

STAND. COM. REP. NO.

1383

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 65
H.D. 2
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 65, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure that the beneficiary in a prescription drug benefit plan has a choice of purchasing prescription drugs from either a mail-order pharmacy or a retail pharmacy.

Your Committee received written comments in support of this measure from the Hawaii Food Industry Association, the Hawaii Medical Association, the Kauai Chamber of Commerce, Molokai Drugs Inc., Walgreens, and several individuals. Your Committee received written comments in opposition to this measure from CVS Caremark Association and the Hawaii Medical Service Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that this measure is necessary to ensure that Hawaii continues to have a robust network of pharmacies to serve and provide choices to prescription drug benefit plan beneficiaries in the State.

Your Committee has amended this measure by:

- (1) Clarifying and defining the terms used in the measure;

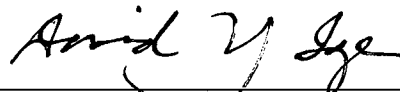
HB65 SD2 SSCR LRB 13-2579.doc



- (2) Authorizing a beneficiary of any prescription drug benefit plan, including one enrolled in the Hawaii Employer-Union Health Benefits Trust Fund health benefits plan, to purchase prescription drugs from any pharmacy within the pharmacy benefit manager's retail pharmacy network;
- (3) Deleting language relating to the manipulation of drug co-payment amounts;
- (4) Prohibiting prescription drug benefit plan providers from prohibiting or restricting a pharmacy benefit manager from complying with the requirements of this measure;
- (5) Deleting binding arbitration as an alternative to judicial review;
- (6) Clarifying the entities that are required to submit a report to the Legislature and the scope of their reports;
- (7) Changing the effective date to July 1, 2050, to facilitate continued discussion; and
- (8) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 65, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 65, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

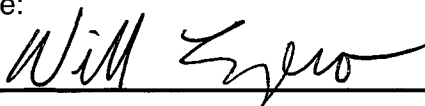


DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 65, HD2, SD1	Committee Referral: CPN/JDL, WAM	Date: 4/4/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
TOTAL	12	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

***Only one measure per Record of Votes**