

STAND. COM. REP. NO.

**3089**

Honolulu, Hawaii

APR - 8 2010

RE: S.C.R. No. 42  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.C.R. No. 42, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION EXPRESSING SUPPORT FOR LOCAL ACCOUNTABILITY OF DRUG FORMULARIES AND DRUG PRIOR AUTHORIZATION POLICIES,"

begs leave to report as follows:

The purpose of this measure is to demonstrate Legislative support for the maintenance of locally-based pharmacy and therapeutics committees to make decisions on drug formulary and drug prior authorization policies of all health insurance plans doing business in Hawaii, including those under contract with Hawaii Med-QUEST.

Testimony in support of this measure was submitted by the Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some Hawaii insurance plans are outsourcing determination of drug formularies and drug prior authorization policies to out-of-state pharmacy benefit managers. This outsourcing is resulting in a decrease of Hawaii jobs and drug policies that are unreasonable and burdensome for doctors, pharmacies, and patients. Your Committee further finds that these burdens are resulting in some doctors limiting acceptance of health insurance plans, which is negatively impacting patient access to care.

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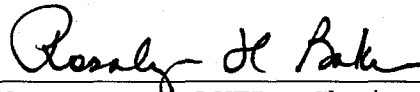


Your Committee hopes that locally-based pharmacy and therapeutics committees will be maintained to make decisions on drug formulary and drug prior authorization policies that reflect the practical and market realities of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 42, S.D. 2.

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




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ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

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| Bill / Resolution No.:*<br><i>SCR 42 SD1</i>                                                                                                                                                                             | Committee Referral:<br><i>HTH, CPN</i> | Date:<br><i>04-07-10</i> |          |          |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____                                                                        |                                        |                          |          |          |
| The Recommendation is:<br><input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313         |                                        |                          |          |          |
| Members                                                                                                                                                                                                                  | Aye                                    | Aye (WR)                 | Nay      | Excused  |
| BAKER, Rosalyn H. (C)                                                                                                                                                                                                    | ✓                                      |                          |          |          |
| IGE, David Y. (VC)                                                                                                                                                                                                       |                                        |                          |          | ✓        |
| ESPERO, Will                                                                                                                                                                                                             | ✓                                      |                          |          |          |
| GREEN, M.D., Josh                                                                                                                                                                                                        | ✓                                      |                          |          |          |
| IHARA, Jr., Les                                                                                                                                                                                                          |                                        |                          |          | ✓        |
| SAKAMOTO, Norman                                                                                                                                                                                                         |                                        |                          |          | ✓        |
| HEMMINGS, Fred                                                                                                                                                                                                           | ✓                                      |                          |          |          |
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| <b>TOTAL</b>                                                                                                                                                                                                             | <i>4</i>                               | <i>0</i>                 | <i>0</i> | <i>3</i> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted                                                                                                                         |                                        |                          |          |          |
| Chair's or Designee's Signature:<br>                                                                                                  |                                        |                          |          |          |
| <b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod<br>File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy |                                        |                          |          |          |

\*Only one measure per Record of Votes