

BOARD OF PHARMACY

Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

AGENDA

- Date:** January 29, 2026
- Time:** 9:00 a.m.
- Location:** Virtual Videoconference Meeting-Zoom (see link below)
- In-Person Meeting Location:** PVL Exam Room 330, 3rd Floor
HRH King Kalakaua Building
335 Merchant Street, Honolulu, Hawaii 96813
- Phone:** 669-900-6833
- Zoom Link:** <https://dcca-hawaii-gov.zoom.us/j/88574515997?pwd=sbOnA3qoaQJTsZZ4veY6randh8ljBb.1>
- Meeting ID:** 885 7451 5997
- Passcode:** 376479
- Agenda:** This agenda is posted on the State electronic calendar as required by Hawaii Revised Statutes (“HRS”) section 92-7(b).

If you wish to submit written testimony on any agenda item, please email your testimony to pharmacy@dcca.hawaii.gov or by hard copy mail to: Attn: Board of Pharmacy, P.O. Box 3469, Honolulu, HI 96801. We request submission of testimony at least 24 hours prior to the meeting to ensure that it can be distributed to the Board members.

INTERNET ACCESS:

To view the meeting and provide live oral testimony, please use the link at the top of the agenda. You will be asked to enter your name. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You will also be asked for an email address. You may fill in this field with any entry in an email format, e.g., *****@***mail.com.

Your microphone will be automatically muted. When the Chairperson asks for public testimony, you may click the Raise Hand button found on your Zoom screen to indicate that you wish to testify about that agenda item. The Chairperson will individually enable each testifier to unmute their microphone. When recognized by the Chairperson, please unmute your microphone before speaking and mute your microphone after you finish speaking.

PHONE ACCESS:

If you cannot get internet access, you may get audio-only access by calling the phone number listed at the top on the agenda.

Upon dialing the number, you will be prompted to enter the Meeting ID which is also listed at the top of the agenda. After entering the Meeting ID, you will be asked to either enter your panelist number or wait to be admitted into the meeting. You will not have a panelist number. So, please wait until you are admitted into the meeting.

When the Chairperson asks for public testimony, you may indicate you want to testify by entering "*" and then "9" on your phone's keypad. After entering "*" and then "9", a voice prompt will let you know that the host of the meeting has been notified. When recognized by the Chairperson, you may unmute yourself by pressing "*" and then "6" on your phone. A voice prompt will let you know that you are unmuted. Once you are finished speaking, please enter "*" and then "6" again to mute yourself.

For both internet and phone access, when testifying, you will be asked to identify yourself and the organization, if any, that you represent. Each testifier will be limited to five minutes of testimony per agenda item.

If connection to the meeting is lost for more than 30 minutes, the meeting will be continued on a specific date and time. This information can be found on the Board's website https://cca.hawaii.gov/pvl/boards/pharmacy/meeting_schedule/

Instructions to attend State of Hawaii virtual board meetings may be found online at <https://cca.hawaii.gov/pvl/files/2020/08/State-of-Hawaii-Virtual-Board-Attendee-Instructions.pdf>.

1.

Call to Order

2.

Report from the Hawaii Pharmacists Association

3.

Review and Approval of Board Meeting Minutes

The Board may enter into Executive Session to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with HRS section 92-5(a)(4) to review the executive session minutes.

A. Meeting Minutes

1. December 18, 2025

Previous Executive Meeting Minutes

2. August 21, 2025
3. November 21, 2025

4. **Review of Advisory Committee Member Candidates**

The Board to review candidates for the Regulated Industries Complaints Office's ("RICO") Pharmacy Advisory Committee to become effective January 1, 2026.

The Board may enter into Executive Session to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with HRS section 92-5(a)(4).

5. **Pharmacy Technician Registration & Vaccine Authorization Update**

The Board to provide update on the new registration of Pharmacy Technicians including but not limited to the process for registering, and updates to vaccine registration.

Please be advised that in accordance with Hawaii Administrative Rules §16-201-90, informal opinions and interpretations are for informational and explanatory purposes only. They are not an official opinion or decision, and therefore not to be viewed as binding on the Board or the Department of Commerce and Consumer Affairs.

6. **Legislative Session**

The Board to review, discuss, and form positions as needed on measures introduced by the Hawaii State Legislature for the 2026 legislative session. Please be advised that the Board may vote to adjust its Legislative Liaison for the 2026 legislative session. The Legislative Liaison will provide support in the legislative session to address and support board positions between meetings.

The Board may enter into Executive Session to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with HRS section 92-5(a)(4).

A. **Bills concerning Pharmacy and Pharmacists**

1. HB223 HD1-Relating to Pharmacy

Establishes the Daniel K. Inouye College of Pharmacy Special Fund to support pharmacist workforce assessment and planning efforts. Establishes the pharmacist workforce assessment fee. Appropriates funds. Effective 7/1/3000. (HD1)

2. HB561-Relating to Pharmacists

Authorizes a registered pharmacist under contract with a covered entity for purposes of the federal 340B Drug Pricing Program to supervise via telehealth the filling or receipt of a prescription in certain circumstances.

3. HB 1643-Relating to Pharmacy

Specifies a framework for the administration of audits of records of pharmacists and pharmacies.

4. SB324-Relating to Pharmacists

Mandates reimbursement for services provided by participating registered pharmacists practicing within their scope of practice by private and public health plans in the State beginning January 1, 2026.

5. SB1279 HD1-Relating to Pharmacists

Authorizes a registered pharmacist under contract with a covered entity for purposes of the federal 340B Drug Pricing Program to supervise the filling or receipt of a prescription via telehealth in certain circumstances. Effective 7/1/3000. (HD1)

6. SB1579-Relating to Pharmacists

Mandates reimbursement for services provided by participating registered pharmacists practicing within their scope of practice by private and public health plans in the State after 7/1/2026.

7. SB2047-Relating to Pharmacy Benefit Managers

Establishes requirements for pharmacy benefit managers that reimburse contracting pharmacies for drugs on a maximum allowable cost basis, including maximum allowable cost lists, and maximum allowable cost reports, and complaints process.

B. Bills concerning prescriptions and other subjects related to Pharmacy

8. SB2208-Relating to Pharmacy Benefit Managers

Requires the Department of Human Services to establish or select and contract with a third-party administrator to serve as the State Pharmacy Benefit Manager (PBM) who shall be responsible for administering all pharmacy benefits for medicaid beneficiaries enrolled with medicaid

managed care organization. Requires medicaid managed care organizations to contract with and utilize the State PBM. Establishes requirements to procure the State PBM in addition to the requirements under state law governing purchases of health and human services. Establishes requirements and prohibitions for the contract to be used by the DHS when contracting with the state PBM. Requires the DHS to establish a single-preferred drug list to be used by the State PBM. Requires the DHS to consult with the Med-QUEST Healthcare Advisory Committee on the development, implementation, and oversight of the State PBM program. Requires reports to the Legislature. Appropriates funds.

9. SB2038-Relating to Medication Labeling

Authorizes certain pregnant persons to receive abortion medication with a label that does not bear their name and other identifying information.

10. SB1509 HD1-Relating to Prescription Drugs

Requires the Legislative Reference Bureau to conduct a study on best practices for the regulation of pharmacy benefit managers and reduction in prescription drug costs for health insurance plan beneficiaries. Requires a report to the Legislature. Effective 12/31/2050. (HD1)

11. SB1495 SD1-Relating to Hearing Aids

Exempts from the general excise tax, gross receipts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer drugs to an individual, from the sale of hearing aids. Effective 12/31/2050. Sunsets 1/1/2027. (SD1)

12. HB205 HD1-Relating to Workers' Compensation

Establishes a payment rate not to exceed cost plus forty per cent for nonprescription drugs, over-the-counter drugs, or nonlegend drugs for workers' compensation purposes, subject to certain conditions. Effective 7/1/3000. (HD1)

13. HB216-Relating to Prescription Drugs

Establishes requirements for the clinical review criteria and clinical practical guidelines used to establish step therapy protocols. Provides a process for a patient to request an exception to using step therapy protocols. Establishes insurance coverage requirements relating to the use of step therapy protocols and standards to appeal an adverse step therapy exception determination.

14. HB872 HD1-Relating to Health

Authorizes health care practitioners to make undesignated prescriptions of single-use epinephrine for the purpose of stocking a supply at various types of businesses and state and county government offices, including public schools. Effective 7/1/3000. (HD1)

15. HB903 HD1-Relating to Student Health

Authorizes a school to maintain a stock supply of bronchodilators to be administered under certain conditions. Authorizes certain employees of a school and department personnel to administer certain medication in emergency situations, under certain conditions. Amends prescription drug labeling requirements to include certain information related to a school, if applicable. Effective 7/1/3000. (HD1)

16. HB933 HD1-Relating to General Excise Tax Reductions

Reduces the general excise tax rate on the gross proceeds or gross income from the sale of groceries that are eligible under the Supplemental Nutrition Assistance Program (SNAP) or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), regardless of the means of purchase and the program eligibility of the purchaser. Reduces the general excise tax rate on the gross proceeds or income from the sale of nonprescription drugs. Requires DBEDT to conduct an economic cost-benefit analysis on the general excise tax reductions. Effective 7/1/3000. (HD1)

17. HB959-Relating to Taxation

Exempts the sale of groceries and nonprescription drugs from the general excise tax. Incrementally increases the general excise tax over four years, with the increased proceeds during certain fiscal years to be deposited into the general fund. Removes the state income tax on unemployment compensation benefits. Doubles the standard deduction for individuals earning less than \$100,000 and joint returns earning less than \$200,000. Repeals the incremental increases on standard income tax deduction amounts. Increases the minimum income threshold and exemption amount for the low-income household renters' income tax credit. Removes the tax liability for the first \$100,000 of individual income earned. Establishes the Maui Recovery Special Fund to be used for recovery programs related to the 2023 Maui wildfires. Appropriates funds. Applies to taxable years beginning after 12/31/2024.

18. HB1539-Relating to Prescription Drugs

Repeals certain prohibitions on the imposition of fees, conditions, or requirements on community retail pharmacies that are not imposed on mail order pharmacies.

19. HB1611-Relating to Taxation

Beginning 1/1/2027, establishes a yearly reduction in the general excise tax rate on groceries and nonprescription drugs on a tiered schedule, until 1/1/2034 and thereafter, when a full general excise tax exemption applies. Beginning 1/1/2028, provides a general excise tax exemption on the wholesale sale of groceries and nonprescription drugs. Beginning 1/1/2027, prohibits the counties from imposing a county surcharge on groceries and nonprescription drugs.

20. HB1648-Relating to Workers' Compensation

Prohibits health care providers from prescribing or dispensing nonprescription drugs, over-the-counter drugs, and nonlegend drugs for workers' compensation patients.

21. HB1767-Relating to Opioid Antagonists

Beginning 1/1/2027, requires health insurers, mutual benefit societies, and health maintenance organizations that issue policies, contracts, plans, or agreements that provide prescription drug coverage to provide coverage for at least one generic opioid antagonist and device.

22. SB226-Relating to Prescription Drugs

Establishes requirements for the clinical review criteria and clinical practical guidelines used to establish step therapy protocols. Provides a process for a patient to request an exception to using step therapy protocols. Establishes insurance coverage requirements relating to the use of step therapy protocols and standards to appeal an adverse step therapy exception determination.

23. SB480-Relating to Health

Prohibits drug manufacturers and wholesale distributors from restricting or denying access for pharmacies contracted with 340B covered entities to purchase 340B drugs at a discounted price under the federal 340B Drug Pricing Program. Imposes civil penalties for engaging in unfair or deceptive acts or practices in the conduct of any trade or commerce.

24. SB531-Relating to Education

Establishes provisions for the storage and maintenance of a stock supply of bronchodilators at schools. Requires the Department of Education to establish a protocol for the storage, usage, and administration of bronchodilators. Establishes provisions regarding the administration of certain medications by a volunteer at Department of Education schools. Clarifies labeling requirements for bronchodilator prescriptions issued to the Department of Education for a stock supply of bronchodilators.

25. SB874-Relating to Veterinary Medicine

Requires veterinarians to provide a written prescription, upon the request of a client, for any animal patient of a client with whom the veterinarian has established an existing veterinarian-client-patient relationship. Allows pharmacies licensed in the State to dispense medications prescribed by veterinarians. Authorizes the Hawai'i Board of Veterinary Medicine to establish penalties, which may include fines or suspension or revocation of a license.

26. SB875-Relating to General excise Tax Reductions

Reduces the general excise tax rate on the gross proceeds or income from the sale of groceries that are eligible under the supplemental nutrition assistance program (SNAP) or special supplemental nutrition program for women, infants, and children (WIC), regardless of the means of purchase and the program eligibility of the purchaser. Reduces the general excise tax rate on the gross proceeds or income from the sale of nonprescription drugs. Requires DBEDT to conduct an economic cost-benefit analysis on the GET reductions.

27. SB956-Relating to Prescription Drugs

Allows a patient seen in-person by another health care provider in the same medical group as the prescribing physician to be prescribed an opiate prescription for a three-day supply or less via telehealth.

28. SB1043 HD1-Relating to Taxation

Reduces the general excise tax rate imposed on nonprescription drugs by one half. Effective 7/1/3000. (HD1)

29. SB2104-Relating to the General Excise Tax

Implements a phased repeal of the state general excise tax on the sale of groceries and nonprescription drugs in the State. Prohibits counties from establishing county surcharges on the state general excise tax on gross income or gross proceeds from the sale of groceries and nonprescription drugs in the State. Prohibition on county surcharges to be repealed on 12/31/2030.

30. SB2106-Relating to Health

Prohibits the sale of nonprescription diet pills and dietary supplements for weight loss or muscle building to any person under eighteen years of age. Requires retail establishments and delivery sellers to follow certain protocols regarding certain products to prevent access by minors to the restricted products.

31. SB2283-Relating to Prescription Drugs

Repeals certain prohibitions on the imposition of fees, conditions, or requirements on community retail pharmacies that are not imposed on mail order pharmacies.

32. SB2610-Relating to Emergency Medication in Schools

Establishes provisions regarding the volunteered administration of certain medications by authorized persons at public schools, including requirements for parent authorization, administration instruction, and liability protections. Expands permitted emergency treatments to include epinephrine, inhalers, seizure rescue medication, glucagon, insulin, and blood-glucose monitoring.

7. **Applications**

The Board will enter into Executive Session pursuant to Hawaii Revised Statutes sections 92-5(a)(1) and 92-5(a)(4) to consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both and to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

A. Applications for Review

Pharmacist

1. Joshua Close

Pharmacy Intern

2. Suzanne Otani

Pharmacy Technician

3. Noli Diaz, Jr.
4. Miguel Cortes

Miscellaneous Permit (PMP)

5. LT Pharmacy Buyer, LLC
6. Clipper Distributing Company, LLC
7. VETOQUINOL USA, INC.
8. Melbourne Pharma, LLC

8. **Fees**

The Board to review the fees related to the practice of pharmacy, including but not limited to fees related to licensure and a renewal.

The Board may enter into Executive Session to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with HRS section 92-5(a)(4).

9. **Next Meeting**

February 19, 2026
9:00 a.m. to 12:00 p.m.
Queen Liliuokalani Conference Room
HRH King Kalakaua Building

10. **Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, contact Executive Officer Christopher Fernandez at (808) 586-2708 and as soon as possible, preferably by January 27, 2026. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

BOARD OF PHARMACY
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by § 92-7(b), Hawaii Revised Statutes (“HRS”).

Date: December 18, 2025

Time: 9:00 a.m.

In-Person Location: Queen Liliuokalani Conference Room
HRH King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii 96813

Virtual Participation: Virtual Videoconference Meeting – Zoom Webinar

Recording Link: <https://youtu.be/Y7tvQaL8BiY>

Present: Alanna Isobe, Chairperson (“Chair”)
Mark Brown, Vice Chair
Catalina Cross, Public Member
Brandon Rabang, Public Member
Allen Shih, Pharmacist
Shari Wong, Esq. Deputy Attorney General (“DAG”)
Christopher Fernandez, Executive Officer (“EO”)
Cortnie Tanaka, Secretary
Breyanah Panzardi, Secretary

Excused: Sheri Tokumaru, Pharmacist

Guests: Rob Geddey, CVS Health
Stacy Pi, Kaiser Permanente
Nick Ferreira, HPhA/Longs Drugs
Tiffany Yajima, Walgreens

Call to Order: **9:06 a.m.** After a providing instruction on how to participate in the meeting and after a roll call confirming that Vice Chair Brown, Ms. Cross, Mr. Rabang, and Dr. Shih were present and that the Board had met quorum, Chair Isobe brought the meeting to order. She also noted that Dr. Tokumaru was excused.

Report from The Hawaii Pharmacists Association Chair Isobe invited Mr. Ferreira from the Hawaii Pharmacists Association (HPhA) to provide their report.

Mr. Ferreira, representing the Hawai’i Pharmacists Association (HPhA), shared several updates on the organization’s recent initiatives.

Meeting
Minutes
Review &
Approval

Chair Isobe asked if members had any corrections to the meeting minutes of November 20, 2025.

It was noted that the list of attending board members included Ms. Cross when she was in fact excused from the meeting.

Additionally, it was noted that on page 8, where it states:

Chair Isobe asked if the question was about high school programs, noting that students in those programs were typically 16 or 17 years old. She concluded that such students likely would not be registered for immunization, referring to those students as ancillary, PTCD, or possibly grandfathered in.

Should read:

Chair Isobe asked if the question was about high school programs, noting that students in those programs were typically 16 or 17 years old. She concluded that such students likely would not be registered for immunization, referring to those students as ancillary, PTCB, or possibly grandfathered in.

On a motion by Chair Isobe, seconded by Vice Chair Brown, the Board voted unanimously to approve the meeting minutes of November 20, 2025 with the corrections noted above.

TAKEN OUT OF ORDER

Applications:

Chair Isobe took the applications section out of order to review the Pharmacy Technician applications on the agenda (the numbers of the list were kept the same to match the agenda).

On a motion by Vice Chair Brown, seconded by Mr. Rabang, the Board unanimously voted to enter into Executive Session at **9:10 a.m.** pursuant to HRS sections 92-5(a)(1) and 92-5(a)(4) to consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both and to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

EXECUTIVE SESSION

At **9:20 a.m.**, it was moved by Vice Chair Brown, seconded by Ms. Cross, and unanimously carried by the Board to return to open session.

After confirming quorum, the Board provided the following determinations:

10. **Vanessa M. Marquez**

On a motion by Mr. Shih, seconded by Chair Isobe, the Board voted unanimously to approve the application of Ms. Marquez.

11. **Suzanne S.C. Otani**

On a motion by Mr. Shih, seconded by Chair Isobe, the Board voted unanimously to approve the application of Ms. Otani.

12. **Zaylee M. Apostadiro**

Mr Shih had noted that he would be recusing himself from the discussion and vote.

On a motion by Chair Isobe, seconded by Mr. Rabang, the remaining Board members, sans Mr. Shih, voted unanimously to approve the application of Ms. Apostadiro.

Pharmacy
Technician
Registration:

Taking the meeting back in order, the discussion on Pharmacy Technician Registration began with Chair Isobe noting the presence of public attendees and inviting EO Fernandez to provide an update.

EO Fernandez reported that the public license lookup system is now live, allowing verification of registration status, and that application forms and FAQs have been posted on the website for easier access. He explained that additional licensing clerks have been assigned to accelerate processing and that delegations approved later in the meeting will allow certain applications to be processed outside of board meetings. EO Fernandez emphasized the importance of legible email addresses to ensure applicants receive notices, which are being sent by both email and mail, and noted that incomplete applications have been an issue. He also mentioned updates to the memo clarifying pharmacy technician duties and confirmed that vaccination registration submissions will require his review due to varied certificate formats.

Chair Isobe then addressed practical concerns, including from attendees, confirming that credit cards cannot be used for initial applications and that corrections should be emailed to the board. She discussed the statutory requirement for license display, suggesting that pharmacies use binders for multiple technicians rather than framing certificates.

Questions arose about pending applications and visibility on the website, with EO Fernandez explaining the gap between submission and database entry and offering to assist with verification.

DAG Wong advised applicants to use return receipt mail for confirmation, and EO Fernandez suggested employers could email lists for verification.

Public testimony was provided by Rob Geddey representing CVS Pharmacies, who stated that CVS submitted approximately 700 applications, with only 11% processed so far. Mr. Geddes asked whether enforcement discretion would apply if the backlog persists and whether the board could post a roster update to speed verification.

EO Fernandez responded that staff are working overtime and on weekends,

prioritizing bulk submissions, and suggested posting weekly ratification lists.

Mr. Geddey appreciated the effort but reiterated the need for a grace period.

