

STAND. COM. REP. NO.

457

Honolulu, Hawaii

February 14, 2019

RE: H.B. No. 1442
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 1442, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to:

- (1) Transfer jurisdiction over pharmacy benefit managers from the Department of Health to the Department of Commerce and Consumer Affairs, including for purposes of reimbursements, disclosure of information, complaints process, and enforcement;
- (2) Require pharmacy benefit managers to disclose lower-priced equivalent drugs when a maximum allowable cost rate is upheld upon appeal; and
- (3) Allow contracting pharmacies to reverse or rebill claims as a means of recouping any overpayment if a maximum allowable cost is denied on appeal.

Hawaii Pharmacist Association and Times Pharmacy in oral testimony testified in support of this measure. The Department of Commerce and Consumer Affairs, Department of the Attorney General, The Queen's Health System, Hawaii Medical Service Association,

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Cigna, and Pharmaceutical Care Management Association provided comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1442, H.D. 1, and recommend that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



CHRIS LEE, Chair



ROY M. TAKUMI, Chair



