

STAND. COM. REP. NO.

2725

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2459
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 2459, S.D. 1,
entitled:

"A BILL FOR AN ACT RELATING TO REMOTE DISPENSING,"

begs leave to report as follows:

The purpose of this measure is to help meet the
pharmaceutical needs of patients in the State by authorizing the
use of remote dispensing pharmacies under the direct supervision
of a registered pharmacist in any county with less than 100,000
residents or outside of a ten mile radius of an existing pharmacy
in counties with a population greater than 100,000 residents.

Testimony in support of this measure was submitted by Kauai
County Subarea Health Planning Council, Kaiser Permanente, the
Hawaii Medical Service Association (HMSA), the Waianae Coast
Comprehensive Health Center, Ho'ola Lahui Hawai'i, the Hawaii
Pharmacists Association, and one private individual. Testimony in
opposition to this measure was submitted by the Department of
Commerce and Consumer Affairs, and the Board of Pharmacy.

Your Committee finds that the use of remote dispensing
pharmacies that are supported by modern telecommunication
technologies offers an innovative and efficient method of
providing residents of rural areas of the State with necessary
prescription medications. Remote dispensing pharmacies will
enable underserved communities to gain access to essential
medications.

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Your Committee recognizes the concerns indicated in submitted testimony with regards to the county population and ten mile radius requirements. Your Committee believes that remote dispensing machines should be made available to everyone regardless of county populations or radius restrictions as there are areas that do not qualify under the existing restrictions under this measure, but could still benefit greatly by the use of remote dispensing machines.

Furthermore, your Committee notes the comments indicated in testimony submitted by the Department of Commerce and Consumer Affairs that the Department does not have the expertise to perform a financial impact study on the use of remote dispensing machines on local pharmacies within a ten mile radius as required under section 4 of this measure. However, the Department indicated that it is able to report on the use of remote dispensing machines to the Legislature.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that limits a remote dispensing machine to any county with less than 100,000 residents or outside of a ten mile radius of an existing pharmacy in counties with greater than 100,000 residents;
- (2) Deleting language that requires the Department of Commerce and Consumer Affairs to submit an annual report to the Legislature that includes information on the financial impact that remote dispensing machines have on local pharmacies within a ten mile radius;
- (3) Changing the effective date of this measure from upon its approval to July 1, 2050 to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

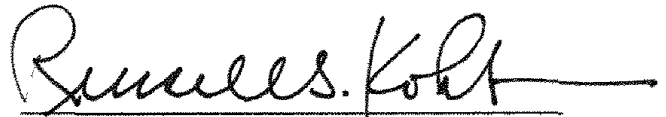
Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to help meet the pharmaceutical needs of patients in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing



that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2459, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2459, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



RUSSELL S. KOKUBUN, Chair



