

STAND. COM. REP. NO.

1417

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 816
S.D. 2
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 Committees on Health and Human Services & Housing, to which was referred S.B. No. 816, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUG COST CONTAINMENT AND AFFORDABLE ACCESS,"

beg leave to report as follows:

The purpose of this bill is to ensure the affordability of prescription drugs by consolidating the Hawaii Rx Plus Program and the State Medicare Part D Program into a single Hawaii State Pharmacy Assistance Program. This consolidation will enable the new program to obtain approval from the Centers for Medicare and Medicaid Services as a federal qualified state pharmacy assistance program for the purpose of receiving mandated rebates from drug manufacturers.

The Department of Human Services (DHS) and Hawaii Medical Service Association testified in support of this bill. AARP Hawaii supported the intent of this measure. Pharmaceutical Research and Manufacturers of America opposed this bill.

Your Committees have amended this bill by directing DHS to:

- (1) Encourage participation in joint prescription drug purchasing agreements with any other health benefits plan or organization that agrees to participate in such an agreement; and

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- (2) Execute any joint purchasing agreements or contracts with any health benefits plan or organization that is negotiated through the collective bargaining process.

Technical, nonsubstantive amendments were also made to correct drafting errors and for style and clarity.

Your Committees respectfully request the Committee on Finance to consider removing the asset limits for eligibility in the State Medicare Part D Program as proposed by AARP.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 816, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services & Housing,



MAILE SHIMABUKURO, Chair



JOSHUA B. GREEN, M.D., Chair



