

STAND. COM. REP. NO. 1175

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 1359  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1359 entitled:

"A BILL FOR AN ACT RELATING TO THE STATE PHARMACY ASSISTANCE PROGRAM,"

begs leave to report as follows:

The purpose of this bill is to create a Hawaii State Pharmacy Assistance Program by merging the current State Pharmacy Assistance Program, which coordinates the Medicare Part D drug benefit and the Hawaii Rx Plus Program under a single comprehensive Hawaii State Pharmacy Assistance Program umbrella.

The Department of Human Services (DHS) testified in support of this bill. Kokua Council, Hawaii Aging Advocates Coalition, and AARP Hawaii supported the intent of this measure.

Your Committee has amended this bill by inserting language that requires:

- (1) DHS to take all steps necessary to enable participation in joint prescription drug purchasing agreements with any other health benefits plan or organization within or outside of this state; and
- (2) The Director of DHS to:

HB1359 HD1 HSCR FIN HMS 2007-2819



- (A) Execute any joint purchasing agreements with a health benefits plan or organization that will lower the cost of prescription drugs while maintaining quality;
- (B) For Hawaii Employer-Union Health Benefits Trust Fund plans, execute any joint purchasing agreements that will lower the cost of prescription drugs and provide quality services that is negotiated through the collective bargaining process;
- (C) Renegotiate and amend existing contracts to which DHS is a party if this will be of economic benefit to the continued health benefits plan and its beneficiaries and improve the overall quality of health care services provided; and
- (D) Report annually to the Governor and the Legislature DHS' progress in securing Hawaii's participation in joint purchasing agreements.


Your Committee has also amended this bill by:

- (1) Deleting the appropriation to DHS for conducting the study to gather information on the size of the target population, utilization data, and other information as needed for DHS to identify the amount of the appropriation needed to implement the secondary discount price and other costs of the Hawaii State Pharmacy Assistance Program;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1359, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1359, H.D. 1.



Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

HSR 1175

Record of Votes of the Committee on Finance

<b>Bill/Resolution No.:</b> <div style="font-size: 1.2em; margin-left: 100px;">HB 1359</div>	<b>Date:</b> <div style="font-size: 1.2em; margin-left: 100px;">2/27/07</div>			
<b>Committee Referral:</b> <div style="font-size: 1.2em; margin-left: 100px;">HCT/HSR, CPC, FIN</div>	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input type="checkbox"/> Pass, unamended   <input type="checkbox"/> Hold         </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> Pass, with amendments   <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration         </div> </div>				
<b>FIN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. BELATTI, Della Au	✓			
4. BROWER, Tom	✓			
5. CARROLL, Mele	✓			
6. CHONG, Pono	✓			
7. HANOHANO, Faye P.	✓			
8. HAR, Sharon E.	✓			
9. MAGAOAY, Michael Y.	✓			
10. MANAHAN, Joey	✓			
11. MIZUNO, John	✓			
12. NAKASONE, Bob	✓			
13. RHOADS, Karl	✓			
14. SAGUM, Roland D., III	✓			
15. TOKIOKA, James Kunane	✓			
16. AWANA, Karen Leinani	✓			
17. MEYER, Colleen Rose	✓			
18. WARD, Gene, Ph.D.	✓			
<b>TOTAL</b>	18	0	0	0
<b>The recommendation is:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Adopted   <input type="checkbox"/> Not Adopted         </div> <div style="width: 45%;">           If joint referral, _____ did not support recommendation.  <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div> </div> </div>				
<b>Vice Chair's or designee's signature:</b> <div style="text-align: center; font-size: 1.5em; margin-top: 10px;">Marilyn Blee</div>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				