

Honolulu, Hawaii
, 2020

FEB 14

RE: H.B. No. 1804
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1804, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PHARMACEUTICAL REPRESENTATIVES,"

begs leave to report as follows:

The purpose of this measure is to regulate pharmaceutical representatives in Hawaii by requiring these professionals to:

- (1) Register with the Department of Commerce and Consumer Affairs;
- (2) Meet continuing education requirements; and
- (3) Comply with certain ethical standards.

Your Committee received testimony in support of this measure from Kaiser Permanente Hawaii. Your Committee received testimony in opposition to this measure from Pharmaceutical Research and Manufacturers of America. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that pharmaceutical marketing can exert significant influence on prescription decisions and costs. The



pharmaceutical industry devotes substantial resources toward marketing because it is an effective tool to sell more drugs. For instance, sales of OxyContin ultimately exceeded \$35 billion, generating large profits for drug manufacturers; however, patients and their families suffered the consequences. Your Committee further finds that the public has very limited insight into how drugs are marketed, outside of what is revealed in discovery from court cases and advertisements on television. According to testimony received by your Committee, pharmaceutical companies spent \$20 billion on marketing in 2016, the vast majority of which was related to sales representatives and samples. This measure represents common sense policy that will help shine light on and foster ethical pharmaceutical marketing practices.

Your Committee has amended this measure by specifying that all applicants for registration as pharmaceutical representatives shall complete one continuing education required course, as determined by the Department of Commerce and Consumer Affairs.

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. 1804, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1804, H.D. 2.

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



ROY M. TAKUMI, Chair