DAG Wong clarified the board cannot grant, as the law's effective date is fixed. Wong noted that RICO has prosecutorial discretion and may consider submission and payment dates on a case-by-case basis.

The discussion then shifted to legislative and fee concerns. The Board explored potential amendments to address renewal versus reissuance of the registration and what some members considered high fees.

EO Fernandez explained that fee changes require rule amendments under HAR 16-53.

Nick Ferriera from HPhA confirmed that industry discussions on legislative fixes are underway.

EO Fernandez offered troubleshooting for missing certificates and inviting attendees to join the board's email update list by emailing the Board.

Chair Isobe summarized next steps, including continued processing, consideration of posting rosters, and adding fee discussions to the January agenda, before moving on to the next item.

Vaccine
Administration:

Chair Isobe introduced the agenda item and invited EO Fernandez to explain the process.

EO Fernandez stated that starting January 1, 2026, only registered pharmacy technicians would be eligible to apply for vaccine administration privileges. He outlined the procedure, noting that a technician's registration application must be processed first before the vaccine administration application can be accepted. If both applications are submitted together, the registration will be processed first, but at the same time as the vaccine registration. EO Fernandez explained that he would need to review vaccine applications because certificates vary by training provider, and the law requires proof of completion from an accredited program. He added that technicians who submit both applications together will receive a modified certificate indicating both registration and vaccine administration, while those who apply later will receive a reissued certificate with the updated designation.

Chair Isobe asked where the vaccine designation would appear on the certificate, and EO Fernandez confirmed it would be printed prominently.

Nick Ferriera from HPhA asked whether vaccine registrations would be processed by January 1, 2026.

EO Fernandez clarified that the law only requires submission of proof of training by that date, not completion of processing, so as long as the application and documentation are submitted and acceptable, compliance is met.

Chair Isobe reiterated that the vaccine designation on the certificate is primarily for tracking purposes and that timely submission is the key requirement.

EO Fernandez reminded attendees to ensure their contact information is clear for email updates and offered to add anyone to the board's update list. Chair Isobe then moved on to the next agenda item after confirming there were no further questions from the public.

It was noted that the Board would be reviewing delegations to the Executive Officer to approve certain applications for pharmacy technician registration and vaccine authorization in executive session and upon return to the open meeting vote on Board recommended delegations and to notify the public.

Applications:

On a motion by Vice Chair Brown, seconded by Mr. Rabang, the Board unanimously voted to enter into Executive Session at **10:07 a.m.** pursuant to HRS sections 92-5(a)(1) and 92-5(a)(4) to consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both and to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

EXECUTIVE SESSION

At **11:05 a.m.**, it was moved by Mr. Shih, seconded by Chair Isobe, and unanimously carried by the Board to return to open session.

A. Board Review of Applications for:

Miscellaneous Permit (PMP)

1. **UK Specialty Pharmacy**

On a motion by Mr. Shih, seconded by Vice Chair Brown, the Board voted unanimously to approve the application.

2. **Southwest Florida Infusion Care, Inc.**

Chair Isobe noted that the application was reviewed at the Board's November 20, 2025 meeting and would not be reviewed since the application is already in deferral.

3. **Advanced Medical, LLC**

On a motion by Chair Isobe, seconded by Vice Chair Brown, the Board voted unanimously to approve the application excluding Pharmacists Leann Williams and Tip Williams.

4. **Hartley Medical center Pharmacy, LLC**

Chair Isobe noted that the application was reviewed at the Board's November 20, 2025 meeting and would not be reviewed.

5. **Eagle Pharma Outsourcing, LLC**

Chair Isobe noted that the application was reviewed at the Board's November 20, 2025 meeting and would not be reviewed.

6. **Galleria Medical Pharmacy, LLC**

On a motion by Chair Isobe, seconded by Mr. Shih, the Board voted unanimously to defer the application to request additional information.

7. **Glendale Pharmacy, LLC**

On a motion by Chair Isobe, seconded by Mr. Shih, the Board voted unanimously to approve the application.

8. **Align Pharmacy LLC**

On a motion by Mr. Shih, seconded by Chair Isobe, the Board voted unanimously to approve the application.

9. **Oakdell Compounding Pharmacy LLC**

On a motion by Chair Isobe, seconded by Ms. Cross, the Board voted unanimously to approve the application.

TAKEN OUT OF ORDER

Pharmacy
Technician
Registration:

See below.

Vaccine
Authorization:

Chair Isobe noted that the Board had discussed delegations during executive session, and it was clarified that the delegation, the Board recommended, was specifically for pharmacy technician registration and vaccine administration applications. She additionally noted that clean applications (no discipline or criminal convictions) can be approved by the Executive Officer and Licensing Branch without board review if the applicant has met all requirements.

DAG Wong clarified what the language of the delegation should contain pursuant to 436B-8.

On a motion by Mr. Shih, seconded by Chair Isobe, the Board voted unanimously to approve the delegation to the Licensing Branch and the Executive Officer to approve pharmacy technician and vaccine authorization

applications with no disciplinary action or criminal convictions, and applications with certain traffic convictions or violations, provided that the applicant has:

1. Only one conviction on record;
2. No felony convictions;
3. Has complied with court sanctions;
4. A conviction that is not directly related to the profession or performance as a pharmacy technician; and
5. A conviction that is not within 3 years of date application was received.

Legislative
Session:

Chair Isobe deferred this agenda item.

Next Meeting:

January 29, 2026
9:00 a.m. to 12:00 p.m.
Queen Liliuokalani Conference Room
HRH King Kalakaua Building

Adjournment:

There being no further business to discuss, the meeting adjourned by Chair Isobe at 12:15 p.m.

Taken, Recorded by:

/s/ Christopher Fernandez
Christopher Fernandez
Executive Officer

CF:ct
1.23.25

- Minutes approved as is.
 Minutes approved with changes; see minutes of _____.

THE 2026 SESSION CALENDAR

Note: On the 60 session days (days when members convene in their respective chambers), the session day count appears in a box on the lower-right, like this. ▶▶▶ # = bills ■ = resolutions ■ = budget See reverse side for more deadline information.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
January			21 Opening Day 1	22 2	23 Non-Admin Bill Package Cutoff Grants/Subsidies Cutoff 3	24
25	26 State-of-the-State Address & Admin Bill Package Cutoff 4	27 Recess #1	28 Bill Intro Cutoff 5	29 Recess #2	30	31 6
February						
1	2 7	3 8	4 9	5 10	6 11	7
8	9 12	10 13	11 First Triple Referral Filing (HBs) 14	12 First Triple Referral Filing (SBs) 15	13 16	14
5	16 HOLIDAY Presidents' Day	17 17	18 18	19 First Lateral Filing (Bills) 19	20 First Lateral (Bills) 20	21
22	23 21	24 22	25 23	26 Mandatory 5-Day Recess Begins	27	28
March						
1	2	3	4 Mandatory 5-Day Recess Ends	5 Single Referral Filing Deadline (SBs) 24	6 First Decking (Bills) 25	7
8	9 Recess #3	10 26	11 Recess #4	12 First Crossover (Bills) 27	13 Subst. Resolution Cutoff 28	14
15	16 Budget Decking 29	17 30	18 Budget Crossover 31	19 Second Triple Referral Filing (Bills) 32	20 33	21
22	23 34	24 35	25 36	26 HOLIDAY Kuhio Day	27 Second Lateral Filing (Bills) Recess #5	28
29	30 Second Lateral (Bills) 37	31 First Lateral (SCRs) 38				
April			1 39	2 First Lateral (HCRs) 40	3 HOLIDAY Good Friday	4
5	6 41	7 42	8 43	9 First Crossover (Concurrent Resos) Single Referral Filing Deadline (HBs) 44	10 Second Decking (Bills) 45	11
12	13 Recess #6	14 46	15 Recess #7	16 Second Crossover (Bills) & Disagree 47	17 48	18
19	20 Second Lateral (SCRs) 49	21 50	22 51	23 52	24 Constitutional Amendments 53	25
26	27 Second Crossover (Concurrent Resos) 54	28 55	29 Final Decking (Non-Fiscal Bills) 56	30 57	May 1 Final Decking (Fiscal Bills) 58	2
May						
3	4 Recess #8	5 Recess #9	6 59	7 Recess #10	8 60	9 Adjournment <i>Sine Die</i>



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The 2026 Session Calendar: A Guide to the Deadlines

JAN 21 OPENING DAY – Hawaii’s constitution mandates that the regular legislative session starts at 10:00 a.m. on the third Wednesday of January.

JAN 23 LAST DAY TO INTRODUCE ALL NON-ADMINISTRATION BILL PACKAGES – Bills bundled together by common interest groups and accepted and labeled as a package by the clerks. You can view the various packages of legislation by clicking on the [“Reports and Lists”](#) button on [capitol.hawaii.gov](#).

& LAST DAY FOR ORGANIZATIONS TO SUBMIT GRANT AND SUBSIDY REQUESTS – Deadline for “Grant-in-Aid” (GIA) applications. Grants may be appropriated to nonprofit and other organizations for various public purposes that are recognized as priorities and are seen as complimentary to state government functions. Applications, information, and more specifics regarding the deadline appear under [“Legislative Information”](#) on [capitol.hawaii.gov](#).

JAN 26 STATE-OF-THE-STATE ADDRESS – The Governor’s annual address to the assembled joint legislature. The address presents an opportunity for the Governor to report on affairs of state, and to put forth recommendations and initiatives. Many visitors come to the Capitol to hear the Governor’s speech and witness the proceedings from the gallery (accessible on the ground floor/atrium level).

& LAST DAY TO INTRODUCE ADMINISTRATION BILL PACKAGE – This is what is known as the “Governor’s Package.” The bills are prepared by executive branch agencies for consideration by the legislature and are introduced on behalf of the executive branch by the President of the Senate and the Speaker of the House of Representatives. View the package of legislation by clicking on the [“Reports and Lists”](#) button on [capitol.hawaii.gov](#).

JAN 28 LAST DAY TO INTRODUCE BILLS – A bill is “introduced” when it has been filed with the House or Senate Clerk, who gives it a number (with an HB or SB prefix) and then puts it on the calendar for First Reading by the chamber. After First Reading, it is given its committee referrals which specify which committees must hear and pass the measure for it to succeed. Only legislators may introduce bills. [Note: At introduction, each bill is given a “Bill Status” webpage that can be accessed via the Legislature’s website ([www.capitol.hawaii.gov](#)) and used to track all the measure’s activity.]

FEB 11 (HOUSE BILLS) & FEB 12 (SENATE BILLS) TRIPLE REFERRAL FILING – All bills referred to three or more committees must be filed so that they can be in their second-to-last committee by the following day. (Note: A referral to a joint committee counts as one committee referral.) This deadline allows ample time for successful bills to make their way to the last committee in their originating chamber by the First Lateral deadline.

FEB 19 FIRST LATERAL FILING (BILLS) – Filing Deadline for First Lateral Bills

FEB 20 FIRST LATERAL (BILLS) – All bills referred to more than one committee (i.e., those with multiple referrals) must move to their final committee in the originating chamber by this day.

FEB 26-MAR 4 MANDATORY 5-DAY RECESS – Hawaii’s Constitution mandates a 5 day recess between the 20th and 40th days of the regular session. Neither the House of Representatives nor the Senate convene or assemble formally in chamber on recess days. Committee hearings do take place, however.

MAR 5 SINGLE REFERRAL FILING DEADLINE (SBs) – Deadline for Senate Bills referred to a single committee to be heard and filed.

MAR 6 FIRST DECKING (BILLS) – Deadline for bills to emerge from all their committees (with committee reports filed) and be submitted to the clerk of the originating chamber. This “decking” ensures a mandatory 48-hour opportunity for final review by the chamber’s members before being asked to vote on the third reading. Note: A bill must pass three readings (votes) in each chamber before being enrolled to the Governor.

MAR 12 FIRST CROSSOVER (BILLS) – Deadline for bills to pass third reading in order to move (or “crossover”) to the other chamber. If successful, House bills are sent to the Senate and Senate bills are sent to the House for further consideration.

MAR 13 LAST DAY TO INTRODUCE SUBSTANTIVE RESOLUTIONS – Resolutions are legislative measures which may request action of a government entity or state the legislature’s position on an issue. They don’t have the force and effect of law, require only one reading in chamber, and are not enrolled to the Governor.

MAR 16 BUDGET DECKING (BILLS) – Deadline for submitting the spending plan developed by the Governor which estimates expenditures for the fiscal year or biennium and the proposed means of financing these expenditures.

MAR 18 BUDGET CROSSOVER (BILLS) – Last day for third reading of budget bills in order to move to the other chamber.

MAR 19 SECOND TRIPLE REFERRAL FILING (BILLS) – All bills referred to three or more committees must be in their second-to-last committee in the non-originating chamber by this date. (Note: A referral to a joint committee counts as one committee referral.) This deadline allows ample time for successful bills to make their way to their last committee by the Second Lateral deadline.

MAR 27 SECOND LATERAL FILING (BILLS) – Filing Deadline for Second Lateral Bills

MAR 30 SECOND LATERAL (BILLS) – All bills with multiple referrals must move to their final referral committee in the non-originating chamber by this date.

MAR 31 (SENATE) APR 2 (HOUSE) FIRST LATERAL FOR CONCURRENT RESOLUTIONS – Concurrent resolutions require adoption in each chamber and are used to state the official position of the Legislature on an issue, or to request action formally without having to mandate it by law. All concurrent resolutions with multiple referrals must move to their final committee in the originating chamber by this date.

APR 9 FIRST CROSSOVER FOR CONCURRENT RESOLUTIONS – Deadline for passing the single reading required for resolutions in order to move from the originating chamber to the other chamber.

& SINGLE REFERRAL FILING DEADLINE (HBs) – Deadline for Senate committee reports on single referral HBs to be filed.

APR 10 SECOND DECKING (BILLS) – Deadline for submitting bills that have been amended by the non-originating chamber to emerge from all their committees (with committee reports filed) and be submitted to the clerk of that chamber. This “decking” ensures a mandatory 48-hour opportunity for final review by the non-originating chamber’s members before third reading.

APR 16 SECOND CROSSOVER (BILLS) – Deadline for amended bills to pass third reading in their non-originating chamber in order to “cross back” to the originating chamber.

& LAST DAY FOR THE ORIGINATING BODY TO DISAGREE WITH BILL AMENDMENTS – Deadline for the originating chamber to disagree with changes made to its bills by the other chamber. When the Senate and House disagree on a bill, members from each chamber may meet in a “conference” committee to work out their differences.

APR 24 DEADLINE FOR FINAL FORM OF BILLS PROPOSING CONSTITUTIONAL AMENDMENTS – A proposed amendment’s final form must be provided by written notice to the Governor at least 10 days prior to passing final reading by a 2/3 vote in each chamber. Once adopted by the Legislature, the proposed amendment is submitted to the voters, in the form of a ‘yes or no’ question on the ballot, for decision.

APR 27 SECOND CROSSOVER FOR CONCURRENT RESOLUTIONS – Deadline for passing concurrent resolutions in the non-originating chamber in order to “cross back” to the originating chamber.

APR 29 FINAL DECKING OF NON-FISCAL BILLS – Deadline for submitting non-fiscal bills for final reading by both chambers.

MAY 1 FINAL DECKING OF FISCAL BILLS – Deadline for submitting fiscal bills for final reading by both chambers. Fiscal bills include appropriation or spending bills, tax credits, etc., or any bill with a House Finance (FIN) or Senate Ways and Means (WAM) referral.

MAY 8 ADJOURNMENT SINE DIE – In Latin, “sine die” means “without a day” specified for next meeting. Adjournment sine die occurs on the 60th legislative day of a regular session and indicates a suspension of the business of the legislature indefinitely. From this point, the Legislature will certify bills whose form both chambers have agreed to and will transmit or “enroll” those bills to the Governor. Contact PAR for information regarding the Governor’s deadlines.

A BILL FOR AN ACT

RELATING TO PHARMACY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds there is a need to
2 support the Daniel K. Inouye college of pharmacy to ensure the
3 quality of health care and improve access to care for the people
4 of the State. With further resources, the college can
5 proactively address issues of the State's current health care
6 crisis and leverage pharmacists to fill gaps in care related to
7 medication management. Pharmacists are the most accessible
8 health care providers and strongly embedded as a trusted
9 resource in many remote communities. The college could leverage
10 pharmacists across the health care spectrum to recruit and
11 retain highly qualified pharmacists to practice in the State,
12 create a plan for an innovative pharmacy practice model, and
13 serve as the resource for the pharmacy profession as the medical
14 system shifts to a value and team-based care model where
15 pharmacy will play an integral role in patient outcomes.

16 The purpose of this Act is to establish a pharmacist
17 workforce assessment fee to fund activities of the Daniel K.



1 Inouye college of pharmacy to support pharmacist workforce
2 assessment and planning efforts.

3 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
4 amended by adding a new section to part V, subpart C, to be
5 appropriately designated and to read as follows:

6 "§304A- Daniel K. Inouye college of pharmacy special
7 fund. (a) There is established the Daniel K. Inouye college of
8 pharmacy special fund, to be administered and expended by the
9 university of Hawaii.

10 (b) The following shall be deposited into the special
11 fund:

12 (1) Appropriations by the legislature;

13 (2) Pharmacist workforce assessment fees established
14 pursuant to section 461- ;

15 (3) Grants, donations, gifts, or other income received for
16 the purposes of the special fund; and

17 (4) Interest earned or accrued on moneys in the special
18 fund.

19 (c) Moneys in the special fund shall be used to support
20 the Daniel K. Inouye college of pharmacy's activities related to
21 pharmacist workforce assessment and planning within the State;



1 provided that the pharmacist workforce assessment fees
2 transferred and deposited into the special fund pursuant to
3 section 461- shall be used to support pharmacist workforce
4 assessment and planning efforts, including the recruitment and
5 retention of pharmacists, for rural and medically underserved
6 areas of the State. These efforts shall include but not be
7 limited to:

8 (1) Maintaining accurate pharmacist workforce assessment
9 information and providing or updating personal and
10 professional information, which shall be maintained in
11 a secure database;

12 (2) Providing loan repayment to pharmacists who commit to
13 working in medically underserved areas of the State as
14 part of the Hawaii state loan repayment program
15 administered by the Daniel K. Inouye college of
16 pharmacy; and

17 (3) Providing scholarships to qualifying pharmacy
18 students, to be determined by the Daniel K. Inouye
19 college of pharmacy.



1 (d) The Daniel K. Inouye college of pharmacy may disclose
2 information specific to any pharmacist only with the express
3 written consent of that pharmacist."

4 SECTION 3. Chapter 461, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 "§461- Pharmacist workforce assessment fee. (a) There
8 shall be assessed upon every license and permit issued by the
9 board a pharmacist workforce assessment fee, as determined under
10 subsection (b), that shall be transferred and deposited into the
11 Daniel K. Inouye college of pharmacy special fund established
12 under section 304A- .

13 (b) The pharmacist workforce assessment fee shall be as
14 follows:

15 (1) \$, for each renewed license as a pharmacist;

16 (2) \$, for each new or renewed wholesale
17 prescription drug distributor license;

18 (3) \$, for each new or renewed pharmacy permit
19 under section 461-14; and

20 (4) \$, for each new or renewed permit under
21 section 461-15."



1 SECTION 4. Section 461-8, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:

3 "(a) All licenses issued by the board, except temporary
4 licenses issued under section 461-7, shall be renewed biennially
5 on or before December 31 of each odd-numbered year. Failure to
6 pay the biennial fee and~~[, beginning with the renewal for the~~
7 ~~licensing biennium commencing on January 1, 2008,]~~ pharmacist
8 workforce assessment fee and to satisfy the continuing education
9 requirement on or before December 31 of each odd-numbered year,
10 shall constitute a forfeiture of the license as of the date of
11 expiration.

12 (b) Any license forfeited pursuant to subsection (a) may
13 be restored within three years upon payment of any penalty fee,
14 the current biennial fees, and the renewal fee and pharmacist
15 workforce assessment fee for the next biennium, if applicable,
16 upon submission of proof of compliance with the continuing
17 education requirement for the prior biennium, and upon meeting
18 any other requirements specified in rules adopted pursuant to
19 chapter 91."

20 SECTION 5. Section 461-16, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 The sums shall be reimbursed from the Daniel K. Inouye
2 college of pharmacy special fund to the compliance resolution
3 fund by July 1, .

4 SECTION 8. There is appropriated out of the Daniel K.
5 Inouye college of pharmacy special fund the sum of
6 \$ or so much thereof as may be necessary for fiscal
7 year 2025-2026 and the same sum or so much thereof as may be
8 necessary for fiscal year 2026-2027 for the purposes of the
9 special fund as authorized under section 304A- (c), Hawaii
10 Revised Statutes.

