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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce and Consumer Affairs
Tuesday, April 7, 2026
9:15 a.m.
State Capitol, Room 229 and via Videoconference**

**On the following measure:
S.R. 102, URGING THE INSURANCE COMMISSIONER TO
STUDY THE POTENTIAL BENEFITS OF EXPANDING THE
USE OF MAIL-ORDER PHARMACY IN THE STATE.**

Chair Keohokalole, Vice Chair Fukunaga, 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; and
- (6) Options to ensure that patients who prefer mail-order pharmacy can readily select this option as part of their prescription benefits.

Topics (1), (4) and (5) in particular require an assessment of medical, geographic and emergency (disaster) practices and outcomes. Such an assessment would require the Department to rely upon data and analysis conducted by other county and state agencies, e.g., Department of Health, Med-QUEST, Hawaii Emergency Management Agency, and county planning and elderly affairs agencies. An assessment may also require funding for technical, medical and scientific services.

Therefore, the Department requests that this measure be amended to request that all applicable state and county agencies cooperate with the Department's request for data and other assistance, and that a nominal amount of funds (e.g., \$100,000) be appropriated.

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



March 7, 2026

The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair
Senate Committee on Commerce and Consumer Protection

Re: SCR109/SR102 – URGING THE INSURANCE COMMISSIONER TO STUDY THE POTENTIAL BENEFITS OF EXPANDING THE USE OF MAIL-ORDER PHARMACY IN THE STATE.

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

HMSA appreciates the opportunity to testify in support of SCR 109 and SR 102, which urges the insurance commissioner to study the potential benefits of expanding the use of mail order pharmacy in the state.

SCR109/SR102 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 feel it is important to continue to allow for 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/SR102** 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
Senate Committee on Commerce and Consumer Protection
Tuesday, March 7, 2026

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

Honorable Chair Keohokalole, Vice Chair Fukunaga, 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.¹ 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.² 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.³

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.⁴ 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.^{4,5}

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. Mahalo for the opportunity to testify.

Very respectfully,

A handwritten signature in black ink that reads "Corrie L. Sanders". The signature is fluid and cursive, with the first name "Corrie" and last name "Sanders" clearly legible.

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 7, 2026

To: Chair Keohokalole, Vice Chair Fukunaga, and Members of the Senate Committee on Commerce and Consumer Protection (CPN)

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: Apr. 7, 2026; 9:15 a.m./Conference Room 229 & Videoconference

Re: Support for SCR109/SR102 – 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/SR102. 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/SR102.

Sincerely,

HAHP Public Policy Committee
cc: HAHP Board Members



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: April 3, 2026

TO: Senator Keohokalole
Chair, Senate Committee on Commerce and Consumer Protection

Senator Carol Fukunaga
Vice Chair, Senate Committee on Commerce and Consumer Protection

FROM: Tiffany Yajima

RE: **SCR 109 / SR 102 – URGING THE INSURANCE COMMISSIONER TO
STUDY THE POTENTIAL BENEFITS OF EXPANDING THE USE OF
MAIL-ORDER PHARMACY IN THE STATE.**

**Hearing Date: Tuesday, April 7, 2026 at 9:15 a.m.
Conference Room: 229**

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

Thank you for the opportunity to provide **comments expressing concerns** regarding SCR 109 / SR 102.

This resolution directs the Auditor to re-examine Act 226 (2013), a statute originally enacted to address inequities between community pharmacies and mail-order pharmacy operations.

This resolution may inadvertently privilege mail-order pharmacy models without an evidence-based assessment of the financial, operational, and patient-safety risks associated with that system. By initiating a review that appears to question the continued relevance of Act 226, the resolution risks shifting policy considerations toward the mail-order model that has well-documented limitations, particularly in areas of medication safety, continuity of care, and equitable access to care for vulnerable populations.

Mail-order pharmacy systems are often promoted as efficient or cost-saving, yet experience shows a more complicated picture. Automatic shipments can lead to oversupply, waste, and higher overall medication spending. Patients may receive refills they no longer need, or therapies may change before the next shipment arrives. These inefficiencies ultimately drive-up costs across the healthcare system.

Community and retail pharmacies are positioned in communities and are often the most frequent and most accessible points of personal contact a patient has with the healthcare system.

Retail and community pharmacies can provide real-time counseling by a pharmacist who can intervene when a patient is confused, has questions, or is at risk of non-adherence.

Physical pharmacies remain essential access points for patients, providing immediate assistance particularly in rural and underserved areas in a way that mail-order systems cannot replicate.

Act 226 was enacted to ensure that community pharmacies could continue to fulfill this role in our local communities. Preserving a fair and competitive framework is essential to maintaining patient choice, safeguarding medication safety, and supporting the local pharmacies that serve as vital healthcare resources across Hawaii.

