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.

WHEREAS, the Hawaii Employer-Union Trust Fund (EUTF) has recently executed a contract that provides for only a single, United States mainland-based, pharmacy provider to fulfill pharmacy benefits for EUTF members enrolled in Preferred Provider Organization plans; and

WHEREAS, pursuant to this contract, EUTF enrollees must fulfill their prescriptions through the single pharmacy provider or go through a much more onerous out-of-network claims process; and

WHEREAS, the reimbursement rates for prescriptions fulfilled out-of-network are significantly lower than those fulfilled in-network; and

WHEREAS, although the goal of this EUTF contract may be to save money for the State and EUTF members, it could possibly result in many severe adverse consequences; and

WHEREAS, most significantly, forcing EUTF members to fulfill their prescriptions with a single provider will likely cause smaller community pharmacies to lose business; and

WHEREAS, small, independent pharmacies are an important part of the communities they serve, especially in rural areas and on the neighbor islands; and

WHEREAS, these independent pharmacies have accumulated generations worth of knowledge about the communities that they serve and understand them better than anyone else; and
WHEREAS, these pharmacies have long-standing personal relationships with their clients, which is an important aspect of effective healthcare; and

WHEREAS, the potential damage to community pharmacies may far outweigh any benefits the EUTF contract may bring the State; and

WHEREAS, due to increasing competition from internet-based, mail-order, and large corporate-owned "big box" pharmacies, many small and independent pharmacies have been forced out of business in recent years, and this situation has been exacerbated by additional challenges arising from the ongoing coronavirus disease 2019 pandemic; and

WHEREAS, once these community institutions close, they are gone forever; and

WHEREAS, Hawaii has experienced analogous situations in the past; and

WHEREAS, in 2006, Mesa Air Group entered the State's interisland airline market under the trade name "Go!," selling tickets at artificially low prices; and

WHEREAS, although interisland travelers initially benefitted from lower airline ticket prices, Mesa Air Group's anticompetitive practices resulted in the bankruptcy of Aloha Airlines, a local company with sixty-two years of service to the community; and

WHEREAS, Mesa Air Group withdrew from the State in 2014, leaving a single air carrier in Hawaii with a virtual monopoly over the interisland air travel market and resulting in more expensive costs for interisland travelers; and

WHEREAS, the State must analyze the practices of the EUTF, as well as the Med-QUEST Division of the Department of Human Services, which also manages a number of healthcare plans, to ensure that moneys used to provide medication to members of those programs are being expended in a fair and equitable manner
and that the State is not unduly placing short-term benefits over long-term adverse consequences; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-first Legislature of the State of Hawaii, Regular Session of 2021, the Senate concurring, that the Auditor is requested to conduct a study that analyzes the costs and benefits of the Hawaii Employer-Union Health Benefits Trust Fund relying on a single provider to fulfill prescription drugs; and

BE IT FURTHER RESOLVED that the study examine the immediate cost savings of relying on a single provider to fulfill prescription drugs against the long-term cost of potentially losing independent community pharmacies, including:

(1) The costs of losing pharmacies in rural communities that have accumulated generations of knowledge about the communities that they serve; and

(2) Costs to Hawaii Employer-Union Health Benefits Trust Fund members who live in locations that do not have convenient access to the single provider; and

BE IT FURTHER RESOLVED that the Auditor is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2022; and

BE IT FURTHER RESOLVED that each pharmacy provider in the State is requested to submit to the Hawaii Employer-Union Health Benefits Trust Fund a listing of the top fifteen generic medications, by number of units, dispensed by the pharmacy for Hawaii Employer-Union Health Benefits Trust Fund enrollees and the following data for each medication:

(1) Generic drug name;

(2) National drug code;

(3) Reimbursement per unit;
BE IT FURTHER RESOLVED that the Hawaii Employer-Union Health Benefit Trust Fund is requested to compile the data submitted by the pharmacies and submit the information to the Legislature no later than twenty days prior to the convening of the Regular Session of 2022; and

BE IT FURTHER RESOLVED that each pharmacy provider in the State is requested to submit to the Med-QUEST Division of the Department of Human Services a listing of the top fifteen generic medications, by number of units, dispensed by the pharmacy for Med-QUEST enrollees and the following data for each medication:

(1) Generic drug name;
(2) National drug code;
(3) Reimbursement per unit;
(4) Total units dispensed in 2020;
(5) Total value; and
(6) Plan BIN and PCN; and

BE IT FURTHER RESOLVED that the Med-QUEST Division of the Department of Human Services is requested to compile the data submitted by the pharmacies and submit the information to the Legislature no later than twenty days prior to the convening of the Regular Session of 2022; and

BE IT FURTHER RESOLVED that all data submitted by the pharmacies, Hawaii Employer-Union Health Benefits Trust Fund, and Med-QUEST Division of the Department of Human Services is requested to be deidentified; and
BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Auditor; Chair of the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund, who is requested to further transmit copies of this Concurrent Resolution to each pharmacy in the State that has fulfilled prescriptions for Hawaii Employer-Union Health Benefits Trust Fund enrollees in 2020; and Administrator of the Med-QUEST Division of the Department of Human Services, who is requested to further transmit copies of this Concurrent Resolution to each pharmacy in the State that has fulfilled prescriptions to Med-QUEST enrollees in 2020.

OFFERED BY:  

MAR 11 2021