11 The sums appropriated shall be expended by the university
12 of Hawaii for the purposes of this Act.

13 SECTION 9. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 10. This Act shall take effect on July 1, 3000.



Report Title:

Pharmacy; Pharmacists; Daniel K. Inouye College of Pharmacy
Special Fund; Pharmacist Workforce Assessment Fees;
Appropriation

Description:

Establishes the Daniel K. Inouye College of Pharmacy Special
Fund to support pharmacist workforce assessment and planning
efforts. Establishes the pharmacist workforce assessment fee.
Appropriates funds. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*



A BILL FOR AN ACT

RELATING TO PHARMACISTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 461, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§461- Telepharmacy; limited authorization for
5 medically underserved patients. (a) A registered pharmacist
6 who is under contract with a covered entity may oversee the
7 filling or receipt of a prescription for sale or distribution
8 via telehealth by way of an interactive telecommunication system
9 if:

- 10 (1) The patient for whom the medication is prescribed is
11 located at a facility operated by the covered entity;
12 (2) The covered entity obtained a pharmacy license for, or
13 applied for the relocation of a pharmacy license to,
14 that facility; and
15 (3) The contracted pharmacist is not located at that
16 facility.
17 (b) For purposes of this section:



1 "Covered entity" has the same meaning as defined in section
2 340B(a) (4) of the Public Health Service Act (42 United States
3 Code section 256b, et seq.).

4 "Interactive telecommunications system" has the same
5 meaning as defined in title 42 Code of Federal Regulations
6 section 410.78(a).

7 "Telehealth" means the use of telecommunications services,
8 as defined in section 269-1, including real-time audio and video
9 conferencing-based communication, secure interactive and
10 non-interactive web-based communication, and secure asynchronous
11 information exchange, to transmit patient medical information
12 for the purpose of delivering enhanced health care services and
13 information while a patient is at an originating site and the
14 health care provider is at a distant site."

15 SECTION 2. Section 461-9, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) A registered pharmacist shall be in personal and
18 immediate charge of the pharmacy and personnel employed in the
19 pharmacy. Temporary absences of the registered pharmacist shall
20 be unlawful except for periods of time and under circumstances
21 as authorized under the rules of the board. [~~During~~] Except as



1 provided in section 461- , during any absence of the
 2 registered pharmacist, prescriptions may not be filled,
 3 compounded, or received by telephone and no drugs shall be sold;
 4 provided that this shall not preclude the sale at those times of
 5 things that might be sold were the pharmacy a store not subject
 6 to this chapter. No person other than a registered pharmacist
 7 or a pharmacy intern under the registered pharmacist's immediate
 8 supervision shall fill or compound prescriptions except as
 9 provided by subsection (c) [-] and section 461- ."

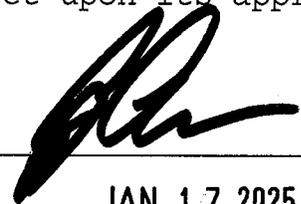
10 SECTION 3. This Act does not affect rights and duties that
 11 matured, penalties that were incurred, and proceedings that were
 12 begun before its effective date.

13 SECTION 4. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 5. This Act shall take effect upon its approval.

16

INTRODUCED BY: _____



JAN 17 2025



H.B. NO. 561

Report Title:

Telepharmacy; Pharmacists; Medically Underserved Patients

Description:

Authorizes a registered pharmacist under contract with a covered entity for purposes of the federal 340B Drug Pricing Program to supervise via telehealth the filling or receipt of a prescription in certain circumstances.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO PHARMACY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 461, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§461- Audit of records of pharmacist or pharmacy. (a)

5 When an audit of records of a pharmacist or pharmacy is
6 conducted by the State, a county, an insurer regulated under
7 article 10A of chapter 431, a mutual benefit society, a health
8 maintenance organization, a pharmacy benefit manager, a medical
9 service organization, a nonprofit hospital, or any other entity
10 representing the same, the audit shall be conducted in the
11 following manner:

12 (1) Written notice shall be given to the pharmacist or
13 pharmacy at least two weeks before conducting the
14 initial on-site audit for each audit cycle;

15 (2) Any audit performed under this section that involves
16 clinical or professional judgment shall be conducted



1 in consultation with a pharmacist who has knowledge of
2 this chapter;

3 (3) Any clerical or recordkeeping error identified during
4 an audit, such as a typographical error, scrivener's
5 error, omission, or computer error, shall not, in and
6 of itself, constitute fraud or intentional
7 misrepresentation and shall not be the basis of a
8 recoupment unless the error results in an actual
9 overpayment to the pharmacy or the wrong medication
10 being dispensed to the patient. Notwithstanding any
11 other law to the contrary, no such claim shall be
12 subject to criminal penalties without proof of intent
13 to commit fraud;

14 (4) A pharmacist or pharmacy may use the records of a
15 hospital, physician, dentist, veterinarian, advanced
16 practice registered nurse, or other authorized
17 practitioner of the healing arts for drugs or medical
18 supplies written or transmitted by any means of
19 communication for purposes of validating pharmacy
20 records with respect to orders or refills of a legend
21 or narcotic drug;



- 1 (5) A finding of overpayment or underpayment may be a
2 projection based on the number of patients served
3 having a similar diagnosis or on the number of similar
4 orders or refills for similar drugs; however,
5 recoupment of claims shall be based on the actual
6 overpayment or underpayment, unless the projection for
7 overpayment or underpayment is part of a settlement as
8 agreed to by the pharmacist or pharmacy;
- 9 (6) Each pharmacist or pharmacy shall be audited under the
10 standards and parameters as other similarly situated
11 pharmacists or pharmacies audited by the State, a
12 county, an insurer regulated under article 10A of
13 chapter 431, a mutual benefit society, a health
14 maintenance organization, a pharmacy benefit manager,
15 a medical service organization, a nonprofit hospital,
16 or any other entity representing the same;
- 17 (7) A pharmacist or pharmacy shall be allowed the length
18 of time described in the pharmacist's or pharmacy's
19 contract or provider manual, whichever is applicable,
20 which shall be no less than thirty days, following
21 receipt of the preliminary audit report in which to

1 produce documentation to address any discrepancy found
2 during an audit. A pharmacist or pharmacy may correct
3 a clerical or recordkeeping error by submitting an
4 amended claim during the designated time frame if the
5 prescription was dispensed according to the
6 requirements of federal and state law. If the
7 pharmacist's or pharmacy's contract or provider manual
8 does not specify the allowed length of time for the
9 pharmacist or pharmacy to address any discrepancy
10 found in the audit following receipt of the
11 preliminary report, then that pharmacist or pharmacy
12 shall be allowed no less than thirty days following
13 receipt of the preliminary audit report to respond and
14 produce documentation;

15 (8) The period covered by an audit shall not exceed two
16 years from the date the claim was submitted to or
17 adjudicated by the State, a county, an insurer
18 regulated under article 10A of chapter 431, a mutual
19 benefit society, a health maintenance organization, a
20 pharmacy benefit manager, a medical service
21 organization, a nonprofit hospital, or any other



1 entity representing the same, except this paragraph
2 shall not apply where a longer period is required by
3 any federal rule or law;

4 (9) An audit shall not be initiated or scheduled during
5 the first seven calendar days of any month due to the
6 high volume of prescriptions filled during that time,
7 unless otherwise consented to by the pharmacist or
8 pharmacy;

9 (10) The preliminary audit report shall be delivered to the
10 pharmacist or pharmacy within one hundred twenty days
11 after conclusion of the audit. A final audit report
12 shall be delivered to the pharmacist or pharmacy
13 within six months after receipt of the preliminary
14 audit report or final appeal, whichever is later;

15 (11) Notwithstanding any other law to the contrary, any
16 audit of a pharmacist or pharmacy shall not use the
17 accounting practice of extrapolation in calculating
18 recoupments or penalties for audits; and

19 (12) Any recoupment related to clerical or recordkeeping
20 errors shall not include the cost of the drug or
21 dispensed product, except in cases of the following:



1 (A) Fraud or other intentional and wilful
2 misrepresentation;

3 (B) Dispensing in excess of the pharmacy benefit
4 contract established by a plan sponsor; or

5 (C) Prescriptions not filled in accordance with the
6 prescriber's order.

7 (b) Recoupments of any disputed funds shall only occur
8 after final internal disposition of the audit, including the
9 appeal process as set forth in subsection (c).

10 (c) Each pharmacy benefit manager conducting an audit
11 shall establish an appeals process under which a pharmacist or
12 pharmacy may appeal an unfavorable preliminary audit report to
13 the pharmacy benefit manager on whose behalf the audit was
14 conducted. The pharmacy benefit manager conducting any audit
15 shall provide to the pharmacist or pharmacy, before or at the
16 time of delivery of the preliminary audit report, a written
17 explanation of the appeals process, including the name, address,
18 and telephone number of the person to whom an appeal should be
19 addressed. If, following the appeal, it is determined that an
20 unfavorable audit report or any portion of the audit report is



1 unsubstantiated, the audit report or the portion shall be
2 dismissed without the necessity of further proceedings.

3 (d) A pharmacy provider may use any prescription that
4 meets the requirements of being a legal prescription under the
5 laws of the State to validate claims submitted for reimbursement
6 for dispensing of original and refill prescriptions, or changes
7 made to prescriptions.

8 (e) Auditors may enter the prescription department when
9 accompanied by or authorized by a member of the pharmacy staff.
10 During the auditing process, auditors shall not disrupt the
11 provision of services to the pharmacy's customers.

12 (f) A demand for recoupment, repayment or offset against
13 future reimbursement for an overpayment on a claim for
14 dispensing of an original or refill prescription shall not
15 include the dispensing fee, unless the prescription that is the
16 subject of the claim was not actually dispensed, was not valid,
17 was fraudulent, or was outside the contract. This subsection
18 shall not apply where a pharmacy is requested, pursuant to a
19 contractual provision, to correct an error in a claim submitted
20 in good faith.



1 (g) Audit information from an audit conducted by one
2 pharmacy benefit manager shall not be shared with or utilized by
3 another pharmacy benefit manager. This subsection shall not
4 apply to an investigative audit that is believed by the pharmacy
5 benefit manager to involve fraud or wilful misrepresentation.

6 (h) Unless otherwise agreed to by contract, no audit
7 finding or demand for recoupment, repayment or offset against
8 future reimbursement shall be made for any claim for dispensing
9 of an original or refill prescription for the reason of
10 information missing from a prescription or for information not
11 placed in a particular location on a prescription when the
12 information or location of the information is not required or
13 specified by federal or state law.

14 (i) In the event the actual quantity dispensed on a valid
15 prescription for a covered beneficiary exceeds the allowable
16 maximum days supply of the product as defined in the applicable
17 agreement between a pharmacy benefit manager and a pharmacy
18 provider, the amount allowed to be recouped, repaid, or offset
19 against future reimbursement shall be limited to an amount that
20 is calculated based on the quantity of the product dispensed
21 found to be in excess of the allowed days supply quantity and



1 using the cost of the product as reflected on the original
2 claim.

3 (j) A pharmacy provider shall be allowed to dispense and
4 shall be reimbursed for the full quantity of the smallest
5 available commercially packaged product, including but not
6 limited to eye drops, insulin, and topical products, that
7 contains the total amount that is required to be dispensed to
8 meet the days supply ordered by the prescriber, even if the full
9 quantity of the commercially prepared package exceeds the
10 maximum days supply allowed.

11 (k) The highest daily total dose that may be utilized by
12 the patient pursuant to the prescriber's directions shall be
13 used to make a determination of the days supply. For
14 prescriptions having a titrated dose schedule, the schedule
15 shall be used to determine the days supply.

16 (l) Subsections (d) to (k) shall not apply to any
17 investigative audit that involves allegations of fraud or wilful
18 misrepresentation.

19 (m) For purposes of this section, "pharmacy benefit
20 manager" has the same meaning as in section 431S-1."

21 SECTION 2. New statutory material is underscored.



H.B. NO. 1643

1 SECTION 3. This Act shall take effect upon its approval.

2

INTRODUCED BY:



JAN 20 2026



H.B. NO. 1643

Report Title:

Pharmacy; Pharmacists; Audits; Pharmacy Benefit Managers

Description:

Specifies a framework for the administration of audits of records of pharmacists and pharmacies.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 15 2025

A BILL FOR AN ACT

RELATING TO PHARMACISTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there is currently a
2 statewide physician shortage. According to the federal Health
3 Resources and Services Administration, each county in the State
4 contains a region that is a medically underserved area, as
5 defined by the Public Health Service Act of 1944, P.L. 78-410.

6 The legislature further finds that pharmacists can help
7 bridge the gaps created by the physician shortage. A
8 pharmacist's skill set includes educating patients on how and
9 when to check blood sugar, ways to avoid and manage
10 hypoglycemia, how to take their medications correctly to avoid
11 adverse effects, and various medication utilization techniques.
12 Additionally, patients are three times more likely to stay out
13 of the hospital when pharmacists provide clinical services after
14 a hospital discharge.

15 Accordingly, the purpose of this Act is to mandate
16 reimbursement for services provided by pharmacists within their



1 scope of practice by private and public health plans in the
2 State.

3 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
4 amended by adding a new section to article 10A to be
5 appropriately designated and to read as follows:

6 "§431:10A- Services provided by participating
7 registered pharmacists; coverage. (a) Each individual or group
8 policy of accident and health or sickness insurance delivered or
9 issued for delivery in this State after December 31, 2025, shall
10 recognize pharmacists licensed pursuant to chapter 461 as
11 participating providers and shall include coverage for care
12 provided by a participating registered pharmacist practicing
13 within the scope of their license for purposes of health
14 maintenance or treatment to the extent that the policy provides
15 benefits for identical services rendered by another health care
16 provider.

17 (b) For the purposes of this section, "participating
18 registered pharmacist" means a pharmacist licensed pursuant to
19 chapter 461 who has contracted with the insurer to provide
20 health care services to its insureds."



1 SECTION 3. Chapter 432, Hawaii Revised Statutes, is
2 amended by adding a new section to article 1 to be appropriately
3 designated and to read as follows:

4 "§432:1- Services provided by participating registered
5 pharmacists; coverage. (a) Each individual and group hospital
6 or medical service plan contract delivered or issued for
7 delivery in this State after December 31, 2025, by a mutual
8 benefit society shall recognize pharmacists licensed pursuant to
9 chapter 461 as participating providers and shall include
10 coverage for care provided by a participating registered
11 pharmacist practicing within the scope of their license for
12 purposes of health maintenance or treatment to the extent that
13 the plan contract provides benefits for identical services
14 rendered by another health care provider.

15 (b) For the purposes of this section, "participating
16 registered pharmacist" means a pharmacist licensed pursuant to
17 chapter 461 who has contracted with the mutual benefit society
18 to provide health care services to its members."

19 SECTION 4. Section 346-53.64, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) Services eligible for prospective payment system
2 reimbursement are those services that are furnished by a
3 federally qualified health center or rural health clinic that
4 are:

5 (1) Within the legal authority of a federally qualified
6 health center to deliver, as defined in section 1905
7 of the Social Security Act;

8 (2) Actually provided by the federally qualified health
9 center, either directly or under arrangements;

10 (3) Covered benefits under the medicaid program, as
11 defined in section 4231 of the State Medicaid Manual
12 and the Hawaii medicaid state plan;

13 (4) Provided to a recipient eligible for medicaid
14 benefits;

15 (5) Delivered exclusively by health care professionals,
16 including physicians, physician's assistants, nurse
17 practitioners, pharmacists, nurse midwives, clinical
18 social workers, clinical psychologists, and other
19 persons acting within the lawful scope of their
20 license or certificate to provide services;



1 (6) Provided at the federally qualified health center's
2 practice site, a hospital emergency room, in an
3 inpatient setting, at the patient's place of
4 residence, including long term care facilities, or at
5 another medical facility; and

6 (7) Within the scope of services provided by the State
7 under its fee-for-service medicaid program and its
8 medicaid managed care program, on and after August
9 1994, and as amended from time to time."

10 SECTION 5. Section 346-59, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) Rates of payment to providers of medical care who are
13 individual practitioners, including doctors of medicine,
14 dentists, podiatrists, psychologists, osteopaths, optometrists,
15 pharmacists, and other individuals providing services, shall be
16 based upon the Hawaii medicaid fee schedule. The amounts paid
17 shall not exceed the maximum permitted to be paid individual
18 practitioners or other individuals under federal law and
19 regulation, the medicare fee schedule for the current year, the
20 state limits as provided in the appropriation act, or the
21 provider's billed amount.



1 The appropriation act shall indicate the percentage of the
2 medicare fee schedule for the year 2000 to be used as the basis
3 for establishing the Hawaii medicaid fee schedule. For any
4 subsequent adjustments to the fee schedule, the legislature
5 shall specify the extent of the adjustment in the appropriation
6 act."

7 SECTION 6. Section 346-59.1, Hawaii Revised Statutes, is
8 amended by amending subsection (g) to read as follows:

9 "(g) For the purposes of this section:

10 "Distant site" means the location of the health care
11 provider delivering services through telehealth at the time the
12 services are provided.

13 "Health care provider" means a provider of services, as
14 defined in title 42 United States Code section 1395x(u), a
15 provider of medical and other health services, as defined in
16 title 42 United States Code section 1395x(s), other
17 practitioners licensed by the State and working within their
18 scope of practice, and any other person or organization who
19 furnishes, bills, or is paid for health care in the normal
20 course of business, including but not limited to primary care
21 providers, mental health providers, oral health providers,



1 physicians and osteopathic physicians licensed under
2 chapter 453, advanced practice registered nurses licensed under
3 chapter 457, psychologists licensed under chapter 465,
4 pharmacists licensed under chapter 461, and dentists licensed
5 under chapter 448.

6 "Interactive telecommunications system" has the same
7 meaning as the term is defined in title 42 Code of Federal
8 Regulations section 410.78(a).

9 "Originating site" means the location where the patient is
10 located, whether accompanied or not by a health care provider,
11 at the time services are provided by a health care provider
12 through telehealth, including but not limited to a health care
13 provider's office, hospital, critical access hospital, rural
14 health clinic, federally qualified health center, a patient's
15 home, and other nonmedical environments such as school-based
16 health centers, university-based health centers, or the work
17 location of a patient.

18 "Telehealth" means the use of telecommunications services,
19 as defined in section 269-1, to encompass four modalities:
20 store and forward technologies, remote monitoring, live
21 consultation, and mobile health; and which shall include but not



1 be limited to real-time video conferencing-based communication,
2 secure interactive and non-interactive web-based communication,
3 and secure asynchronous information exchange, to transmit
4 patient medical information, including diagnostic-quality
5 digital images and laboratory results for medical interpretation
6 and diagnosis, for the purpose of delivering enhanced health
7 care services and information while a patient is at an
8 originating site and the health care provider is at a distant
9 site. Except as provided through an interactive
10 telecommunications system, standard telephone contacts,
11 facsimile transmissions, or e-mail text, in combination or
12 alone, do not constitute telehealth services."

13 SECTION 7. Section 432D-23, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§432D-23 Required provisions and benefits.**

16 Notwithstanding any provision of law to the contrary, each
17 policy, contract, plan, or agreement issued in the State after
18 January 1, 1995, by health maintenance organizations pursuant to
19 this chapter, shall include benefits provided in sections
20 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116,
21 431:10A-116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119,



1 431:10A-120, 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126,
2 431:10A-132, 431:10A-133, 431:10A-134, 431:10A-140, and
3 [~~431:10A-134~~] 431:10A- , and chapter 431M."

4 SECTION 8. The department of human services shall apply to
5 the United States Department of Health and Human Services for
6 any amendment to the state medicaid plan or for any medicaid
7 waiver necessary to implement sections 4 through 6 of this Act.
8 The office shall submit the medicaid state plan amendment no
9 later than .

10 SECTION 9. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 10. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 11. This Act shall take effect upon its approval;
16 provided that:

- 17 (1) Sections 4 through 6 of this Act shall take effect
18 upon approval of the Hawaii medicaid state plan by the
19 Centers for Medicare and Medicaid Services; and
20 (2) The amendments made to section 346-59.1(g), Hawaii
21 Revised Statutes, by section 6 of this Act shall not



1 be repealed when that section is reenacted on
2 December 31, 2025, pursuant to section 8 of Act 107,
3 Session Laws of Hawaii 2023.

4

INTRODUCED BY:

A handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be the name of the representative who introduced the bill.

