
HOUSE RESOLUTION

REQUESTING THE DIRECTOR OF HEALTH CONVENE A WORKING GROUP TO
CONDUCT A STUDY RELATING TO PRESCRIPTION DRUG AFFORDABILITY
REVIEW AND RATE SETTING AND SUBMIT PROPOSED LEGISLATION.

1 WHEREAS, prescription medications are as important to the
2 health and safety of State residents as traditional public
3 services or utilities such as transportation, gas, electric,
4 telecommunications, and water; and
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6 WHEREAS, the state has traditionally regulated the consumer
7 price of utilities because of the monopoly structure of the
8 market; and
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10 WHEREAS, the cost of many prescription drugs have become
11 increasingly unaffordable for residents, employers, and the
12 State because parts of the prescription drug market are
13 monopolies or oligopolies, and the costs to consumers in these
14 parts of the market are not managed; and
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16 WHEREAS, the difference between the affordability of
17 traditional utilities and the costs/affordability of
18 prescription drugs is due in part to the active role of our
19 State government in directing how much consumers pay for
20 utilities and the corresponding inactive role of our State
21 government in directing how much consumers pay for drug; and
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23 WHEREAS, state and federal agencies have a long history of
24 health care rate setting including for brand pharmaceuticals and
25 biologics, and generic drugs to control health care costs; and
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27 WHEREAS, Canada has a national drug price review board that
28 seldom has to exert its express authority in order for the
29 industry to offer drugs to market at prices that are, on
30 average, 30 percent less than U.S. list prices; and
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1 WHEREAS, a growing number of states are considering
2 legislation to create prescription drug affordability review
3 boards; and
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5 WHEREAS, the state has a legitimate government interest in
6 increasing transparency in prescription drug pricing and
7 controlling state costs in prescription drug coverages; now,
8 therefore,
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10 BE IT RESOLVED by the House of Representatives of the
11 Thirtieth Legislature of the State of Hawaii, Regular Session of
12 2020, the Senate concurring, that this body requests the
13 Director of Health to convene a working group to conduct a study
14 relating to prescription drug affordability review and rate
15 setting and submit proposed legislation; and
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17 BE IT FURTHER RESOLVED that the study and proposed
18 legislation should include:
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20 (1) the makeup and duties of a commission whose purpose is
21 to collect and review prescription drug pricing
22 information, assess fees to support the commission, and set
23 state program reimbursement rates;
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25 (2) types of prescription drugs to be included;
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27 (3) triggers that would warrant notification and
28 investigation of prescription drug costs, or cost
29 increases;
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31 (4) information that would be required for assessment,
32 considerations for implementation of set rates, and any
33 additional protections needed to maintain confidentiality
34 of such information that may be necessary;
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36 (5) financial need to maintain the commission and
37 sustainability of funding source options; and
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39 BE IT FURTHER RESOLVED that the working group shall consist
40 of the following members:
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42 (1) the Director of Health, or their designee;



H.C.R. NO. 87

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- (2) the Insurance Commissioner, or their designee;
- (3) the Chairperson of the Board of Pharmacy, or their designee;
- (4) one representative of Hawaii Pharmacists Association;
- (5) one representative of Hawaii Association of Health Plans;
- (6) one representative of American Association of Retired Persons; and

BE IT FURTHER RESOLVED that the Director of Health is requested to submit a report of its findings and recommendations, including proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2021; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor, the Lieutenant Governor, and each organization represented by a member of the working group.

OFFERED BY: _____



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