For these reasons, we respectfully urge the committee to ensure that any evaluation of Act 226 fully accounts for the documented risks, hidden costs, and patient-care implications associated with mail-order pharmacy systems. We also urge the committee to consider the broader impacts of mail-order pharmacy on community access to care and on community pharmacies.

Thank you for the opportunity to provide these comments.

LATE



MOLOKA'I DRUGS, INC.
EST. 1935

April 6, 2026

Testimony in Opposition
SCR 109 - URGING THE INSURANCE COMMISSIONER TO STUDY THE POTENTIAL BENEFITS OF
EXPANDING THE USE OF MAIL-ORDER PHARMACY IN THE STATE

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

My name is Kelly Go and I am the pharmacist-in-charge at Molokai Drugs, Inc. (MDI).

MDI is a 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.

We are respectfully submitting testimony in strong opposition to using valuable State of Hawaii taxpayer dollars, energy, and time to fund a study as stated in SCR 109. These taxpayer dollars should be spent cleaning up and fixing up drainage, etc. on Molokai, Maui, and Oahu after Kona storms 1 and 2.

Forcing any type of mandatory mail would actually provide less access to patients, especially in rural Hawaii, and especially for our fragile, senior citizens who need extra care, in-person, to manage their medical needs, which includes prescription drug dispensing.

Mail order is an option and is not any cheaper than going to a retail pharmacy (i.e. Longs, KTA, Walgreens, Molokai Drugs, etc.).

We have had patients show us their specialty and chronic medications that came on ice packets that were completely melted.

Also, 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 on Molokai do not have computers and smart phones and some do not have phones to help them with any type of mail order.

--more--

Testimony in Opposition

SCR 109 - URGING THE INSURANCE COMMISSIONER TO STUDY THE POTENTIAL BENEFITS OF EXPANDING THE USE OF MAIL-ORDER PHARMACY IN THE STATE

Page 2 of 2

Our staff helps our kupuna:

- decipher the insurance snail mail and brochures that come to the post office;
- make phone calls to Hawaii Medicaid (Quest) for them;
- 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 can tell you dozens of situations of our patients being coerced to switch to mail order by very aggressive salespeople via phone.

Even our late grandmother (her two sons are part of the ownership of Molokai Drugs) was taken advantage of and frauded into buying over-the-counter vitamins by mail order by a tricky salesperson.

Another situation we have on Molokai -- almost all residents need to drive to a USPS post office to pick-up their mail. We all have a private post office box and only a handful of residents are able to receive USPS mail by "star route." This would include mail-order prescription drugs that are not always stored in safe and proper temperatures. This is especially the case from May to October when temperatures can go over safe conditions during the hot months of summer in our Molokai post offices.

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.

Thank you for this opportunity to provide written testimony on why mail order does not always work for Hawaii residents. We appreciate your commitment as our elected officials to pass Hawaii state laws that will provide the ***highest level of quality and safe healthcare*** to our Hawaii (and Molokai) residents and consumers.

With aloha,

Kelly Go /s/

Kelly S.M. Go
Pharmacist-in-Charge and Vice President
Molokai Drugs, Inc.
PO Box 558
Kaunakakai, Molokai, HI 96748
Work 808-553-5790
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MOLOKA'I DRUGS, INC.

EST. 1935

LATE

April 6, 2026

**Testimony in Opposition
SCR109 - URGING THE INSURANCE COMMISSIONER TO STUDY THE POTENTIAL BENEFITS OF EXPANDING
THE USE OF MAIL-ORDER PHARMACY IN THE STATE**

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

On behalf of the 6,800 residents of Molokai, I respectfully submit testimony in **strong opposition to SCR109**. Mail order would provide less access to patients, especially in rural Hawaii. 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 day; we deliver for free; we call providers all over Hawaii for their refill requests; we call our patients to confirm that they have no refills and need to see their doctors.

- I have personally delivered medicine to a kupuna at Hale Mahaolu. She did not have one medicine since January 22, 2026 due to a glitch where her provider accidentally sent her medicine to a mail order pharmacy. I was able to give her what she needed from Molokai Drugs. She had five medicines and her copays were less than two dollars and never wanted to leave Molokai Drugs.
- Another "Nana" in her late 60s was forced by a mainland salesperson over-the-phone to switch to their mail order pharmacy. They said we will deliver straight to you. The person was obviously not from Molokai because Nana would have to ask her daughter to drive to the post office to pick up her medicine. Once our pharmacist talked to her, she realized Molokai Drugs delivers straight to her doorstep with our driver. She thought Molokai Drugs was calling her and was confused.

We can tell you many stories of these patients—especially kupuna—being coerced to switch to mail order and walking into our pharmacy and wondering why their medicines are not on our shelf.

These tactics are used by very aggressive, mail order pharmacies and these conversations are always on a recorded line. When they are questioned, they can state that the patient said, "Yes," even if he or she did not fully understand the issue.

