Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred H.C.R. No. 86 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND, AND MED-QUEST DIVISION TO PROVIDE INFORMATION TO THE LEGISLATURE REGARDING THE COSTS AND BENEFITS OF RELYING ON A SINGLE PROVIDER TO FULFILL PRESCRIPTION MEDICATION,"

begs leave to report as follows:

The purpose of this measure is to request that the Auditor, Hawaii Employer-Union Health Benefits Trust Fund, and Med-QUEST Division of the Department of Human Services provide information to the Legislature regarding the costs and benefits of relying on a single provider to fulfill prescription medication.

Your Committee received comments on this measure from the Department of Human Services, Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund, and Office of the Auditor.

Your Committee finds that the Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund) recently executed a contract that provides for only a single United States mainland-based pharmacy provider to fulfill pharmacy benefits for Trust Fund members enrolled in Preferred Provider Organization plans. Your Committee
further finds that this contract may have significant adverse consequences, including forcing smaller community pharmacies to lose business, increasing costs to Trust Fund members who live in areas that do not have convenient access to the single provider.

Your Committee has amended this measure by:

(1) Inserting language clarifying the Trust Fund's contract for pharmacy benefits for its beneficiaries and the ability of Trust Fund beneficiaries to fill prescriptions across the State;

(2) Removing language discussing the impact of the Trust Fund's contract with a pharmacy benefit manager on smaller community pharmacies;

(3) Clarifying that the Trust Fund is urged to request pharmacy providers to provide certain information to the Trust Fund on medication dispensed to Trust Fund beneficiaries;

(4) Clarifying that the Med-QUEST Division of the Department of Human Services, rather than pharmacy providers, is urged to collect certain information on medication dispensed to Med-QUEST beneficiaries by pharmacy providers; and

(5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health, Human Services, & Homelessness that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86, as amended herein, and recommends that it be referred to your Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 86, H.D. 1.
Respectfully submitted on behalf of the members of the Committee on Health, Human Services, & Homelessness,

Ryan I. Yamane, Chair
Record of Votes of the Committee on Health, Human Services, & Homelessness

Bill/Resolution No.: HCP 86

Committee Referral: HHH, CSC

Date: 3/23/21

☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)

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<tr>
<th>HHHH Members</th>
<th>Ayes</th>
<th>Ayes (WR)</th>
<th>Nays</th>
<th>Excused</th>
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<tbody>
<tr>
<td>1. YAMANE, Ryan I. (C)</td>
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<td>2. TAM, Adrian K. (VC)</td>
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<td>3. GATES, Cedric Asuega</td>
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<td>4. HAR, Sharon E.</td>
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<td>5. KAPELA, Jeanne</td>
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<td>6. LoPRESTI, Matthew S.</td>
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<td>7. NISHIMOTO, Scott Y.</td>
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<td>8. WARD, Gene</td>
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TOTAL (8) 7 1

The recommendation is: ☐ Adopted ☐ Not Adopted

If joint referral, ___________ did not support recommendation.

Vice Chair’s or designee’s signature: [Signature]

Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk’s Office Duplicate (Pink) – HMSO