HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND, AND MED-QUEST DIVISION OF THE DEPARTMENT OF HUMAN SERVICES 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 Health Benefits Trust Fund (EUTF) contracts with a pharmacy benefits manager (PBM) who further contracts with local and national pharmacies to fill prescriptions for EUTF members; and

WHEREAS, the PBM's network is open to all licensed pharmacies in Hawaii, excluding Kaiser Permanente and military pharmacies, and approximately 99.95 percent of EUTF member prescriptions are filled at an in-network pharmacy; and

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

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

WHEREAS, most significantly, forcing EUTF members to fulfill their prescriptions at in-network pharmacies may 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

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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 health care; 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 health care plans, to
ensure that monies 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, Hawaii Employer-Union Health Benefits Trust Fund, and Med-QUEST Division of the Department of Human Services are requested to provide information to the Legislature regarding the costs and benefits of relying on a single provider to fulfill prescription medication; and

BE IT FURTHER RESOLVED 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 Auditor's 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 the Hawaii Employer-Union Health Benefits Trust Fund is urged to request each pharmacy provider in the State 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;
4. Total units dispensed in 2020;
5. Total value; and
6. Plan BIN and PCN; and

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 the Med-QUEST Division of the Department of Human Services is requested to develop a listing of the top fifteen generic medications, by number of units, dispensed by each pharmacy in the State 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 and submit the information to the Legislature no later than

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BE IT FURTHER RESOLVED that all data submitted by the pharmacy providers, 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.