S.B. NO. 324

Report Title:

Insurance Coverage; Pharmacists; Reimbursement

Description:

Mandates reimbursement for services provided by participating registered pharmacists practicing within their scope of practice by private and public health plans in the State beginning January 1, 2026.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO PHARMACISTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 461, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§461- Telepharmacy; limited authorization for
5 medically underserved patients. (a) A registered pharmacist
6 who is under contract with a covered entity may oversee the
7 filling or receipt of a prescription for sale or distribution
8 via telehealth by way of an interactive telecommunication system
9 if:

10 (1) The patient for whom the medication is prescribed is
11 located at a facility operated by the covered entity;

12 (2) The covered entity obtained a pharmacy license for, or
13 applied for the relocation of a pharmacy license to,
14 that facility; and

15 (3) The contracted pharmacist is not located at that
16 facility.

17 (b) For the purposes of this section:



1 "Covered entity" has the same meaning as defined in section
2 340B(a) (4) of the Public Health Service Act (42 U.S.C. 256b).

3 "Interactive telecommunications system" has the same
4 meaning as defined in title 42 Code of Federal Regulations
5 section 410.78(a).

6 "Telehealth" means the use of telecommunications services,
7 as defined in section 269-1, including real-time audio and video
8 conferencing-based communication, secure interactive and
9 non-interactive web-based communication, and secure asynchronous
10 information exchange, to transmit patient medical information
11 for the purpose of delivering enhanced health care services and
12 information while a patient is at an originating site and the
13 health care provider is at a distant site."

14 SECTION 2. Section 461-9, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) A registered pharmacist shall be in personal and
17 immediate charge of the pharmacy and personnel employed in the
18 pharmacy. Temporary absences of the registered pharmacist shall
19 be unlawful except for periods of time and under circumstances
20 as authorized under the rules of the board. [~~During~~] Except as
21 provided in section 461- , during any absence of the registered



1 pharmacist, prescriptions may not be filled, compounded, or
2 received by telephone and no drugs shall be sold; provided that
3 this shall not preclude the sale at those times of things that
4 might be sold were the pharmacy a store not subject to this
5 chapter. No person other than a registered pharmacist or a
6 pharmacy intern under the registered pharmacist's immediate
7 supervision shall fill or compound prescriptions except as
8 provided by subsection (c) [~~✓~~] and section 461- ."

9 SECTION 3. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 4. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Telepharmacy; Pharmacists; Medically Underserved Patients

Description:

Authorizes a registered pharmacist under contract with a covered entity for purposes of the federal 340B Drug Pricing Program to supervise the filling or receipt of a prescription via telehealth in certain circumstances. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 23 2025

A BILL FOR AN ACT

RELATING TO PHARMACISTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there is a statewide
2 physician shortage. According to the federal Health Resources
3 and Services Administration, each county in the State contains a
4 region that is a medically underserved area, as defined by the
5 Public Health Service Act of 1944, P.L. 78-410.

6 The legislature further finds that pharmacists can help
7 bridge the gap created by the physician shortage. A
8 pharmacist's skill set upon obtaining a doctorate degree after
9 four years of graduate level training includes an intimate
10 understanding of chronic disease state treatment and prevention,
11 medication management surrounding medication dosing, drug
12 interactions and adverse effects, various medication utilization
13 techniques, and culturally competent medication-related
14 education skills. Additionally, pharmacists may complete up to
15 two years of residency and obtain national board certifications
16 and supplemental training in specialty areas.



1 The legislature recognizes that pharmacists are the most
2 accessible healthcare providers across the country, and often
3 the only healthcare professionals available after business
4 hours, outside of an emergency department. Substantial
5 literature clearly documents the proven and significant
6 improvement to patient outcomes and reduction in health care
7 expenditures when pharmacists are optimally leveraged as
8 medication experts on patient care teams.

9 The legislature notes that the expansion of programs that
10 increase patient access to health care services provided by
11 their pharmacist in Hawaii is aligned with the growing trend of
12 similar programs in other states. In states where a program has
13 been implemented, health plans recognize the value of the
14 pharmacist and invest in the services that they provide to
15 capitalize on the positive therapeutic and economic outcomes
16 associated with pharmacist-provided care.

17 Given the unique health disparities across the islands,
18 patient access to pharmacist-provided care can address health
19 inequities while reducing hospital admissions, increasing
20 medication adherence, and decreasing overall health expenditures



1 by recognizing and covering the valuable health care services
2 that pharmacists provide.

3 Furthermore, the legislature finds it important to support
4 locally independent pharmacies by allowing pharmacists to have a
5 sustainable financial business model that includes reimbursement
6 for services within a pharmacist's scope of practice.

7 Accordingly, the purpose of this Act is to mandate
8 reimbursement for services provided by pharmacists within their
9 scope of practice by private and public health plans in the
10 State. After introduction of this bill in 2023, a report [23-2]
11 completed by the office of the auditor pursuant to Senate
12 Concurrent Resolution No. 17 found that the proposed health
13 insurance coverage does not extend coverage for additional
14 health care services or diseases. Per the report, the proposed
15 insurance coverage for health care services performed by
16 pharmacists would not result in any cost to the State, as the
17 bill specifically limits the proposed coverage for health care
18 services to the extent that the policy provides benefits for
19 identical services rendered by another health care provider.



1 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new section to article 10A to be
3 appropriately designated and to read as follows:

4 **"§431:10A- Services provided by participating**
5 **registered pharmacists; coverage.** (a) Each individual or group
6 policy of accident and health or sickness insurance delivered or
7 issued for delivery in this State after July 1, 2026, shall
8 include coverage for care provided by a participating registered
9 pharmacist practicing within the scope of the pharmacist's
10 license for purposes of health maintenance or treatment to the
11 extent that the policy provides benefits for identical services
12 rendered by another health care provider.

13 (b) For the purposes of this section, "participating
14 registered pharmacist" means a pharmacist licensed pursuant to
15 chapter 461 who has contracted with the insurer to provide
16 health care services to its insureds."

17 SECTION 3. Chapter 432, Hawaii Revised Statutes, is
18 amended by adding a new section to article 1 to be appropriately
19 designated and to read as follows:

20 **"§432:1- Services provided by participating registered**
21 **pharmacists; coverage.** (a) Each individual or group hospital



1 or medical service plan contract delivered or issued for
2 delivery in this State after July 1, 2026, shall include
3 coverage for care provided by a participating registered
4 pharmacist practicing within the scope of the pharmacist's
5 license for purposes of health maintenance or treatment to the
6 extent that the plan contract provides benefits for identical
7 services rendered by another health care provider.

8 (b) For the purposes of this section, "participating
9 registered pharmacist" means a pharmacist licensed pursuant to
10 chapter 461 who has contracted with the mutual benefit society
11 to provide health care services to its members."

12 SECTION 4. Section 346-53.64, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Services eligible for prospective payment system
15 reimbursement are those services that are furnished by a
16 federally qualified health center or rural health clinic that
17 are:

18 (1) Within the legal authority of a federally qualified
19 health center to deliver, as defined in section 1905
20 of the Social Security Act;



- 1 (2) Actually provided by the federally qualified health
2 center, either directly or under arrangements;
- 3 (3) Covered benefits under the medicaid program, as
4 defined in section 4231 of the State Medicaid Manual
5 and the Hawaii medicaid state plan;
- 6 (4) Provided to a recipient eligible for medicaid
7 benefits;
- 8 (5) Delivered exclusively by health care professionals,
9 including physicians, physician's assistants, nurse
10 practitioners, pharmacists, nurse midwives, clinical
11 social workers, clinical psychologists, and other
12 persons acting within the lawful scope of their
13 license or certificate to provide services;
- 14 (6) Provided at the federally qualified health center's
15 practice site, a hospital emergency room, in an
16 inpatient setting, at the patient's place of
17 residence, including long term care facilities, or at
18 another medical facility; and
- 19 (7) Within the scope of services provided by the State
20 under its fee-for-service medicaid program and its



1 medicaid managed care program, on and after August
2 1994, and as amended from time to time."

3 SECTION 5. Section 346-59, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) Rates of payment to providers of medical care who are
6 individual practitioners, including doctors of medicine,
7 dentists, podiatrists, psychologists, osteopaths, optometrists,
8 pharmacists, and other individuals providing services, shall be
9 based upon the Hawaii medicaid fee schedule. The amounts paid
10 shall not exceed the maximum permitted to be paid individual
11 practitioners or other individuals under federal law and
12 regulation, the medicare fee schedule for the current year, the
13 state limits as provided in the appropriation act, or the
14 provider's billed amount.

15 The appropriation act shall indicate the percentage of the
16 medicare fee schedule for the year 2000 to be used as the basis
17 for establishing the Hawaii medicaid fee schedule. For any
18 subsequent adjustments to the fee schedule, the legislature
19 shall specify the extent of the adjustment in the appropriation
20 act."



1 SECTION 6. Section 346-59.1, Hawaii Revised Statutes, is
2 amended by amending subsection (g) to read as follows:

3 "(g) For the purposes of this section:

4 "Distant site" means the location of the health care
5 provider delivering services through telehealth at the time the
6 services are provided.

7 "Health care provider" means a provider of services, as
8 defined in title 42 United States Code section 1395x(u), a
9 provider of medical and other health services, as defined in
10 title 42 United States Code section 1395x(s), other
11 practitioners licensed by the State and working within their
12 scope of practice, and any other person or organization who
13 furnishes, bills, or is paid for health care in the normal
14 course of business, including but not limited to primary care
15 providers, mental health providers, oral health providers,
16 physicians and osteopathic physicians licensed under chapter
17 453, advanced practice registered nurses licensed under chapter
18 457, psychologists licensed under chapter 465, pharmacists
19 licensed under chapter 461, and dentists licensed under
20 chapter 448.



1 "Originating site" means the location where the patient is
2 located, whether accompanied or not by a health care provider,
3 at the time services are provided by a health care provider
4 through telehealth, including but not limited to a health care
5 provider's office, hospital, critical access hospital, rural
6 health clinic, federally qualified health center, a patient's
7 home, and other non-medical environments such as school-based
8 health centers, university-based health centers, or the work
9 location of a patient.

10 "Telehealth" means the use of telecommunications services,
11 as defined in section 269-1, to encompass four modalities:
12 store and forward technologies, remote monitoring, live
13 consultation, and mobile health; and which shall include but not
14 be limited to real-time video conferencing-based communication,
15 secure interactive and non-interactive web-based communication,
16 and secure asynchronous information exchange, to transmit
17 patient medical information, including diagnostic-quality
18 digital images and laboratory results for medical interpretation
19 and diagnosis, for the purpose of delivering enhanced health
20 care services and information while a patient is at an
21 originating site and the health care provider is at a distant



1 site. Standard telephone contacts, facsimile transmissions, or
2 e-mail text, in combination or by itself, does not constitute a
3 telehealth service for the purposes of this section."

4 SECTION 7. Section 432D-23, Hawaii Revised Statutes, is
5 amended to read as follows:

6 **"§432D-23 Required provisions and benefits.**

7 Notwithstanding any provision of law to the contrary, each
8 policy, contract, plan, or agreement issued in the State after
9 January 1, 1995, by health maintenance organizations pursuant to
10 this chapter, shall include benefits provided in sections
11 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116,
12 431:10A-116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119,
13 431:10A-120, 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126,
14 431:10A-132, 431:10A-133, 431:10A-134, 431:10A-140, and
15 [~~431:10A-134~~,] 431:10A- , and chapter 431M."

16 SECTION 8. The department of human services shall apply to
17 the United States Department of Health and Human Services for
18 any amendment to the state Medicaid plan or for any Medicaid
19 waiver necessary to implement sections 4, 5, and 6 of this Act.
20 The department shall submit the Medicaid state plan amendment no
21 later than .



1 SECTION 9. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 10. This Act does not affect rights and duties
4 that matured, penalties that were incurred, and proceedings that
5 were begun before its effective date.

6 SECTION 11. This Act shall take effect upon its approval;
7 provided that sections 4 through 6 of this Act shall take effect
8 upon approval of the Hawaii medicaid state plan by the Centers
9 for Medicare and Medicaid Services.

10

INTRODUCED BY: 



S.B. NO. 1579

Report Title:

Pharmacists; Insurance Coverage; Reimbursement

Description:

Mandates reimbursement for services provided by participating registered pharmacists practicing within their scope of practice by private and public health plans in the State after 7/1/2026.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 21 2026

A BILL FOR AN ACT

RELATING TO MEDICATION LABELING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 328-16, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsections (a) to (c) to read:

4 "(a) A prescription drug shall be dispensed only if its
5 label bears the following:

6 (1) ~~[The]~~ Except as otherwise authorized for medication
7 abortion care in section 453-16 or 457-8.7, the name,
8 business address, and telephone number of the seller.

9 The business address shall be the physical location of
10 the pharmacy or the dispensing practitioner's office;

11 (2) Except as otherwise authorized for ~~[expedited]~~:

12 (A) Expedited partner therapy in section 453-52 ~~[ex~~
13 ~~an]~~;

14 (B) An opioid antagonist in section 461-11.8 ~~[τ]~~; or

15 (C) Medication abortion care in section 453-16 or
16 457-8.7,



- 1 the name of the person for whom the drug was
2 prescribed or the name of the owner of the animal for
3 which the drug was prescribed;
- 4 (3) The serial number of the prescription;
- 5 (4) The date the prescription was prepared;
- 6 (5) ~~The~~ Except as otherwise authorized for medication
7 abortion care in section 453-16 or 457-8.7, the name
8 of the practitioner if the seller is not the
9 practitioner;
- 10 (6) The name, strength, and quantity of the drug;
- 11 (7) The "use by" date for the drug, which shall be:
- 12 (A) The expiration date on the manufacturer's
13 container; or
- 14 (B) One year from the date the drug is dispensed,
15 whichever is earlier;
- 16 (8) The number of refills available, if any;
- 17 (9) In the case of the dispensing of an equivalent generic
18 drug product, the statement "same as (brand name of
19 the drug product prescribed or the referenced listed
20 drug name)", or words of similar meaning;



1 (10) In the case of the dispensing of an interchangeable
2 biological product, the statement "interchangeable
3 with (brand name of the biological product prescribed
4 or the referenced biological drug name)", or words of
5 similar meaning; and

6 (11) Specific directions for the drug's use; provided that
7 if the specific directions for use are too lengthy for
8 inclusion on the label, the notation "take according
9 to written instructions" may be used if separate
10 written instructions for use are actually issued with
11 the drug by the practitioner or the pharmacist, but in
12 no event shall the notation "take as directed",
13 referring to oral instructions, be considered
14 acceptable.

15 If any prescription for a drug does not indicate the number of
16 times it may be refilled, if any, the pharmacist shall not
17 refill that prescription unless subsequently authorized to do so
18 by the practitioner or pursuant to section 461-11.9. The act of
19 dispensing a prescription drug other than a professional sample
20 or medical oxygen contrary to this subsection shall be deemed to



1 be an act that results in a drug being misbranded while held for
2 sale.

3 (b) In addition to the requirements enumerated in
4 subsection (a), a prescription drug shall be dispensed only:

5 (1) By a pharmacist pursuant to a valid prescription or
6 section 453-52, 461-1, 461-11.8, or 461-11.9;

7 (2) By a medical oxygen distributor pursuant to a
8 prescription or certificate of medical necessity;
9 provided that the drug to be dispensed is medical
10 oxygen; or

11 (3) By a practitioner to an ultimate user; provided that:

12 (A) Except as otherwise authorized for expedited
13 partner therapy in section 453-52, the
14 practitioner shall inform the patient, before
15 dispensing any drug other than a professional
16 sample, that the patient may have a written,
17 orally ordered, or electronically transmitted or
18 conveyed prescription directed to a pharmacy or a
19 medical oxygen distributor of the patient's own
20 choice;



- 1 (B) The practitioner shall promptly record in the
2 practitioner's records:
- 3 (i) The prescription in full;
- 4 (ii) The name, strength, and quantity of the
5 drug, and specific directions for the drug's
6 use;
- 7 (iii) The date the drug was dispensed;
- 8 (iv) Except as otherwise authorized for expedited
9 partner therapy in section 453-52 or for an
10 opioid antagonist in section 461-11.8, the
11 name and address of the person for whom the
12 drug was prescribed or the name of the owner
13 of the animal for which the drug was
14 prescribed; and
- 15 (v) Prescription drugs dispensed or prescribed
16 for expedited partner therapy as authorized
17 under section 453-52 or for an opioid
18 antagonist in section 461-11.8;
- 19 (C) The records described in subparagraph (B) shall
20 be subject to the inspection of the department or
21 its agents at all times; provided that the



1 inspection of records for medication abortion
2 care shall require a subpoena issued by a court
3 of competent jurisdiction; and

4 (D) No undisclosed rebate, refund, commission,
5 preference, discount, or other consideration,
6 whether in the form of money or otherwise, has
7 been offered to the practitioner as compensation
8 or inducement to dispense or prescribe any
9 specific drug in preference to other drugs that
10 might be used for the identical therapeutic
11 indication.

12 (c) A prescription may be communicated in writing, orally,
13 or by electronic transmission, and shall include the following
14 information:

15 (1) The authorization of the practitioner noted as
16 follows:

17 (A) Written prescriptions shall include the original
18 signature of the practitioner;

19 (B) Oral prescriptions shall be promptly recorded by
20 the pharmacist or medical oxygen distributor and



1 shall include the practitioner's oral code
2 designation; and
3 (C) Electronic prescriptions shall be irrefutably
4 traceable to the prescribing practitioner by a
5 recognizable and unique practitioner identifier
6 such as:
7 (i) A bitmap or graphic image of the
8 prescriber's handwritten signature and the
9 prescriber's oral code designation (or
10 license number or other identifier if the
11 prescriber is an out-of-state practitioner);
12 (ii) An electronic signature;
13 (iii) A digital signature; or
14 (iv) By other means as approved by the director;
15 (2) The date of issuance;
16 (3) The practitioner's name, business telephone number,
17 and business address, unless the practitioner is
18 otherwise uniquely identified and the pharmacy or
19 medical oxygen distributor dispensing the prescription
20 has the prescriber's contact information on file
21 accessible within the dispensing area;



- 1 (4) The name, strength, and quantity of the drug to be
2 dispensed, and specific directions for the drug's use;
- 3 (5) Except as otherwise authorized for expedited partner
4 therapy in section 453-52 or for an opioid antagonist
5 in section 461-11.8, the name and address of the
6 person for whom the prescription was written or the
7 name of the owner of the animal for which the drug was
8 prescribed, unless the pharmacy or medical oxygen
9 distributor dispensing the prescription has the
10 address on file accessible within the dispensing area;
- 11 (6) The room number and route of administration, if the
12 patient is in an institutional facility; [~~and~~]
- 13 (7) The number of allowable refills, if the prescription
14 is refillable. If the number of refills authorized by
15 the practitioner is indicated using the terms "as
16 needed" or "prn", the prescription may be refilled up
17 to twelve months from the date the original
18 prescription was written. After the twelve-month
19 period, the "as needed" or "prn" prescription may be
20 refilled for a subsequent three-month period;
21 provided:



- 1 (A) The prescription is refilled only once during the
- 2 three-month period;
- 3 (B) The refill does not exceed a thirty-day supply of
- 4 the drug;
- 5 (C) The refill does not provide any amount of the
- 6 drug fifteen months beyond the date the original
- 7 prescription was written;
- 8 (D) In the case of medical oxygen, the duration of
- 9 therapy indicated on a certificate of medical
- 10 necessity shall supersede any limitations or
- 11 restrictions on refilling; and
- 12 (E) Subparagraphs (A) to (D) shall apply only to
- 13 pharmacies and medical oxygen distributors
- 14 practicing in the State[-]; and

15 (8) In the case of medication abortion care, if the
16 pregnant person has elected to have an anonymous
17 prescription label under section 453-16(c) or
18 457-8.7(c)."

19 2. By amending subsection (e) to read:

20 "(e) Prescription information may be transferred between
21 pharmacies, between a pharmacy and a medical oxygen distributor,



1 and between medical oxygen distributors for dispensing purposes;
2 provided that:

3 (1) Medical oxygen distributors may communicate or receive
4 prescription information related only to the
5 dispensing of medical oxygen;

6 (2) The prescription information includes all elements of
7 subsection (c)(2) to [~~7~~] (8) and the following:

8 (A) Authentication of the transmitting pharmacy or
9 medical oxygen distributor who is providing the
10 prescription information including the following:

11 (i) The name of the pharmacist or medical oxygen
12 distributor providing the information;

13 (ii) The name, telephone number, and address or
14 location of the pharmacy or medical oxygen
15 distributor firm providing the information;

16 and

17 (iii) The serial number, prescription number,
18 control number, or other unique identifier
19 of the prescription record from which the
20 information was transferred;

21 (B) The date the original prescription was issued;



1 (C) The date of the last refill; and

2 (D) The number of refills remaining."

3 SECTION 2. Section 453-16, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§453-16 Intentional termination of pregnancy; refusal to**

6 **perform.** (a) A licensed physician or surgeon or licensed
7 osteopathic physician and surgeon may provide abortion care. A
8 licensed physician assistant may provide medication or
9 aspiration abortion care in the first trimester of pregnancy.

