

Honolulu, Hawaii

March 24, 2016

RE: S.B. No. 2376
S.D. 1
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2376, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUG BENEFITS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow in counties with an area of 2,000 square miles or more, prescription drug benefit plan beneficiaries to obtain a prescription without penalty from a non-network retail community pharmacy located within 10 miles of a beneficiary's residence, when the nearest network retail community pharmacy is located over 10 miles away;
- (2) Require non-network retail community pharmacies to be reimbursed for dispensing to non-network beneficiaries; and
- (3) Require the Insurance Commissioner to submit reports to the Legislature regarding the impact on healthcare costs.

The Hawaii Employer-Union Health Benefits Trust Fund; CVS Health; Walgreen Co.; Kaiser Permanente Hawaii; Hawaii Medical Service Association; Hawaii Association of Health Plans; and Ohana Health Plan opposed this measure. The Department of Commerce and Consumer Affairs and the Queen's Health Systems provided comments.

SB2376 HD2 HSCR CPC HMS 2016-2976



Your Committee has amended this measure by:

- (1) Making it applicable to counties with an area of 3,000 square miles or more; and
- (2) Inserting a dispensing fee of \$12.50 to be reimbursed to non-network retail community pharmacies that dispense prescriptions to non-network beneficiaries.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2376, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2376, S.D. 1, H.D. 2.

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



ANGUS L.K. McKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HGR 1266-16

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2376 SDI HDI	Committee Referral: HRT, CPC, FIN	Date: 3-23-16		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. WOODSON, Justin H. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CREAGAN, Richard P.	/			
6. HAR, Sharon E.	/			
7. HASHEM, Mark J.	/			
8. KAWAKAMI, Derek S.K.				/
9. LEE, Chris	/			
10. NAKASHIMA, Mark M.	/			
11. OSHIRO, Marcus R.				/
12. SAN BUENAVENTURA, Joy A.	/			
13. TAKAYAMA, Gregg	/			
14. YAMANE, Ryan I.	/			
15. FUKUMOTO CHANG, Beth	/			
16. McDERMOTT, Bob	/			
TOTAL (16)	14	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				