

STAND. COM. REP. NO.

981

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 1444
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1444, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PHARMACY BENEFIT MANAGERS,"

begs leave to report as follows:

The purpose of this measure is to require pharmacy benefit managers that conduct business in this State to register with the Insurance Commissioner.

Several concerned individuals testified in support of this measure. The Pharmaceutical Care Management Association and Express Scripts testified in opposition to this measure. The Department of Commerce and Consumer Affairs and CVS Health provided comments.

Your Committee finds that the actions of pharmacy benefit managers can have wide-ranging impacts on pharmacies and consumers in Hawaii, particularly those consumers in rural areas who may have limited access to pharmacies within a pharmacy benefit manager's network. Despite these potential impacts, pharmacy benefit managers are not currently subject to state regulation and oversight and that it is a situation warranting immediate legislative action.

HB1444 HD2 HSCR CPC HMS 2017-2660



Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2017.

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 H.B. No. 1444, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1444, H.D. 2.

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



ANGUS L.K. McKELVEY, Chair