10 (b) The State shall not deny or interfere with a pregnant
11 person's right to choose to:

12 (1) Obtain an abortion; or

13 (2) Terminate a pregnancy if the termination is necessary
14 to protect the life or health of the pregnant person.

15 (c) If the pregnant person elects to have an anonymous
16 prescription label, any medication abortion care prescribed
17 under this section shall be dispensed with a label under section
18 328-16 bearing:

19 (1) "Medication Abortion Care" instead of the name of the
20 person for whom the drug was prescribed;

21 (2) "Seller Name" instead of the name of the seller;



- 1 (3) "Business Address" instead of the business address of
2 the seller;
- 3 (4) "000-000-0000" or a comparable indication instead of
4 the telephone number of the seller; and
- 5 (5) "Practitioner Name" if the seller is not the
6 practitioner.

7 [~~e~~] (d) Nothing in this section shall require any
8 hospital or any person to participate in an abortion nor shall
9 any hospital or any person be liable for a refusal.

10 [~~d~~] (e) For purposes of this section:

11 "Abortion" means an intentional termination of the
12 pregnancy of a nonviable fetus.

13 "Nonviable fetus" means a fetus that does not have a
14 reasonable likelihood of sustained survival outside of the
15 uterus."

16 SECTION 3. Section 457-8.7, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§457-8.7 Advanced practice registered nurses; abortions**
19 **by medication or aspiration; refusal to perform.** (a)

20 Notwithstanding section 453-16 or any other law to the contrary,
21 an advanced practice registered nurse may provide medication or



1 aspiration abortion care in the first trimester of pregnancy, so
2 long as the advanced practice registered nurse:

- 3 (1) Has prescriptive authority;
- 4 (2) Practices within the advanced practice registered
5 nurse's practice specialty; and
- 6 (3) Has a valid, unencumbered license obtained in
7 accordance with this chapter.

8 (b) The State shall not deny or interfere with a pregnant
9 person's right to choose to:

- 10 (1) Obtain an abortion; or
- 11 (2) Terminate a pregnancy if the termination is necessary
12 to protect the life or health of the pregnant person.

13 (c) If the pregnant person elects to have an anonymous
14 prescription label, any medication abortion care prescribed
15 under this section shall be dispensed with a label under
16 section 328-16 bearing:

- 17 (1) "Medication Abortion Care" instead of the name of the
18 person for whom the drug was prescribed;
- 19 (2) "Seller Name" instead of the name of the seller;
- 20 (3) "Business Address" instead of the business address of
21 the seller;



- 1 (4) "000-000-0000" or a comparable indication instead of
2 the telephone number of the seller; and
3 (5) "Practitioner Name" if the seller is not the
4 practitioner.

5 ~~(e)~~ (d) Nothing in this section shall require any
6 hospital or any person to participate in an abortion, nor shall
7 any hospital or any person be liable for a refusal.

8 ~~(d)~~ (e) For purposes of this section, "abortion" and
9 "nonviable fetus" shall have the same meaning as defined in
10 section 453-16."

11 SECTION 4. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on January 1, 2027.

14

INTRODUCED BY: *Scott*



S.B. NO. 2038

Report Title:

Abortion; Mifepristone; Medication; Pharmacy; Prescription;
Health

Description:

Authorizes certain pregnant persons to receive abortion medication with a label that does not bear their name and other identifying information.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 21 2026

A BILL FOR AN ACT

RELATING TO PHARMACY BENEFIT MANAGERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that pharmacy benefit
2 managers are third party administrators that contract with
3 health plans, employers, unions, and government entities to
4 manage prescription drug programs on behalf of health plan
5 beneficiaries. Over the past decade, the role of pharmacy
6 benefit managers in the delivery of health care has
7 significantly increased. However, a recent report has found
8 that pharmacy benefit managers have had an adverse impact on the
9 overall costs and prices of prescription drugs.

10 The legislature further finds that a maximum allowable cost
11 list is a list of the maximum amounts that a pharmacy benefit
12 manager will reimburse a pharmacy for various drugs. In
13 general, no two maximum allowable cost lists are alike and will
14 vary according to the drug, pharmacy benefit manager, and plan
15 sponsor. However, the lack of transparency surrounding maximum
16 allowable cost pricing has enabled pharmacy benefit managers to
17 pay aggressively low reimbursements to pharmacies, while



1 charging significantly higher amounts for the same drug to plan
2 sponsors. This large discrepancy between the list price of
3 prescription drugs and the transaction price often results in
4 much higher patient copayments.

5 The legislature also finds that nearly all health plans
6 require some level of cost sharing, either via a fixed copayment
7 or some percentage of the cost of care. However, in certain
8 situations, a pharmacy benefit manager may set an insurance
9 copayment at a higher amount than the actual cost of the
10 medication and later take back the excess amount from a
11 pharmacy, in a practice known as copay clawbacks.

12 The legislature additionally finds that the State had
13 previously regulated pharmacy benefit manager maximum allowable
14 cost lists under section 326-106, Hawaii Revised Statutes, but
15 later repealed these requirements under Act 207, Session Laws of
16 Hawaii 2023, because the law placed the regulatory
17 responsibility on the department of health, which lacked the
18 expertise to oversee what was intended as a price control
19 function. The law also did not provide an adequate remedy for
20 violations or an appropriate enforcement mechanism or incentives
21 for pharmacy benefit managers to comply with disclosure of



1 maximum allowable cost lists. However, after repealing section
2 326-106, Hawaii Revised Statutes, no laws were enacted to
3 regulate maximum allowable cost lists for pharmacy benefit
4 managers.

5 Finally, the legislature further finds that it is
6 appropriate to restore statutory protections relating to
7 pharmacy benefit managers maximum allowable cost lists within
8 chapter 431R, Hawaii Revised Statutes, that governs prescription
9 drug benefits, under the purview of the department of commerce
10 and consumer affairs, to strengthen the ability of pharmacies to
11 receive timely maximum allowable cost lists, establish a
12 complaints process for violations, and clarify penalties to
13 encourage transparency amongst pharmacy benefit managers while
14 protecting the State's independent pharmacies and consumers.

15 Accordingly, the purpose of this Act is to:

16 (1) Establish requirements for pharmacy benefit managers
17 that reimburse contracting pharmacies for drugs on a
18 maximum allowable cost basis, including contents of
19 contracts, maximum allowable cost lists, and maximum
20 allowable cost reports, and complaint process; and



1 (2) Require pharmacy benefit managers to disclose
2 lower-priced equivalent drugs when a maximum allowable
3 cost is upheld on appeal and allow contracting
4 pharmacies to reverse and rebill claims if a maximum
5 allowable cost is denied on appeal and recoup any
6 overpayment.

7 SECTION 2. Chapter 431R, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§431R- Pharmacy benefit manager; maximum allowable
11 cost. (a) A pharmacy benefit manager that reimburses a
12 contracting pharmacy for a drug on a maximum allowable cost
13 basis shall comply with the requirements of this section.

14 (b) The pharmacy benefit manager shall include the
15 following in the contract information with a contracting
16 pharmacy:

17 (1) Information identifying any national drug pricing
18 compendia; or

19 (2) Other data sources for the maximum allowable cost
20 list.



1 (c) The pharmacy benefit manager shall make available to a
2 contracting pharmacy upon request, a comprehensive report for
3 all drugs on the maximum allowable cost list for a plan, which
4 contains the most up-to-date maximum allowable cost price or
5 prices used by the pharmacy benefit manager for patients served
6 by the pharmacy, in a readily accessible and secure electronic
7 or usable web-based format.

8 (d) A drug shall not be included on a maximum allowable
9 cost list or reimbursed on a maximum allowable cost basis unless
10 all of the following apply:

11 (1) The drug is listed as "A" or "B" rated in the most
12 recent version of the Orange Book or has a rating of
13 "NR", "NA", or similar rating by a nationally
14 recognized reference;

15 (2) The drug is generally available for purchase in this
16 State from a national or regional wholesaler; and

17 (3) The drug is not obsolete.

18 (e) The pharmacy benefit manager shall review and make
19 necessary adjustments to the maximum allowable cost of each drug
20 on a maximum allowable cost list at least once every seven days
21 using the most recent data sources available, and shall apply



1 the updated maximum allowable cost list beginning that same day
2 to reimburse the contracting pharmacy until the pharmacy benefit
3 manager next updates the maximum allowable cost list in
4 accordance with this section.

5 (f) The pharmacy benefit manager shall have a clearly
6 defined process for a contracting pharmacy to appeal the maximum
7 allowable cost for a drug on a maximum allowable cost list that
8 complies with all of the following:

9 (1) A contracting pharmacy may base its appeal on one or
10 more of the following:

11 (A) The maximum allowable cost for a drug is below
12 the cost at which the drug is available for
13 purchase by similarly situated pharmacies in this
14 State from a national or regional wholesaler; or

15 (B) The drug does not meet the requirements of
16 subsection (d) for reimbursement on a maximum
17 allowable cost basis;

18 (2) A contracting pharmacy shall be provided no less than
19 fourteen business days following receipt of payment
20 for a claim to file the appeal with the pharmacy
21 benefit manager;



- 1 (3) The pharmacy benefit manager shall make a final
2 determination on the contracting pharmacy's appeal no
3 later than fourteen business days after the pharmacy
4 benefit manager's receipt of the appeal;
- 5 (4) If the maximum allowable cost is upheld on appeal, the
6 pharmacy benefit manager shall provide to the
7 contracting pharmacy the reason therefor and the
8 national drug code of an equivalent drug that may be
9 purchased by a similarly situated pharmacy at a price
10 that is equal to or less than the maximum allowable
11 cost of the drug that is the subject of the appeal;
12 and
- 13 (5) If the maximum allowable cost is not upheld on appeal,
14 the pharmacy benefit manager shall adjust, for the
15 appealing contracting pharmacy, the maximum allowable
16 cost of the drug that is the subject of the appeal,
17 within one calendar day of the date of the decision on
18 the appeal and allow the contracting pharmacy to
19 reverse and rebill the claim that is the subject of
20 the appeal, and all claims for the same drug at the
21 plan level, until the maximum allowable cost list is



1 updated pursuant to subsection (e), to be reimbursed
2 at the maximum allowable cost established by the
3 appeal.

4 (g) A contracting pharmacy shall not disclose to any third
5 party the maximum allowable cost list and any related
6 information it receives, either directly from a pharmacy benefit
7 manager or through a pharmacy services administrative
8 organization or similar entity with which the pharmacy has a
9 contract to provide administrative services for that pharmacy.

10 (h) The insurance commissioner may adopt rules pursuant to
11 chapter 91 to establish a process to subject complaints of
12 violations of this section to an external review process, which
13 may be binding on a complaining contracting pharmacy and a
14 pharmacy benefit manager against whom a complaint is made,
15 except to the extent that the parties have other remedies
16 available under applicable federal or state law, and which may
17 assign the costs associated with the external review process to
18 a complaining contracting pharmacy and a pharmacy benefit
19 manager against whom a complaint is made."



1 SECTION 3. Section 431R-1, Hawaii Revised Statutes, is
2 amended by adding four new definitions to be appropriately
3 inserted and to read as follows:

4 "Contracting pharmacy" means an independent pharmacy that
5 is not part of a regional or national chain, or part of a
6 pharmacy services administration organization, and there is no
7 other pharmacy within a ten-mile radius.

8 "Maximum allowable cost" means the maximum amount that a
9 pharmacy benefit manager shall reimburse a pharmacy for the cost
10 of a drug.

11 "Maximum allowable cost list" means a list of drugs for
12 which a maximum allowable cost has been established by a
13 pharmacy benefit manager.

14 "Obsolete" means a drug that may be listed in a national
15 drug pricing compendia but cannot be dispensed based on the
16 expiration date of the last lot manufactured.

17 "Orange Book" has the same meaning as defined in section
18 328-91."

19 SECTION 4. Section 431R-5, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) The insurance commissioner may assess a fine of up to
2 \$10,000 for each violation by a pharmacy benefit manager or
3 prescription drug benefit plan provider who is in violation of
4 section 431R-2 [~~or~~], 431R-3[~~+~~], or 431R- . In addition, the
5 insurance commissioner may order the pharmacy benefit manager to
6 take specific affirmative corrective action or make
7 restitution."

8 SECTION 5. Section 328-91, Hawaii Revised Statutes, is
9 amended by deleting the definitions of "maximum allowable cost",
10 "maximum allowable cost list", and "obsolete".

11 [~~"Maximum allowable cost" means the maximum amount that a
12 pharmacy benefit manager shall reimburse a pharmacy for the cost
13 of a drug.~~

14 ~~"Maximum allowable cost list" means a list of drugs for
15 which a maximum allowable cost has been established by a
16 pharmacy benefit manager.~~

17 ~~"Obsolete" means a drug that may be listed in a national
18 drug pricing compendia but cannot be dispensed based on the
19 expiration date of the last lot manufactured."]~~

20 SECTION 6. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



S.B. NO. 2047

1 SECTION 7. This Act shall take effect upon its approval.

2

INTRODUCED BY: *Scott*



S.B. NO. 2047

Report Title:

Pharmacy Benefit Managers; Prescription Drugs; Maximum Allowable Cost; Contracting Pharmacies

Description:

Establishes requirements for pharmacy benefit managers that reimburse contracting pharmacies for drugs on a maximum allowable cost basis, including maximum allowable cost lists, and maximum allowable cost reports, and complaints process. Requires pharmacy benefit managers to disclose lower-priced equivalent drugs when a maximum allowable cost is upheld on appeal and allow contracting pharmacies to reverse and rebill claims if a maximum allowable cost is denied on appeal and recoup any overpayment.

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A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the State's existing
2 reimbursement rates for nonprescription drugs, over-the-counter
3 drugs, or nonlegend drugs for workers' compensation are not
4 clearly provided. The legislature further finds that this
5 omission has led some to charge inflated rates for these drugs,
6 which drives up the cost of workers' compensation insurance
7 policies.

8 Accordingly, the purpose of this Act is to establish:

- 9 (1) Payment rates for nonprescription drugs, over-the-
10 counter drugs, or nonlegend drugs for workers'
11 compensation purposes; and
12 (2) Requirements for the authorization of such payments.

13 SECTION 2. Chapter 386, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§386- Nonprescription, over-the-counter, or nonlegend
17 drug payments. (a) Payment for nonprescription drugs, over-



1 the-counter drugs, or nonlegend drugs shall not exceed cost plus
2 forty per cent.

3 (b) Payment shall not be authorized under this section
4 unless the nonprescription drug, over-the-counter drug, or
5 nonlegend drug has been clinically established as necessary by
6 the provider, or a duly authorized representative, to treat the
7 injured employee for a work injury.

8 (c) Providers may seek reimbursement for any applicable
9 Hawaii general excise tax.

10 (d) For purposes of this section:

11 "Nonprescription drug", "over-the-counter drug", or
12 "nonlegend drug", has the same meaning as provided in section
13 328-1.

14 "Provider" means the physician dispensing the
15 nonprescription drug, over-the-counter drug, or nonlegend drug."

16 SECTION 3. This Act does not affect rights and duties that
17 matured, penalties that were incurred, and proceedings that were
18 begun before its effective date.

19 SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Workers' Compensation; Nonprescription Drugs; Payment Limitation

Description:

Establishes a payment rate not to exceed cost plus forty per cent for nonprescription drugs, over-the-counter drugs, or nonlegend drugs for workers' compensation purposes, subject to certain conditions. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that health insurance
2 plans are increasingly making use of step therapy protocols
3 which require patients to try one or more prescription drug
4 alternatives before insurance coverage is provided for the
5 particular prescription drug selected by the patient's health
6 care provider. Step therapy protocols can serve an important
7 role in controlling health care costs when they are based on
8 well-developed scientific standards and administered in a
9 flexible manner that considers the individual needs of patients.
10 However, requiring a patient to follow a step therapy protocol
11 may have adverse and even dangerous consequences for a patient
12 who may not realize a benefit from taking a required
13 prescription drug alternative or suffer harm if the step therapy
14 protocol requires use of a drug that is inappropriate for the
15 patient.

16 The legislature further finds that without uniform
17 statewide policies in place for step therapy protocols,



1 residents of the State may have varying access to appropriate
2 health care treatment depending on their particular insurance
3 carrier. It is imperative that step therapy protocols in the
4 State preserve health care providers' right to make treatment
5 decisions in the best interest of the patient.

6 The legislature finds that it is necessary for the
7 protection of public health and safety to require health
8 insurers to base step therapy protocols on appropriate clinical
9 practice guidelines or published peer reviewed data developed by
10 independent experts with knowledge of the condition or
11 conditions under consideration. To protect the interest of
12 patients statewide, step therapy protocols should include
13 provisions to exempt patients for whom step therapy would be
14 inappropriate and should ensure that patients have access to a
15 fair, transparent, and independent process for requesting an
16 exception to a step therapy protocol when the patients'
17 physician deems it to be appropriate.

18 Accordingly, the purpose of this Act is to require all
19 insurers in the State to adopt minimum standards for the use of
20 step therapy protocols to ensure the fair, consistent, and



1 transparent provision of prescription drugs to residents of the
2 State.

3 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
4 amended by adding a new section to article 10A to be
5 appropriately designated and to read as follows:

6 "§431:10A- Step therapy protocol; requirements;
7 exceptions. (a) Clinical review criteria used to establish a
8 step therapy protocol shall be based on clinical practice
9 guidelines. Clinical practice guidelines shall:

10 (1) Recommend that the prescription drugs be taken in the
11 specific sequence required by the step therapy
12 protocol;

13 (2) Be developed and endorsed by a multidisciplinary panel
14 of experts that manages conflicts of interest among
15 the members of the writing and review groups by:

16 (A) Requiring members to disclose any potential
17 conflict of interests with entities, including
18 insurers, health plans, and pharmaceutical
19 manufacturers and recuse themselves of voting if
20 they have a conflict of interest;



H.B. NO. 216

- 1 (B) Using a methodologist to work with writing groups
2 to provide objectivity in data analysis and
3 ranking of evidence through the preparation of
4 evidence tables and facilitating consensus; and
5 (C) Offering opportunities for public review and
6 comments;
7 provided that in the absence of a panel, peer reviewed
8 publications shall suffice;
9 (3) Be based on high quality studies, research, and
10 medical practices;
11 (4) Be established under an explicit and transparent
12 process that:
13 (A) Minimizes biases and conflicts of interest;
14 (B) Explains the relationship between treatment
15 options and outcomes;
16 (C) Rates the quality of the evidence supporting
17 recommendations; and
18 (D) Considers relevant patient subgroups and
19 preferences;



1 (5) Be continually updated through a review of new
2 evidence, research, and newly developed treatments;
3 and

4 (6) Consider the needs of atypical patient populations and
5 diagnoses;

6 Nothing in this subsection shall be construed to require an
7 insurer, utilization review organization, or health care
8 provider to create any new entity to develop clinical review
9 criteria used for step therapy protocols.

10 (b) When coverage of a prescription drug for the treatment
11 of any medical condition is restricted for use by an insurer or
12 utilization review organization through the use of a step
13 therapy protocol, the patient and the prescribing practitioner
14 shall have access to request a step therapy exception through a
15 clear and convenient process which shall be readily accessible
16 through the insurer or utilization review organization's
17 website. An insurer or utilization review organization may use
18 its existing medical exceptions or appeal process to satisfy
19 this requirement; provided that the process complies with the
20 requirements of this section. An insurer or utilization review
21 organization shall upon written request:



1 (1) Provide all written clinical review criteria relating
2 to a particular condition or disease or a step therapy
3 exception determination;

4 (2) Display the requested clinical review criteria and
5 other clinical information on its website; and

6 (3) Distribute the requested clinical review criteria and
7 other clinical information to a health care
8 professional on the behalf of a patient.

9 (c) A step therapy exception shall be granted to a patient
10 whose relevant medical condition is:

11 (1) Currently stabilized by a particular prescription drug
12 prescribed by the patient's health care provider,
13 regardless of any current or prior insurance coverage,
14 and the patient's health care provider has prescribed
15 continued treatment with the same prescription drug;

16 or

17 (2) Not currently stabilized by a particular prescription
18 drug and if any prescription drug required under the
19 applicable step therapy protocol:



- 1 (A) Is contraindicated or will likely cause an
2 adverse reaction by or physical or mental harm to
3 the patient;
- 4 (B) Is expected to be ineffective based on the known
5 clinical characteristics of the patient and the
6 known characteristics of the prescription drug;
- 7 (C) Has been previously prescribed to the patient or
8 is in the same pharmacologic class or has the
9 same mechanism of action as another prescription
10 drug that has been prescribed to the patient and
11 was discontinued by the patient's health care
12 provider due to lack of efficacy or
13 effectiveness, diminished effect, or an adverse
14 event, regardless of any current or prior
15 insurance coverage of the prescription drug; or
- 16 (D) Will not serve the best interest of the patient,
17 based on medical necessity.