On Molokai, almost all residents need to go to one of five post offices to pick-up their mail. Because of our small numbers, the U.S. Postal Service (USPS) post offices maintain limited hours of operation. One Molokai post office is only open Monday to Friday from 9am to 12pm (15 hours per week). **If you do not pick-up your box by Friday noon, your mail order insulin on ice may be stored in a non-air-conditioned facility for 69 hours until Monday at 9am.** When this happens, the ice is melted since no mainland mail orders come to Molokai overnight. Airline delays and cancellations are also more common during the winter months. This past month was an example of this with the Kona storms one and 2 throughout Hawaii, especially on Maui, Molokai, and Oahu.

The USPS is also implementing significant rate increases in 2026, including a "temporary 8% surcharge on most shipping services starting April 26, 2026, due to rising transportation costs." In January 2026, average rates for Priority Mail will rise 6.6%, Ground Advantage by 7.8%, and Priority Mail Express by 5.1%. USPS did not shut down during federal government shutdowns because it is an independent entity funded by product sales, not tax dollars. Postmaster General David Steiner also warned in March 2026 that **USPS faces a potential cash-out by late 2026 without financial reforms, which could force service cuts** (source: USPS website).

I am also here for our 23 full-time and part-time employees who are State of Hawaii taxpayers and support 102 people in their households. Mail order does not help local Hawaii-based businesses. It will cause pharmacies such as Molokai Drugs to cut hours, lay-off employees, and possibly close our business.

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 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

April 6, 2026

The Honorable Jarrett Keohokalole,
Chair, Senate Committee on Commerce and Consumer Protection
The Honorable Carol Fukunaga
Vice Chair, Senate Committee on Commerce and Consumer Protection

RE: SCR 109 – NCPA Opposes

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

I am writing on behalf of the National Community Pharmacists Association (NCPA) in strong opposition to SC 109, a resolution that speaks against sensible policies that preserve patient access to their local community pharmacies.

NCPA represents the interest of America's community pharmacists, including the owners of more than 19,400 independent community pharmacies across the United States and approximately 41 independent community pharmacies in Hawaii. These pharmacies employed approximately 508 residents, and they filled over 2.7 million prescriptions in 2024.

Community pharmacists have long known that opaque PBM practices not only hamper patients' ability to obtain pharmacy services from their trusted community pharmacists, but those practices can also lead to higher drug costs for both patients and plan sponsors. Due to the massive consolidation and vertical integration in the health insurance market¹, the three largest PBM's control 80% of the prescription drug market² giving them the power to engage in abusive practices which limit patient access, increase drug costs and threaten the viability of small business pharmacies.

The premise of the resolution is misinformed. The bill suggests that mail order is preferred by patients. One study indicates that 85% of patients prefer to get their prescriptions at a local pharmacy.³ A provider survey asked about specific mail order concerns and huge percentages voiced concerns about wrong products being delivered, products arriving late or not at all, and products left outside in harsh conditions.⁴ To this latter concern, states are beginning to legislate out of concern for product integrity. SB 2283 sets Hawaii in the wrong direction on these concerns.

¹ <https://ncpa.org/sites/default/files/2023-01/verical-bus-chart.jpg>

² [Drug Channels: The Top Pharmacy Benefit Managers of 2021: The Big Get Even Bigger](#)

³ <https://ncpa.org/sites/default/files/2021-03/mo-nationalpollresults3.pdf>

⁴ <https://ncpa.org/sites/default/files/2020-12/ncpa-mail-order-survey-results-120720.pdf>

Mail order does not reduce cost. To the contrary, it is vehicle for patient steering that leads to higher costs. PBMs regularly require patients to utilize a PBM-owned or affiliated mail-order pharmacy. The PBM is then free to reimburse its pharmacy at higher rates, thereby forcing patients and plan sponsors to pay higher costs to the PBM. One study from Washington State found mail order was three times more expensive than brick and mortar pharmacies for generic drugs and an astonishing 35 times higher for brand name drugs relative to an independent pharmacy.⁵

Mail order is also wasteful. Larger quantities are shipped to patients, often without counseling, and much of this product expires and remains unused.⁶ Early refills and automatic refills only make matters worse. Perhaps worst of all is how mail order disrupts the relationship between a patient and their trusted community pharmacist. Community pharmacies are on the front lines of health care, often the most accessible health care provider. Patients rely on the counseling and expertise of their pharmacist.

We urge you to oppose this harmful resolution. If you have any questions, please do not hesitate to contact me at (703) 600-1186 or joel.kurzman@ncpa.org.

Sincerely,

A handwritten signature in black ink that reads "Joel Kurzman". The signature is written in a cursive style and is centered within a light gray rectangular box.

Joel Kurzman
Director, State Government Affairs

⁵ <https://www.3axisadvisors.com/projects/2024/6/25/understanding-drug-pricing-from-divergent-perspectives-state-of-washington-prescription-drug-pricing-analysis-jh92>

⁶ <https://ncpa.org/sites/default/files/2026-01/waste-not-want-not.pdf>