



HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
Rep. Karl Rhoads, Chair

HOUSE COMMITTEE ON HUMAN SERVICES
Rep. John Mizuno, Chair

HOUSE COMMITTEE ON HEALTH
Rep. Ryan Yamane, Chair

Conference Room 309 at 10:10 a.m.
March 29, 2011

Supporting HCR 128.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. In their efforts to provide quality care to all of Hawaii's residents, our members employ over 40,000 people. Thank you for this opportunity to testify in support of HCR 128, which requests the Governor to convene a task force to develop a statewide policy regarding pharmacy benefit management companies (PBMCs).

PBMCs aggregate the buying power of millions of enrollees through their client health plans, enabling plan sponsors and individuals to obtain lower prices for their prescription drugs through price discounts from retail pharmacies, rebates from pharmaceutical manufacturers, and the efficiencies of mail-service pharmacies. PBMCs operate in a demanding marketplace where competition is vigorous.

Many states, including Maine, Florida, and Indiana, have laws that regulate PBMCs. The task force created by this resolution is the first step in developing a regulatory structure for them.

We would like to highlight one of the alternatives that the task force will consider, specifically, the "Patients Right to Choose Their Own Pharmacy." We support the concept that each insurance plan pays all providers the same amount for a particular product or service, whether the provider is in the plan's network or outside of it. This concept should apply not only to pharmacies, but also to physicians, hospitals, nursing homes, medical equipment suppliers, and other types of health care providers.

Thank you for the opportunity to testify in support of HCR 128.