18 (d) An insurer or utilization review organization shall
19 make a step therapy exception determination within seventy-two
20 hours of receipt of a request for an exception or filing of an
21 appeal; provided that if exigent circumstances exist, a



1 determination shall be made within twenty-four hours; provided
2 further that if no determination has been made within the time
3 specified, the exception shall be deemed to be granted.

4 If a request for a step therapy exception is incomplete or
5 additional clinically relevant information is required, the
6 insurer or utilization review organization shall notify the
7 prescribing practitioner within seventy-two hours of submission
8 of a request for an exception, or within twenty-four hours in
9 exigent circumstances, what additional or clinically relevant
10 information is required to approve or deny the step therapy
11 exception request or appeal pursuant to the criteria disclosed
12 in subsection (a). Once the requested information is submitted,
13 the applicable time period for an insurer or utilization review
14 organization to make a step therapy exception determination
15 shall apply.

16 Upon the grant of a step therapy exception, the insurer or
17 utilization review organization shall authorize coverage for the
18 particular prescription drug prescribed by the patient's health
19 care provider. Any adverse determination under this subsection
20 shall be subject to appeal pursuant to the insurer or
21 utilization review organization's existing appeal procedures.



1 (e) Every insurer or utilization review organization
2 subject to this section shall certify annually to the insurance
3 commissioner that the insurer or utilization review
4 organization's step therapy protocol meets the requirements of
5 this section. Any proposed change in protocol or clinical
6 review criteria shall be submitted to the insurance commissioner
7 for approval before it may be implemented by the insurer or
8 utilization review organization.

9 (f) Notwithstanding any law to the contrary, the insurance
10 division of the department of commerce and consumer affairs
11 shall adopt rules necessary for the purposes of this section.

12 (g) Each insurer or utilization review organization shall
13 annually submit a report to the insurance division of the
14 department of commerce and consumer affairs, on forms prescribed
15 by the insurance division of the department of commerce and
16 consumer affairs, that includes the following:

17 (1) The number of step therapy exception requests
18 received;

19 (2) The type of health care providers or the medical
20 specialties of the health care providers submitting
21 step therapy exception requests;



1 (3) The number of step therapy exception requests that
2 were:

3 (A) Denied, including the reasons for the denials;

4 (B) Approved;

5 (C) Initially denied and then appealed; and

6 (D) Initially denied and then subsequently reversed
7 by the internal appeals or external reviews; and

8 (4) The medical conditions under which patients were
9 granted step therapy exceptions due to the likelihood
10 that switching from the prescription drug will likely
11 cause an adverse reaction by or physical or mental
12 harm to the insured.

13 (h) This section applies to any state regulated plan or
14 health insurance coverage offered in connection with a state
15 regulated plan that provides coverage of a prescription drug
16 pursuant to a policy that meets the definition of a step therapy
17 protocol, regardless of whether the policy is described as a
18 step therapy protocol.

19 (i) Nothing in this section shall be construed to prevent:

20 (1) An insurer or utilization review organization from
21 requiring a patient to try an AB-rated generic



1 equivalent drug or interchangeable biological product
2 before providing coverage for a name-brand
3 prescription drug, unless the requirement meets the
4 qualifications for a step therapy exception pursuant
5 to subsection (c);

6 (2) An insurer or utilization review organization from
7 requiring a pharmacist to effect substitutions of
8 prescription drugs pursuant to section 328-92; or

9 (3) A health care provider from prescribing any
10 prescription drug that the provider finds to be
11 medically appropriate for the patient.

12 (j) For the purposes of this section:

13 "AB-rated generic equivalent drug" means a prescription
14 drug product that is considered by the federal Food and Drug
15 Administration to be therapeutically equivalent to a particular
16 name brand prescription drug.

17 "Clinical practice guidelines" means a systematically
18 developed statement to assist decision-making by health care
19 providers and patients about appropriate health care for
20 specific clinical circumstances and conditions.



1 "Clinical review criteria" means the written screening
2 procedures, decision abstracts, clinical protocols, and practice
3 guidelines used by an insurer or utilization review organization
4 to determine the medical necessity and appropriateness of health
5 care services.

6 "Interchangeable biological product" has the same meaning
7 as defined in section 328-91.

8 "Medically appropriate" means health services and supplies
9 that under the applicable standard of care are appropriate:

- 10 (1) To improve or preserve health, life, or function;
11 (2) To slow the deterioration of health, life, or
12 function; or
13 (3) For the early screening, prevention, evaluation,
14 diagnosis, or treatment of a disease, condition,
15 illness, or injury.

16 "Step therapy exception determination" means a
17 determination as to whether a step therapy protocol should apply
18 in a particular situation or be overridden in favor of immediate
19 coverage of a health care provider's selected prescription drug
20 based on a review of the patient's or prescriber's request for
21 an exception and supporting rationale and documentation.



1 "Step therapy protocol" means a protocol or program that
2 requires the use of specific prescription drugs in a specific
3 sequence as a condition of coverage under a policy.

4 "Utilization review organization" means an entity that
5 conducts utilization reviews, other than an insurer that
6 performs utilization reviews for its own policies."

7 SECTION 3. Chapter 432, Hawaii Revised Statutes, is
8 amended by adding a new section to article 1 to be appropriately
9 designated and to read as follows:

10 "§432:1- Step therapy protocol; requirements;
11 exceptions. (a) Clinical review criteria used to establish a
12 step therapy protocol shall be based on clinical practice
13 guidelines. Clinical practice guidelines shall:

14 (1) Recommend that the prescription drugs be taken in the
15 specific sequence required by the step therapy
16 protocol;

17 (2) Be developed and endorsed by a multidisciplinary panel
18 of experts that manages conflicts of interest among
19 the members of the writing and review groups by:

20 (A) Requiring members to disclose any potential
21 conflict of interests with entities, including



- 1 insurers, health plans, and pharmaceutical
2 manufacturers and recuse themselves of voting if
3 they have a conflict of interest;
- 4 (B) Using a methodologist to work with writing groups
5 to provide objectivity in data analysis and
6 ranking of evidence through the preparation of
7 evidence tables and facilitating consensus; and
- 8 (C) Offering opportunities for public review and
9 comments;
- 10 provided that in the absence of a panel, peer reviewed
11 publications shall suffice;
- 12 (3) Be based on high quality studies, research, and
13 medical practices;
- 14 (4) Be established under an explicit and transparent
15 process that:
- 16 (A) Minimizes biases and conflicts of interest;
17 (B) Explains the relationship between treatment
18 options and outcomes;
- 19 (C) Rates the quality of the evidence supporting
20 recommendations; and



1 (D) Considers relevant patient subgroups and
2 preferences;

3 (5) Be continually updated through a review of new
4 evidence, research, and newly developed treatments;
5 and

6 (6) Consider the needs of atypical patient populations and
7 diagnoses;

8 Nothing in this subsection shall be construed to require a
9 mutual benefit society, utilization review organization, or
10 health care provider to create any new entity to develop
11 clinical review criteria used for step therapy protocols.

12 (b) When coverage of a prescription drug for the treatment
13 of any medical condition is restricted for use by a mutual
14 benefit society or utilization review organization through the
15 use of a step therapy protocol, the patient and the prescribing
16 practitioner shall have access to request a step therapy
17 exception through a clear and convenient process which shall be
18 readily accessible through the mutual benefit society or
19 utilization review organization's website. A mutual benefit
20 society or utilization review organization may use its existing
21 medical exceptions or appeal process to satisfy this



1 requirement; provided that the process complies with the
2 requirements of this section. A mutual benefit society or
3 utilization review organization shall upon written request:

4 (1) Provide all written clinical review criteria relating
5 to a particular condition or disease or a step therapy
6 exception determination;

7 (2) Display the requested clinical review criteria and
8 other clinical information on its website; and

9 (3) Distribute the requested clinical review criteria and
10 other clinical information to a health care
11 professional on the behalf of a patient.

12 (c) A step therapy exception shall be granted to a patient
13 whose relevant medical condition is:

14 (1) Currently stabilized by a particular prescription drug
15 prescribed by the patient's health care provider,
16 regardless of any current or prior insurance coverage,
17 and the patient's health care provider has prescribed
18 continued treatment with the same prescription drug;
19 or



- 1 (2) Not currently stabilized by a particular prescription
2 drug and if any prescription drug required under the
3 applicable step therapy protocol:
- 4 (A) Is contraindicated or will likely cause an
5 adverse reaction by or physical or mental harm to
6 the patient;
- 7 (B) Is expected to be ineffective based on the known
8 clinical characteristics of the patient and the
9 known characteristics of the prescription drug;
- 10 (C) Has been previously prescribed to the patient or
11 is in the same pharmacologic class or has the
12 same mechanism of action as another prescription
13 drug that has been prescribed to the patient and
14 was discontinued by the patient's health care
15 provider due to lack of efficacy or
16 effectiveness, diminished effect, or an adverse
17 event, regardless of any current or prior
18 insurance coverage of the prescription drug; or
- 19 (D) Will not serve the best interest of the patient,
20 based on medical necessity.



1 (d) A mutual benefit society or utilization review
2 organization shall make a step therapy exception determination
3 within seventy-two hours of receipt of a request for an
4 exception or filing of an appeal; provided that if exigent
5 circumstances exist, a determination shall be made within
6 twenty-four hours; provided further that if no determination has
7 been made within the time specified, the exception shall be
8 deemed to be granted.

9 If a request for a step therapy exception is incomplete or
10 additional clinically relevant information is required, the
11 mutual benefit society or utilization review organization shall
12 notify the prescribing practitioner within seventy-two hours of
13 submission of a request for an exception, or within twenty-four
14 hours in exigent circumstances, what additional or clinically
15 relevant information is required to approve or deny the step
16 therapy exception request or appeal pursuant to the criteria
17 disclosed in subsection (a). Once the requested information is
18 submitted, the applicable time period for a mutual benefit
19 society or utilization review organization to make a step
20 therapy exception determination shall apply.



1 Upon the grant of a step therapy exception, the mutual
2 benefit society or utilization review organization shall
3 authorize coverage for the particular prescription drug
4 prescribed by the patient's health care provider. Any adverse
5 determination under this subsection shall be subject to appeal
6 pursuant to the mutual benefit society or utilization review
7 organization's existing appeal procedures.

8 (e) Every mutual benefit society or utilization review
9 organization subject to this section shall certify annually to
10 the insurance commissioner that the mutual benefit society or
11 utilization review organization's step therapy protocol meets
12 the requirements of this section. Any proposed change in
13 protocol or clinical review criteria shall be submitted to the
14 insurance commissioner for approval before it may be implemented
15 by the mutual benefit society or utilization review
16 organization.

17 (f) Notwithstanding any law to the contrary, the insurance
18 division of the department of commerce and consumer affairs
19 shall adopt rules necessary for the purposes of this section.

20 (g) Each mutual benefit society or utilization review
21 organization shall annually submit a report to the insurance



1 division of the department of commerce and consumer affairs, on
2 forms prescribed by the insurance division of the department of
3 commerce and consumer affairs, that includes the following:

4 (1) The number of step therapy exception requests
5 received;

6 (2) The type of health care providers or the medical
7 specialties of the health care providers submitting
8 step therapy exception requests;

9 (3) The number of step therapy exception requests that
10 were:

11 (A) Denied, including the reasons for the denials;

12 (B) Approved;

13 (C) Initially denied and then appealed; and

14 (D) Initially denied and then subsequently reversed
15 by the internal appeals or external reviews; and

16 (4) The medical conditions under which patients were
17 granted step therapy exceptions due to the likelihood
18 that switching from the prescription drug will likely
19 cause an adverse reaction by or physical or mental
20 harm to the insured.



1 (h) This section applies to any state regulated plan or
2 health insurance coverage offered in connection with a state
3 regulated plan that provides coverage of a prescription drug
4 pursuant to a policy that meets the definition of a step therapy
5 protocol, regardless of whether the policy is described as a
6 step therapy protocol.

7 (i) Nothing in this section shall be construed to prevent:

8 (1) A mutual benefit society or utilization review
9 organization from requiring a patient to try an AB-
10 rated generic equivalent drug or interchangeable
11 biological product before providing coverage for a
12 name-brand prescription drug, unless the requirement
13 meets the qualifications for a step therapy exception
14 pursuant to subsection (c);

15 (2) A mutual benefit society or utilization review
16 organization from requiring a pharmacist to effect
17 substitutions of prescription drugs pursuant to
18 section 328-92; or

19 (3) A health care provider from prescribing any
20 prescription drug that the provider finds to be
21 medically appropriate for the patient.



1 (j) For the purposes of this section:

2 "AB-rated generic equivalent drug" means a prescription
3 drug product that is considered by the federal Food and Drug
4 Administration to be therapeutically equivalent to a particular
5 name brand prescription drug.

6 "Clinical practice guidelines" means a systematically
7 developed statement to assist decision-making by health care
8 providers and patients about appropriate health care for
9 specific clinical circumstances and conditions.

10 "Clinical review criteria" means the written screening
11 procedures, decision abstracts, clinical protocols, and practice
12 guidelines used by a mutual benefit society or utilization
13 review organization to determine the medical necessity and
14 appropriateness of health care services.

15 "Interchangeable biological product" has the same meaning
16 as defined in section 328-91.

17 "Medically appropriate" means health services and supplies
18 that under the applicable standard of care are appropriate:

19 (1) To improve or preserve health, life, or function;

20 (2) To slow the deterioration of health, life, or

21 function; or



1 (3) For the early screening, prevention, evaluation,
 2 diagnosis, or treatment of a disease, condition,
 3 illness, or injury.

4 "Step therapy exception determination" means a
 5 determination as to whether a step therapy protocol should apply
 6 in a particular situation or be overridden in favor of immediate
 7 coverage of a health care provider's selected prescription drug
 8 based on a review of the patient's or prescriber's request for
 9 an exception and supporting rationale and documentation.

10 "Step therapy protocol" means a protocol or program that
 11 requires the use of specific prescription drugs in a specific
 12 sequence as a condition of coverage under a policy.

13 "Utilization review organization" means an entity that
 14 conducts utilization reviews, other than a mutual benefit
 15 society that performs utilization reviews for its own health
 16 benefit plans."

17 SECTION 4. Section 432D-23, Hawaii Revised Statutes, is
 18 amended to read as follows:

19 **"§432D-23 Required provisions and benefits.**

20 Notwithstanding any provision of law to the contrary, each
 21 policy, contract, plan, or agreement issued in the State after



H.B. NO. 216

1 January 1, 1995, by health maintenance organizations pursuant to
2 this chapter, shall include benefits provided in sections
3 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
4 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
5 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, 431:10A-132,
6 431:10A-133, 431:10A-134, 431:10A-140, [~~and 431:10A-134,~~] and
7 431:10A- and chapter 431M."

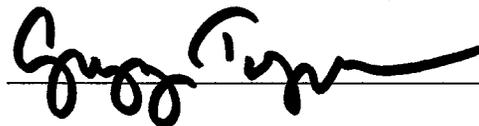
8 SECTION 5. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 6. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act shall take effect upon its approval,
14 and shall apply to all health insurance and health benefit
15 plans, contracts, and agreements issued or renewed in this State
16 after December 31, 2025.

17

INTRODUCED BY:



JAN 15 2025



H.B. NO. 216

Report Title:

Health Insurance; Prescription Drugs; Step Therapy Protocol;
Clinical Review Criteria; Clinical Practice Guidelines;
Exceptions

Description:

Establishes requirements for the clinical review criteria and clinical practical guidelines used to establish step therapy protocols. Provides a process for a patient to request an exception to using step therapy protocols. Establishes insurance coverage requirements relating to the use of step therapy protocols and standards to appeal an adverse step therapy exception determination.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that a food allergy
2 reaction can cause symptoms that range from mild to life-
3 threatening. In the United States, food allergies are the
4 leading cause of severe, life-threatening allergic reactions,
5 known as anaphylaxis, outside the hospital setting. Anaphylaxis
6 is characterized by rapid onset and the involvement of multiple
7 organ systems, including the skin, respiratory system,
8 gastrointestinal tract, and cardiovascular system. Common
9 triggers of anaphylaxis include foods, insect stings,
10 medications, and latex particles. People who have previously
11 experienced only mild symptoms may suddenly experience a life-
12 threatening reaction.

13 The legislature further finds that the first-line treatment
14 for anaphylaxis is epinephrine, also known as adrenaline.
15 Epinephrine is available by prescription in an auto-injector and
16 works to reverse the life-threatening symptoms. For this
17 reason, the timely administration of epinephrine reduces the



1 risk of fatal or debilitating outcomes associated with
2 anaphylaxis, particularly when medical assistance may be
3 delayed, unavailable, or distant.

4 The legislature recognizes that one public health strategy
5 to reduce adverse outcomes related to allergic reactions is to
6 substantially increase access to epinephrine by allowing various
7 entities to stock a supply of undesignated epinephrine. Through
8 this strategy, public safety improves as epinephrine
9 availability increases, improving survival rates and health
10 outcomes for persons affected by severe allergies. This
11 strategy was recognized on the federal level through the signing
12 of the School Access to Emergency Epinephrine Act in 2013, which
13 encouraged schools to plan for severe allergic reactions.

14 The legislature notes that more than thirty states have
15 enacted this strategy into law; however, Hawaii has yet to
16 implement this strategy.

17 Accordingly, the purpose of this Act is to authorize health
18 care practitioners to make undesignated prescriptions of single-
19 use epinephrine for the purpose of stocking a supply at various
20 types of businesses and government offices.



1 SECTION 2. Chapter 27, Hawaii Revised Statutes, is amended
2 by adding a new section to part III to be appropriately
3 designated and to read as follows:

4 "§27- Supply of single-use epinephrine. (a) A
5 practitioner, including practitioners employed by the department
6 of health, may prescribe single-use epinephrine in the name of
7 the State for use in accordance with this section. Departments
8 and agencies may acquire and stock a supply of single-use
9 epinephrine pursuant to prescriptions issued under this
10 subsection.

11 (b) Each department and agency shall permit employees and
12 agents to volunteer to provide or administer single-use
13 epinephrine to any individual who the employee or agent believes
14 in good faith is experiencing anaphylaxis, regardless of whether
15 the individual has a prescription for single-use epinephrine or
16 has previously been diagnosed with an allergy.

17 (c) Any employee or agent who volunteers to administer
18 single-use epinephrine shall receive instruction in the proper
19 administration of single-use epinephrine by a practitioner or
20 registered nurse.



1 (d) A department or an agency that possesses and makes
2 available single-use epinephrine and its employees, agents, and
3 other individuals; a practitioner who prescribes or dispenses
4 single-use epinephrine to a department or an agency; and a
5 pharmacist or practitioner who dispenses single-use epinephrine
6 to a department or an agency shall not be liable for any
7 injuries or related damages that result from any act or omission
8 taken pursuant to this section; provided that this immunity
9 shall not apply to acts or omissions constituting wilful or
10 wanton misconduct

11 (e) As used in this section:

12 "Practitioner" means an individual licensed by the State or
13 authorized by the laws of the State to prescribe prescription
14 drugs within the scope of the individual's practice.

15 "Single-use epinephrine" means a single-use device used for
16 the automatic injection of a premeasured dose of epinephrine
17 into the human body."

18 SECTION 3. Chapter 46, Hawaii Revised Statutes, is amended
19 by adding a new section to part V to be appropriately designated
20 and to read as follows:



1 "§46- Supply of single-use epinephrine. (a) A
2 practitioner, including practitioners employed by the department
3 of health, may prescribe single-use epinephrine in the name of a
4 county for use in accordance with this section. County
5 departments and agencies may acquire and stock a supply of
6 single-use epinephrine pursuant to prescriptions issued under
7 this subsection.

8 (b) Each county department and agency shall permit
9 employees and agents to volunteer to provide or administer
10 single-use epinephrine to any individual who the employee or
11 agent believes in good faith is experiencing anaphylaxis,
12 regardless of whether the individual has a prescription for
13 single-use epinephrine or has previously been diagnosed with an
14 allergy.

15 (c) Any employee or agent who volunteers to administer
16 single-use epinephrine shall receive instruction in the proper
17 administration of single-use epinephrine by a practitioner or a
18 registered nurse.

19 (d) A county department or agency that possesses and makes
20 available single-use epinephrine and its employees, agents, and
21 other individuals; a practitioner who prescribes or dispenses



1 single-use epinephrine to a department or an agency; and a
2 pharmacist or practitioner who dispenses single-use epinephrine
3 to a department or an agency shall not be liable for any
4 injuries or related damages that result from any act or omission
5 taken pursuant to this section; provided that this immunity
6 shall not apply to acts or omissions constituting wilful or
7 wanton misconduct

8 (e) As used in this section:

9 "Practitioner" means an individual licensed by the State or
10 authorized by the laws of the State to prescribe prescription
11 drugs within the scope of the individual's practice.

