BENEFITS OF EXPANDING THE USE OF MAIL-ORDER  
PHARMACY IN THE STATE.**

**Hearing Date: Wednesday, April 22, 2026 at 2:00 p.m.  
Conference Room: 430**

---

On behalf of Walgreens, we respectfully submit **comments** on SCR 109 SD1. Walgreens operates more than 9,000 pharmacy locations across all 50 states, the District of Columbia, and Puerto Rico, including 13 stores on the islands of O’ahu and Maui. Our pharmacies serve as accessible healthcare hubs, providing critical medication access and in-person pharmacist care to communities across Hawai’i.

This resolution directs the State Auditor to reexamine Act 226 (2013), which was enacted to address inequities between community pharmacies and mail-order pharmacy operations. Act 226 plays an important role in preserving patient choice, medication safety, and a fair competitive environment by ensuring that local pharmacies can continue to serve as accessible healthcare resources throughout the state.

Walgreens appreciates the amendments adopted in prior committees to recognize the importance of pharmacy access in rural and underserved areas. However, we are concerned that a review narrowly focused on mail-order pharmacy risks overlooking the broader systemic forces shaping pharmacy access today—particularly the role of Pharmacy Benefit Managers (PBMs).

PBMs increasingly influence where and how patients obtain their medications, including through PBM-affiliated mail-order arrangements that may steer patients away from community pharmacies. These practices can disrupt continuity of care, limit access to in-person pharmacist counseling, and undermine the sustainability of local pharmacies that serve as frontline healthcare providers—especially in rural communities where alternatives may be limited.

Mail-order pharmacy is often promoted as a cost-saving and efficient model, yet these claims warrant careful, evidence-based evaluation. Automatic refill and shipment practices may lead to medication oversupply, waste, and higher overall costs when therapies change or medications go unused. These inefficiencies ultimately affect patients, plans, and the healthcare system as a whole.

Community pharmacies provide services that cannot be replicated through mail-order channels, including real-time medication access, direct pharmacist intervention, immunizations, and face-to-face patient support. These services are especially critical for seniors, patients managing chronic or complex conditions, and individuals in rural or underserved areas.

For these reasons, Walgreens respectfully urges the Committee to broaden the scope of the resolution. Rather than reexamining mail-order pharmacy alone, we recommend directing a more comprehensive study of PBM practices and their impacts on medication access, patient care, healthcare costs, and the long-term sustainability of community pharmacies across Hawai'i.

Thank you for the opportunity to offer these comments and for your consideration of this important issue.



**LATE**

**SCR-109-SD-1**

Submitted on: 4/20/2026 4:13:01 PM

Testimony for CPC on 4/22/2026 2:00:00 PM

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

Comments:

I oppose SCR109 SD1 if it applies to mail order pharmacies incorporated out of state that mail prescription drugs from the Mainland of internationally.

I support SCR109 SD1 if it applies to pharmacies based in Hawaii that provide mail order delivery of prescription drugs.

Mahalo