12 "Single-use epinephrine" means a single-use device used for
13 the automatic injection of a premeasured dose of epinephrine
14 into the human body."

15 SECTION 4. Chapter 302A, Hawaii Revised Statutes, is
16 amended by adding a new section to part III, subpart F, to be
17 appropriately designated and to read as follows:

18 "§302A- Single-use epinephrine. (a) A practitioner,
19 including practitioners employed by the department of health or
20 the department, may prescribe single-use epinephrine in the name
21 of the public school for use in accordance with section 302A-



1 1164 and in accordance with protocol specified by the
2 practitioner. Public schools may acquire and stock a supply of
3 single-use epinephrine pursuant to prescriptions issued under
4 this subsection.

5 (b) As used in this section:

6 "Practitioner" means an individual licensed by the State or
7 authorized by the laws of the State to prescribe prescription
8 drugs within the scope of the individual's practice.

9 "Single-use epinephrine" means a single-use device used for
10 the automatic injection of a premeasured dose of epinephrine
11 into the human body."

12 SECTION 5. Chapter 328, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 **"§328- Single-use epinephrine; authority to prescribe**
16 **and dispense a supply.** (a) A practitioner may prescribe
17 single-use epinephrine in the name of an authorized entity for
18 purposes of this section.

19 (b) A pharmacist may dispense single-use epinephrine
20 pursuant to a prescription issued in accordance with subsection
21 (a).



1 (c) An authorized entity may acquire and stock a supply of
2 single-use epinephrine pursuant to a prescription issued under
3 subsection (a). The single-use epinephrine shall be stored in a
4 location readily accessible in an emergency and in accordance
5 with the single-use epinephrine's instructions for use and any
6 additional requirements that may be established by the
7 department. An authorized entity shall designate employees or
8 agents who have completed the training required by subsection
9 (e) to be responsible for the storage, maintenance, control, and
10 general oversight of single-use epinephrine acquired by the
11 authorized entity.

12 (d) An employee or agent of an authorized entity, or any
13 other individual, who has completed the training required by
14 subsection (e) may use single-use epinephrine prescribed
15 pursuant to subsection (a) to:

16 (1) Provide single-use epinephrine to any individual who
17 the employee, agent, or other individual believes in
18 good faith is experiencing anaphylaxis, or to the
19 parent, guardian, or caregiver of such individual, for
20 immediate administration, regardless of whether the
21 individual has a prescription for a single-use



1 epinephrine or has previously been diagnosed with an
2 allergy; and

3 (2) Administer single-use epinephrine to any individual
4 who the employee, agent, or other individual believes
5 in good faith is experiencing anaphylaxis, regardless
6 of whether the individual has a prescription for
7 single-use epinephrine or has previously been
8 diagnosed with an allergy.

9 (e) An employee, agent, or other individual described in
10 subsection (c) or (d) shall complete an anaphylaxis training
11 program and repeat the training at least every two years
12 following completion of the initial anaphylaxis training
13 program. The training shall be conducted by a nationally
14 recognized organization experienced in training laypersons in
15 emergency health treatment or an entity or individual approved
16 by the department. Training may be conducted online or in
17 person and, at a minimum, shall cover:

18 (1) How to recognize signs and symptoms of severe allergic
19 reactions, including anaphylaxis;

20 (2) Standards and procedures for the storage and
21 administration of single-use epinephrine; and



1 (3) Emergency follow-up procedures.

2 (f) An authorized entity that possesses and makes

3 available single-use epinephrine and its employees, agents, and

4 other individuals; a practitioner who prescribes or dispenses

5 single-use epinephrine to an authorized entity; a pharmacist or

6 practitioner who dispenses single-use epinephrine to an

7 authorized entity; and an individual or entity that conducts the

8 training described in subsection (e) shall not be liable for any

9 injuries or related damages that result from any act or omission

10 taken pursuant to this section; provided that this immunity

11 shall not apply to acts or omissions constituting wilful or

12 wanton misconduct. The administration of single-use epinephrine

13 in accordance with this section shall not be deemed the practice

14 of medicine or any other profession that otherwise requires

15 licensure. This section shall not eliminate, limit, or reduce

16 any other immunity or defense that may be available under state

17 law. An entity located in the State shall not be liable for any

18 injuries or related damages that result from the provision or

19 administration of single-use epinephrine outside of the State if

20 the entity:



1 (1) Would not have been liable for such injuries or
2 related damages had the provision or administration
3 occurred within this State; or

4 (2) Is not liable for such injuries or related damages
5 under the law of the state in which such provision or
6 administration occurred.

7 (g) An authorized entity that possesses and makes
8 available single-use epinephrine shall submit to the department,
9 on a form developed by the department, a report including each
10 incident on the authorized entity's premises that involves the
11 administration of single-use epinephrine pursuant to subsection
12 (d) and any other information deemed relevant by the department.

13 The department shall annually publish a report that summarizes
14 and analyzes all reports submitted to it under this subsection.

15 (h) The department shall establish requirements regarding
16 the storage, maintenance, control, and oversight of the single-
17 use epinephrine, including but not limited to any temperature
18 limitations and expiration of the single-use epinephrine.

19 (i) The department shall, through rule or other guidance,
20 identify the types of entities and organizations that are
21 considered authorized entities no later than January 1, 2026,



1 and shall review and update such rule or guidance at least
2 annually thereafter.

3 (j) As used in this section:

4 "Authorized entity" means agricultural entities, churches,
5 conservation entities, corporate offices, daycare centers,
6 hotels, private schools, restaurants, and other entities as
7 approved by the department under subsection (i).

8 "Single-use epinephrine" means a single-use device used for
9 the automatic injection of a premeasured dose of epinephrine
10 into the human body."

11 SECTION 6. Section 328-16, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By amending subsections (a) through (c) to read:

14 "(a) A prescription drug shall be dispensed only if its
15 label bears the following:

16 (1) The name, business address, and telephone number of
17 the seller. The business address shall be the
18 physical location of the pharmacy or the dispensing
19 practitioner's office;

20 (2) [~~Except as otherwise authorized for expedited partner~~
21 ~~therapy in section 453-52 or an opioid antagonist in~~



1 ~~section 461-11.8, the]~~ The name of the person for whom
2 the drug was prescribed or the name of the owner of
3 the animal for which the drug was prescribed~~[+]~~,
4 except as otherwise authorized for:

5 (A) A supply of single-use epinephrine under sections
6 27- , 46- , 302A- , and 328- ;

7 (B) Expedited partner therapy in section 453-52; or

8 (C) An opioid antagonist in section 461-11.8;

9 (3) The serial number of the prescription;

10 (4) The date the prescription was prepared;

11 (5) The name of the practitioner if the seller is not the
12 practitioner;

13 (6) The name, strength, and quantity of the drug;

14 (7) The "use by" date for the drug, which shall be:

15 (A) The expiration date on the manufacturer's
16 container; or

17 (B) One year from the date the drug is dispensed,
18 whichever is earlier;

19 (8) The number of refills available, if any;

20 (9) In the case of the dispensing of an equivalent generic
21 drug product, the statement "same as (brand name of



1 the drug product prescribed or the referenced listed
2 drug name)", or words of similar meaning;

3 (10) In the case of the dispensing of an interchangeable
4 biological product, the statement "interchangeable
5 with (brand name of the biological product prescribed
6 or the referenced biological drug name)", or words of
7 similar meaning; and

8 (11) Specific directions for the drug's use; provided that
9 if the specific directions for use are too lengthy for
10 inclusion on the label, the notation "take according
11 to written instructions" may be used if separate
12 written instructions for use are actually issued with
13 the drug by the practitioner or the pharmacist, but in
14 no event shall the notation "take as directed",
15 referring to oral instructions, be considered
16 acceptable.

17 If any prescription for a drug does not indicate the number of
18 times it may be refilled, if any, the pharmacist shall not
19 refill that prescription unless subsequently authorized to do so
20 by the practitioner or pursuant to section 461-11.9. The act of
21 dispensing a prescription drug other than a professional sample



1 or medical oxygen contrary to this subsection shall be deemed to
2 be an act that results in a drug being misbranded while held for
3 sale.

4 (b) In addition to the requirements enumerated in
5 subsection (a), a prescription drug shall be dispensed only:

6 (1) By a pharmacist pursuant to a valid prescription or
7 section 453-52, 461-1, 461-11.8, or 461-11.9;

8 (2) By a medical oxygen distributor pursuant to a
9 prescription or certificate of medical necessity;
10 provided that the drug to be dispensed is medical
11 oxygen; or

12 (3) By a practitioner to an ultimate user[~~r~~], except as
13 provided for a supply of single-use epinephrine under
14 sections 27- , 46- , 302A- , and 328- ;
15 provided that:

16 (A) Except as otherwise authorized for a supply of
17 single-use epinephrine under sections 27- ,
18 46- , 302A- , and 328- and expedited
19 partner therapy in section 453-52, the
20 practitioner shall inform the patient, before
21 dispensing any drug other than a professional



1 sample, that the patient may have a written,
 2 orally ordered, or electronically transmitted or
 3 conveyed prescription directed to a pharmacy or a
 4 medical oxygen distributor of the patient's own
 5 choice;

6 (B) The practitioner shall promptly record in the
 7 practitioner's records:

- 8 (i) The prescription in full;
- 9 (ii) The name, strength, and quantity of the
 10 drug, and specific directions for the drug's
 11 use;
- 12 (iii) The date the drug was dispensed;
- 13 (iv) ~~[Except as otherwise authorized for~~
 14 ~~expedited partner therapy in section 453-52~~
 15 ~~or for an opioid antagonist in section 461-~~
 16 ~~11.8, the]~~ The name and address of the
 17 person for whom the drug was prescribed or
 18 the name of the owner of the animal for
 19 which the drug was prescribed[?], except as
 20 otherwise authorized for a supply of single-
 21 use epinephrine under sections 27- ,



- 1 46- , 302A- , and 328- ; expedited
2 partner therapy in section 453-52; or an
3 opioid antagonist in section 461-11.8; and
4 (v) Prescription drugs dispensed or prescribed
5 for expedited partner therapy as authorized
6 under section 453-52 or for an opioid
7 antagonist in section 461-11.8;
- 8 (C) The records described in subparagraph (B) shall
9 be subject to the inspection of the department or
10 its agents at all times; and
- 11 (D) No undisclosed rebate, refund, commission,
12 preference, discount, or other consideration,
13 whether in the form of money or otherwise, has
14 been offered to the practitioner as compensation
15 or inducement to dispense or prescribe any
16 specific drug in preference to other drugs that
17 might be used for the identical therapeutic
18 indication.
- 19 (c) A prescription may be communicated in writing, orally,
20 or by electronic transmission, and shall include the following
21 information:



- 1 (1) The authorization of the practitioner noted as
- 2 follows:
- 3 (A) Written prescriptions shall include the original
- 4 signature of the practitioner;
- 5 (B) Oral prescriptions shall be promptly recorded by
- 6 the pharmacist or medical oxygen distributor and
- 7 shall include the practitioner's oral code
- 8 designation; and
- 9 (C) Electronic prescriptions shall be irrefutably
- 10 traceable to the prescribing practitioner by a
- 11 recognizable and unique practitioner identifier
- 12 such as:
- 13 (i) A bitmap or graphic image of the
- 14 prescriber's handwritten signature and the
- 15 prescriber's oral code designation (or
- 16 license number or other identifier if the
- 17 prescriber is an out-of-state practitioner);
- 18 (ii) An electronic signature;
- 19 (iii) A digital signature; or
- 20 (iv) By other means as approved by the director;
- 21 (2) The date of issuance;



- 1 (3) The practitioner's name, business telephone number,
2 and business address, unless the practitioner is
3 otherwise uniquely identified and the pharmacy or
4 medical oxygen distributor dispensing the prescription
5 has the prescriber's contact information on file
6 accessible within the dispensing area;
- 7 (4) The name, strength, and quantity of the drug to be
8 dispensed, and specific directions for the drug's use;
- 9 (5) [~~Except as otherwise authorized for expedited partner~~
10 ~~therapy in section 453-52 or for an opioid antagonist~~
11 ~~in section 461-11.8, the~~] The name and address of the
12 person for whom the prescription was written or the
13 name of the owner of the animal for which the drug was
14 prescribed, unless the pharmacy or medical oxygen
15 distributor dispensing the prescription has the
16 address on file accessible within the dispensing
17 area[?], except as otherwise authorized for:
- 18 (A) A supply of single-use epinephrine under sections
19 27- , 46- , 302A- , and 328- ;
- 20 (B) Expedited partner therapy in section 453-52; or
- 21 (C) An opioid antagonist in section 461-11.8;



- 1 (6) The room number and route of administration, if the
2 patient is in an institutional facility; and
- 3 (7) The number of allowable refills, if the prescription
4 is refillable. If the number of refills authorized by
5 the practitioner is indicated using the terms "as
6 needed" or "prn", the prescription may be refilled up
7 to twelve months from the date the original
8 prescription was written. After the twelve-month
9 period, the "as needed" or "prn" prescription may be
10 refilled for a subsequent three-month period;
11 provided:
- 12 (A) The prescription is refilled only once during the
13 three-month period;
- 14 (B) The refill does not exceed a thirty-day supply of
15 the drug;
- 16 (C) The refill does not provide any amount of the
17 drug fifteen months beyond the date the original
18 prescription was written;
- 19 (D) In the case of medical oxygen, the duration of
20 therapy indicated on a certificate of medical



1 necessity shall supersede any limitations or
2 restrictions on refilling; and

3 (E) Subparagraphs (A) to (D) shall apply only to
4 pharmacies and medical oxygen distributors
5 practicing in the State."

6 2. By amending subsection (g) to read:

7 "(g) Any drug other than medical oxygen dispensed pursuant
8 to a prescription shall be exempt from the requirements of
9 section 328-15 (except paragraphs (1), (9), (11), and (12), and
10 the packaging requirements of paragraphs (7) and (8)), if the
11 drug bears a label containing:

12 (1) The name and address of the pharmacy;

13 (2) The serial number and the date of the prescription or
14 of its filling;

15 (3) The name of the practitioner;

16 (4) [~~Except as otherwise authorized for expedited partner~~
17 ~~therapy in section 453-52 or for an opioid antagonist~~
18 ~~in section 461-11.8, the~~] The name of the patient[+],
19 except as otherwise authorized for:

20 (A) A supply of single-use epinephrine under sections
21 27- , 46- , 302A- , and 328- ;



1 (B) Expedited partner therapy in section 453-52; or

2 (C) An opioid antagonist in section 461-11.8;

3 (5) The directions for use; and

4 (6) Any cautionary statements contained in the
5 prescription.

6 This exemption shall not apply to any drug dispensed in the
7 course of the conduct of a business of dispensing drugs pursuant
8 to diagnosis by mail, or to a drug dispensed in violation of
9 subsection (a), (b), (c), or (d)."

10 SECTION 7. Section 328-17.7, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) Every practitioner, pharmacist, or medical oxygen
13 distributor who compounds, sells, or delivers any prescribed
14 drug to a patient or a patient's agent shall maintain records
15 that identify:

16 (1) The specific drug product dispensed, including:

17 (A) The product's national drug code (NDC) number; or

18 (B) The brand name or the established name and the
19 name or commonly accepted abbreviation of the
20 principal labeler of the drug product dispensed,
21 the product strength, and the dosage form;



- 1 (2) The quantity of the drug;
- 2 (3) Directions for use;
- 3 (4) The number of allowable refills;
- 4 (5) The date of initial dispensing and the dates of all
- 5 refilling;
- 6 (6) The date of any transfer of the prescription;
- 7 (7) The name, business address, and telephone number of
- 8 the recipient pharmacist or medical oxygen distributor
- 9 for any transfer of prescription;
- 10 (8) The prescribing practitioner, including name, business
- 11 address, and telephone number;
- 12 (9) The format (oral, written, or electronic) in which the
- 13 prescription was received;
- 14 (10) [~~Except as otherwise authorized for expedited partner~~
- 15 ~~therapy in section 453-52 or for an opioid antagonist~~
- 16 ~~in section 461-11.8, the] The patient, including name,~~
- 17 address, and telephone number[+], except as otherwise
- 18 authorized for:
- 19 (A) A supply of single-use epinephrine under sections
- 20 27- , 46- , 302A- , and 328- ;
- 21 (B) Expedited partner therapy in section 453-52; or



1 (C) An opioid antagonist in section 461-11.8;
2 (11) The date of prescribing; and
3 (12) The name of the practitioner, pharmacist, or medical
4 oxygen distributor dispensing the drug.
5 Every prescription dispensed shall have the name of the
6 pharmacist, dispensing practitioner, or medical oxygen
7 distributor responsible for the dispensing appended to the
8 prescription record, and every prescription record shall be
9 preserved and legible for a period of not less than five years.
10 The prescription records shall be subject at all times to the
11 inspection of the director of health or the director's agent."

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall take effect on July 1, 3000.



Report Title:

Health; Epinephrine; Stock; State; Counties; Public Schools

Description:

Authorizes health care practitioners to make undesignated prescriptions of single-use epinephrine for the purpose of stocking a supply at various types of businesses and state and county government offices, including public schools. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO STUDENT HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding two new sections to subpart C of part IV to be
3 appropriately designated and to read as follows:

4 "§302A-A Bronchodilators stock supply (a) A school, as
5 defined in section 302A-901, may maintain a stock supply of
6 bronchodilators to be administered by a school health assistant
7 or other authorized employee or agent who volunteers to
8 administer to any student as needed for actual or perceived
9 asthma episodes.

10 (b) The department shall develop a protocol, in
11 collaboration with the department of health, regarding the
12 maintenance and location of stock bronchodilators and spacers,
13 the training of the school employees and agents in accordance
14 with section 302A-B(d), parameters for the administration of the
15 stock supply of bronchodilators, and contingencies for immediate
16 and long-term follow-up to the administration of the medication,
17 including making an emergency 911 call.



1 (c) A school that intends to maintain a stock supply of
2 bronchodilators and spacers in a school setting or at related
3 activities shall:

4 (1) Follow the department's protocol regarding the
5 implementation of this section;

6 (2) Ensure that the bronchodilator be prescribed by a
7 physician, a physician assistant, an advanced practice
8 registered nurse, or other practitioner with
9 prescriptive authority; provided that:

10 (A) The prescription shall designate the school as
11 the patient, and each prescription for a
12 bronchodilator shall be dispensed by a licensed
13 pharmacist, pharmacy, or manufacturer;

14 (B) An authorized licensed prescriber may refill any
15 used or expired prescriptions to be maintained
16 for use when deemed necessary; and

17 (C) A school may, with a valid prescription, purchase
18 or accept short-acting bronchodilators and
19 components as donations or transfers; provided
20 further that the bronchodilators and components
21 are new, unexpired, manufacturer-sealed, not



1 subject to recall, unadulterated, and in
2 compliance with regulations promulgated by the
3 United States Food and Drug Administration;

4 (3) Allow only school health assistants and authorized
5 employees and agents who have completed appropriate
6 training, as designated by the department, to
7 administer the stock bronchodilator; and

8 (4) Inform parents or guardians about the potential use of
9 the bronchodilator in a respiratory emergency;
10 provided that the school shall make the protocols
11 available to parents and guardians upon request.

12 **"§302A-B Emergency administration of medication by**
13 **volunteer; assistance with diabetes testing, blood glucose**
14 **monitoring, and bronchodilators; permitted.** (a) Employees and
15 agents of a school, as defined in section 302A-901, including
16 school health assistants, who volunteer may administer
17 epinephrine, glucagon, seizure rescue medication, inhalers, and
18 stock bronchodilators to a student in emergency situations;
19 provided that the administration of medication meets the
20 requirements of this section.



1 (b) Employees and agents of a school, including school
2 health assistants, who volunteer may administer:

3 (1) Insulin or assist a student in administering insulin
4 via the insulin delivery system that the student uses;
5 and

6 (2) Blood glucose monitoring or assist a student with
7 blood glucose monitoring;
8 provided that the administration of insulin or blood glucose
9 monitoring meets the requirements of this section.

10 (c) In the case of the administration of emergency
11 medication prescribed to a specific student, including
12 epinephrine, glucagon, seizure rescue medication, and inhalers:

13 (1) The student's parent or guardian shall provide the
14 school with:

15 (A) A written request and authorization from the
16 parent or guardian for the administration of the
17 medication;

18 (B) Written medical orders for the medication from
19 the student's physician, advanced practice
20 registered nurse, physician assistant, or other
21 practitioner with prescriptive authority; and



- 1 (C) The supply of medication prescribed to the
2 student and any necessary devices or inhalers as
3 required for the requested emergency medication
4 administration;
- 5 (2) The permission shall be effective for the school year
6 for which the permission is granted and shall be
7 renewed for each subsequent school year upon the
8 fulfillment of the requirements in this section;
- 9 (3) The school may store the student's medication and
10 related supplies in a secure but accessible location;
11 and
- 12 (4) Any employee or agent who volunteers to administer the
13 medication shall receive instructions in the proper
14 administration of epinephrine, glucagon, seizure
15 rescue medication, or inhalers by a licensed
16 physician, a physician assistant, a registered nurse,
17 or an advanced practice registered nurse.
- 18 (d) In the case of the administration of stock
19 bronchodilators to a student pursuant to section 302A-A:



- 1 (1) The school shall inform parents or guardians within
2 each school year about the potential use of the stock
3 bronchodilator in a respiratory emergency;
- 4 (2) The administration of the stock bronchodilator shall
5 follow the department's protocol pursuant to section
6 302A-A, including indications, standard dosing,
7 disposition, and aftercare;
- 8 (3) Any employee or agent who volunteers to administer
9 stock bronchodilators in an emergency situation shall
10 receive instructions in the proper administration of
11 bronchodilators by a physician, a physician assistant,
12 a registered nurse, an advanced practice registered
13 nurse, or a pharmacist. The training shall include:
- 14 (A) Causes of asthma exacerbation;
15 (B) Recognition of signs and symptoms of asthma
16 attacks;
17 (C) Indications for the administration of
18 bronchodilators;
19 (D) The administration technique, including the use
20 of inhalers and spacers; and



1 (E) The need for immediate access to a certified
2 emergency responder; and

3 (4) The administration of stock bronchodilator by
4 authorized employees or agents pursuant to this
5 section shall not require or imply any diagnosis, or
6 be interpreted as the practice of medicine, nursing,
7 or other licensed professional activity.

8 (e) In the case of the administration of, or assistance in
9 the administration of, insulin or blood glucose monitoring to a
10 student:

11 (1) The student's parent or guardian shall provide the
12 school with:

13 (A) A written request and authorization from the
14 parent or guardian for the administration of
15 insulin or blood glucose monitoring;

16 (B) Written medical orders for the administration of
17 insulin or blood glucose monitoring from the
18 student's physician, advanced practice registered
19 nurse, physician assistant, or other practitioner
20 with prescriptive authority; and



- 1 (C) The supply of insulin prescribed to the student
2 and any supplies necessary to administer insulin
3 or blood glucose monitoring, as required for the
4 requested administration or assistance;
- 5 (2) The permission shall be effective for the school year
6 for which the permission is granted and shall be
7 renewed for each subsequent school year upon the
8 fulfillment of the requirements in this section;
- 9 (3) The school may store the student's medication and
10 related supplies in a secure but accessible location;
11 and
- 12 (4) Any employee or agent who volunteers to administer
13 insulin or blood glucose monitoring shall receive
14 instructions in the proper administration of insulin
15 or blood glucose monitoring by a licensed physician,
16 physician assistant, registered nurse, advanced
17 practice registered nurse, or certified diabetes
18 educator.
- 19 (f) The department shall permit its employees and agents
20 to volunteer to administer:



- 1 (1) Insulin or assist a student in administering insulin
- 2 via the insulin delivery system that the student uses;
- 3 (2) Glucagon in an emergency situation to students with
- 4 diabetes;
- 5 (3) Epinephrine in an emergency situation to students with
- 6 anaphylaxis;
- 7 (4) Blood glucose monitoring or assist a student with
- 8 blood glucose monitoring;
- 9 (5) Seizure rescue medication in an emergency situation to
- 10 students with epilepsy or other seizure disorders;
- 11 (6) An inhaler in an emergency situation to students with
- 12 asthma or other chronic lung disease; or
- 13 (7) A stock bronchodilator to a student in an emergency
- 14 situation for actual or perceived asthma episodes,
- 15 pursuant to section 302A-A.
- 16 (g) Except in the case of stock bronchodilators and the
- 17 provisions of subsection (d):
- 18 (1) The department or school shall inform the student's
- 19 parent or guardian in writing that the department or
- 20 school and its employees and agents shall not incur



1 any liability as a result of any injury arising from
2 compliance with this section; and
3 (2) The student's parent or guardian shall sign a
4 statement acknowledging that:
5 (A) The department or school and its employees and
6 agents shall not incur any liability as a result
7 of any injury arising from compliance with this
8 section; and
9 (B) The parent or guardian shall indemnify and hold
10 harmless the department or school and its
11 employees and agents against any claims arising
12 out of compliance with this section.
13 (h) Any school or person, including the health
14 professionals providing training to volunteers subject to this
15 section, the prescribing physician, physician assistant,
16 advanced practice registered nurse, or other practitioner with
17 prescriptive authority, and the pharmacist or pharmacy
18 dispensing the prescription, who acts in accordance with the
19 requirements of this section, shall be immune from any civil or
20 criminal liability arising from these acts, except where the



1 person's conduct would constitute gross negligence, wilful and
2 wanton misconduct, or intentional misconduct.

3 (i) For the purposes of this section:

4 "Bronchodilators" includes any medication used for the
5 quick relief of asthma symptoms that dilates the airways and is
6 recommended by the National Heart, Lung, and Blood Institute's
7 National Asthma Education and Prevention Program guidelines for
8 the treatment of asthma. "Bronchodilators" may include an
9 orally inhaled medication that contains a premeasured single
10 dose of albuterol or albuterol sulfate delivered by a nebulizer
11 (compressor device) or by a metered dose inhaler used to treat
12 respiratory distress, including wheezing, shortness of breath,
13 and difficulty breathing, or another dosage of a bronchodilator
14 recommended in the guidelines for the treatment of asthma.

15 "Epinephrine" includes any device available by prescription
16 that is designed to deliver a premeasured dose of epinephrine,
17 including auto-injection devices, nasal spray devices, or oral
18 formulation.

19 "Glucagon" includes any device available by prescription
20 that is designed to deliver a premeasured dose of glucagon or



1 dasiglucagon, including injection kits, auto-injection devices,
2 or nasal spray devices.

3 "Inhaler" includes:

4 (1) Metered-dose, breath-actuated, and dry powder
5 inhalers;

6 (2) Spacers and holding chambers; and

7 (3) Bronchodilators.

8 "Seizure rescue medication" includes any medication or
9 device prescribed for use in an emergency situation to stop a
10 seizure or prevent a seizure from becoming more severe, which is
11 delivered as a premeasured dose.

12 "Stock bronchodilators" means a supply of bronchodilators
13 maintained by a school pursuant to section 302A-A, to be
14 administered by authorized employees and agents for actual or
15 perceived asthma episodes."

16 SECTION 2. Section 302A-1164, Hawaii Revised Statutes, is
17 amended as follows:

18 1. By amending its title and subsections (a) and (b) to
19 read:

20 **"§302A-1164 Self-administration of medication by student**
21 **[and emergency administration]; self-testing and self-management**



1 of diabetes by student; [~~assistance with diabetes testing;~~
2 blood glucose monitoring by student; [~~assistance with blood~~
3 ~~glucose monitoring;~~] permitted. (a) The department shall
4 permit[÷

5 ~~(1) The]~~ the self-administration of[÷

6 ~~(A) Medication]~~ medication by a student for asthma,
7 anaphylaxis, diabetes, or other potentially
8 life-threatening illnesses[÷] and

9 [~~(B) Blood]~~ blood glucose monitoring by a student[÷
10 and

11 ~~(2) Department employees and agents to volunteer to~~
12 ~~administer:~~

13 ~~(A) Insulin or assist a student in administering~~
14 ~~insulin via the insulin delivery system that the~~
15 ~~student uses;~~

16 ~~(B) Glucagon in an emergency situation to students~~
17 ~~with diabetes;~~

18 ~~(C) Auto-injectable epinephrine in an emergency~~
19 ~~situation to students with anaphylaxis; or~~

20 ~~(D) Blood glucose monitoring or assist a student with~~
21 ~~blood glucose monitoring].~~



1 (b) The student's parent or guardian shall provide the
2 department with:

3 (1) Written authorization from the parent or guardian for
4 the self-administration of medication [~~or the~~
5 ~~emergency administration of glucagon or auto-~~
6 ~~injectable epinephrine;~~] by the student;

7 (2) In the case of self-administration of medication[~~+~~
8 ~~(A) Written~~] or blood glucose monitoring by a student
9 with diabetes, written certification from the
10 student's physician, advanced practice registered
11 nurse, [~~or~~] physician assistant, or other
12 qualified health care provider stating that the
13 student with diabetes may perform the student's
14 own blood glucose checks, administer insulin
15 through the student's insulin delivery system,
16 and otherwise attend to the care and management
17 of the student's diabetes during any school-
18 related activity, and that the student may
19 possess on the student's person all necessary
20 supplies and equipment to perform the diabetes



1 monitoring and treatment activities, if
 2 applicable; and
 3 ~~[(B)]~~ (3) Written certification from the student's
 4 physician, advanced practice registered nurse, ~~[or]~~
 5 physician assistant, or other qualified health care
 6 provider stating that the student:
 7 ~~[(i)]~~ (A) Has asthma, anaphylaxis, diabetes, or
 8 another potentially life-threatening
 9 illness; and
 10 ~~[(ii)]~~ (B) Is capable of, and has been instructed in,
 11 the proper method of self-administration of
 12 medication or blood glucose monitoring~~;~~ ~~and~~
 13 ~~(3) In the case of administration of insulin or emergency~~
 14 ~~administration of glucagon to a student with diabetes,~~
 15 ~~blood glucose monitoring of a student, or auto-~~
 16 ~~injectable epinephrine to a student with anaphylaxis,~~
 17 ~~written certification from the student's physician,~~
 18 ~~advanced practice registered nurse, or physician~~
 19 ~~assistant stating that the student has medical orders~~
 20 ~~that insulin, glucagon, blood glucose monitoring, or~~



1 ~~auto-injectable epinephrine may be administered by a~~
2 ~~volunteer]."~~

3 2. By amending subsections (f) through (h) to read:

4 "(f) Notwithstanding any other law to the contrary, a
5 student who is permitted to self-administer medication under
6 this section shall be permitted to carry [~~an inhaler or~~
7 ~~auto-injectable epinephrine, or both,~~] such medication, and any
8 devices necessary to perform the permitted self-administration
9 of medication, at all times if the student does not endanger the
10 student's person or other persons through the misuse of the
11 [~~inhaler;~~] permitted medication or devices; provided that the
12 department, its employees or agents may confiscate a student's
13 medication[~~, inhaler, or auto-injectable epinephrine~~] or devices
14 if the student's self-administration of the medication exceeds
15 the student's prescribed dosage, or if the student endangers
16 others with the student's medication[~~, inhaler, or auto-~~
17 ~~injectable epinephrine.~~

18 ~~For the purposes of this section, the term "inhaler"~~
19 ~~includes:~~

20 ~~(1) Metered-dose, breath-actuated, and dry powder~~
21 ~~inhalers; and~~



1 ~~(2) Spacers and holding chambers.] or devices.~~

2 (g) ~~[Any employee or agent who volunteers to administer~~
3 ~~insulin or glucagon in an emergency situation to a student with~~
4 ~~diabetes or auto-injectable epinephrine to a student with~~
5 ~~anaphylaxis or who volunteers to administer or assist a student~~
6 ~~with blood glucose monitoring shall receive instruction in the~~
7 ~~proper administration of insulin, glucagon, auto-injectable~~
8 ~~epinephrine, or blood glucose monitoring by a qualified health~~
9 ~~care professional. A "qualified health care professional" means~~
10 ~~a licensed physician, physician assistant, advanced practice~~
11 ~~registered nurse or registered nurse, or certified diabetes~~
12 ~~educator. The student's parent or guardian shall supply the~~
13 ~~school with the glucagon kit required to administer the~~
14 ~~glucagon, any supplies necessary to administer insulin, blood~~
15 ~~glucose monitoring, or with auto-injectable epinephrine supplies~~
16 ~~to administer epinephrine. The school shall store the glucagon~~
17 ~~kit, insulin supplies, blood glucose monitoring supplies, or~~
18 ~~auto-injectable epinephrine supplies in a secure but accessible~~
19 ~~location.~~

20 ~~(h)] Any person[, except for a qualified health care~~
21 ~~professional providing the training required in subsection (g),]~~



1 who acts in accordance with the requirements of this section
2 shall be immune from any civil or criminal liability arising
3 from these acts, except where the person's conduct would
4 constitute gross negligence, wilful and wanton misconduct, or
5 intentional misconduct."

6 SECTION 3. Section 328-16, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By amending subsection (a) to read:

9 "(a) A prescription drug shall be dispensed only if its
10 label bears the following:

11 (1) The name, business address, and telephone number of
12 the seller. The business address shall be the
13 physical location of the pharmacy or the dispensing
14 practitioner's office;

15 (2) Except as otherwise authorized for expedited partner
16 therapy in section 453-52 or an opioid antagonist in
17 section 461-11.8, the name of the person for whom the
18 drug was prescribed [~~or~~], the name of the owner of the
19 animal for which the drug was prescribed[+], or the
20 name of the school or institution for which a



- 1 bronchodilator is prescribed pursuant to section
2 302A-A;
- 3 (3) The serial number of the prescription;
- 4 (4) The date the prescription was prepared;
- 5 (5) The name of the practitioner if the seller is not the
6 practitioner;
- 7 (6) The name, strength, and quantity of the drug;
- 8 (7) The "use by" date for the drug, which shall be:
- 9 (A) The expiration date on the manufacturer's
10 container; or
- 11 (B) One year from the date the drug is dispensed,
12 whichever is earlier;
- 13 (8) The number of refills available, if any;
- 14 (9) In the case of the dispensing of an equivalent generic
15 drug product, the statement "same as (brand name of
16 the drug product prescribed or the referenced listed
17 drug name)", or words of similar meaning;
- 18 (10) In the case of the dispensing of an interchangeable
19 biological product, the statement "interchangeable
20 with (brand name of the biological product prescribed



1 or the referenced biological drug name)", or words of
2 similar meaning; and
3 (11) Specific directions for the drug's use; provided that
4 if the specific directions for use are too lengthy for
5 inclusion on the label, the notation "take according
6 to written instructions" may be used if separate
7 written instructions for use are actually issued with
8 the drug by the practitioner or the pharmacist, but in
9 no event shall the notation "take as directed",
10 referring to oral instructions, be considered
11 acceptable.

12 If any prescription for a drug does not indicate the number of
13 times it may be refilled, if any, the pharmacist shall not
14 refill that prescription unless subsequently authorized to do so
15 by the practitioner or pursuant to section 461-11.9. The act of
16 dispensing a prescription drug other than a professional sample
17 or medical oxygen contrary to this subsection shall be deemed to
18 be an act that results in a drug being misbranded while held for
19 sale."

20 2. By amending subsection (c) to read:



1 "(c) A prescription may be communicated in writing,
2 orally, or by electronic transmission, and shall include the
3 following information:

4 (1) The authorization of the practitioner noted as
5 follows:

6 (A) Written prescriptions shall include the original
7 signature of the practitioner;

8 (B) Oral prescriptions shall be promptly recorded by
9 the pharmacist or medical oxygen distributor and
10 shall include the practitioner's oral code
11 designation; and

12 (C) Electronic prescriptions shall be irrefutably
13 traceable to the prescribing practitioner by a
14 recognizable and unique practitioner identifier
15 such as:

16 (i) A bitmap or graphic image of the
17 prescriber's handwritten signature and the
18 prescriber's oral code designation (or
19 license number or other identifier if the
20 prescriber is an out-of-state practitioner);

21 (ii) An electronic signature;

- 1 (iii) A digital signature; or
- 2 (iv) By other means as approved by the director;
- 3 (2) The date of issuance;
- 4 (3) The practitioner's name, business telephone number,
- 5 and business address, unless the practitioner is
- 6 otherwise uniquely identified and the pharmacy or
- 7 medical oxygen distributor dispensing the prescription
- 8 has the prescriber's contact information on file
- 9 accessible within the dispensing area;
- 10 (4) The name, strength, and quantity of the drug to be
- 11 dispensed, and specific directions for the drug's use;
- 12 (5) Except as otherwise authorized for expedited partner
- 13 therapy in section 453-52 or for an opioid antagonist
- 14 in section 461-11.8, the name and address of the
- 15 person for whom the prescription was written [~~or~~], the
- 16 name of the owner of the animal for which the drug was
- 17 prescribed, or the name and address of the school or
- 18 institution for which a bronchodilator is prescribed
- 19 pursuant to section 302A-A, unless the pharmacy or
- 20 medical oxygen distributor dispensing the prescription



- 1 has the address on file accessible within the
2 dispensing area;
- 3 (6) The room number and route of administration, if the
4 patient is in an institutional facility; and
- 5 (7) The number of allowable refills, if the prescription
6 is refillable. If the number of refills authorized by
7 the practitioner is indicated using the terms "as
8 needed" or "prn", the prescription may be refilled up
9 to twelve months from the date the original
10 prescription was written. After the twelve-month
11 period, the "as needed" or "prn" prescription may be
12 refilled for a subsequent three-month period;
13 provided:
- 14 (A) The prescription is refilled only once during the
15 three-month period;
- 16 (B) The refill does not exceed a thirty-day supply of
17 the drug;
- 18 (C) The refill does not provide any amount of the
19 drug fifteen months beyond the date the original
20 prescription was written;



1 (D) In the case of medical oxygen, the duration of
2 therapy indicated on a certificate of medical
3 necessity shall supersede any limitations or
4 restrictions on refilling; and

5 (E) Subparagraphs (A) to (D) shall apply only to
6 pharmacies and medical oxygen distributors
7 practicing in the State."

8 SECTION 4. In codifying the new sections added by section
9 1 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the letters used in designating
11 the new sections in this Act.

12 SECTION 5. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Bronchodilators; Department of Education; Emergency Administration of Medication; Labeling Requirements; Prescriptions

Description:

Authorizes a school to maintain a stock supply of bronchodilators to be administered under certain conditions. Authorizes certain employees of a school and department personnel to administer certain medication in emergency situations, under certain conditions. Amends prescription drug labeling requirements to include certain information related to a school, if applicable. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX REDUCTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the cost of living
2 in Hawaii is extremely high and many residents are struggling to
3 pay for food, medication, housing, and other necessities. Many
4 Hawaii residents, including vulnerable populations, suffer from
5 food insecurity. A 2021 study by the university of Hawaii at
6 Manoa stated that forty-eight per cent of Hawaii families with
7 children are experiencing food insecurity. A 2021 Cornell
8 university study indicated that even the slightest increase in
9 tax rate correlated to an increased likelihood of food
10 insecurity.

11 The legislature further finds that only thirteen states tax
12 most foods purchased for home consumption. Six of the states
13 that tax groceries do so at a reduced rate. Taxing the sale of
14 groceries is generally considered regressive and
15 disproportionately hurts working families because they spend a
16 higher percentage of their income on food. Hawaii's general
17 excise tax on groceries negatively affects not only the amount



1 of food that Hawaii families can afford, but also the quality
2 and diversity of their food choices.

3 According to the United States Department of Agriculture, a
4 Hawaii family on a thrifty food plan spends \$1,794.60 per month
5 on food. This family would pay over \$800 a year in state taxes
6 on those groceries. The thrifty food plan represents those on a
7 limited budget. Even if this family is eligible for a
8 refundable food/excise tax credit, the family would likely get
9 back less than one-half of those state taxes paid on groceries.

10 The legislature has already recognized that certain items
11 should be exempt from the general excise tax, as evidenced by
12 the existing general exemption for amounts received by certain
13 entities for selling prescription drugs. Lowering the tax rate
14 on groceries and nonprescription drugs will have an immediate
15 positive impact on Hawaii's cost of living by lowering the cost
16 of these necessary items.

17 Accordingly, the purpose of this Act is to:

18 (1) Establish a reduction in the general excise tax rate
19 on gross proceeds or gross income from the sale of
20 groceries that are eligible for purchase under the
21 supplemental nutrition assistance program or special



1 supplemental nutrition program for women, infants, and
2 children and from the sale of nonprescription drugs;
3 and

4 (2) Require the department of business, economic
5 development, and tourism to conduct an economic cost-
6 benefit analysis on the general excise reductions and
7 submit a report to the legislature.

8 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
9 amended by adding two new sections to be appropriately
10 designated and to read as follows:

11 "§237- Reduced rate; eligible groceries. (a)
12 Notwithstanding section 237-13 to the contrary, beginning
13 January 1, 2026, there is hereby levied and shall be assessed
14 and collected a tax equivalent to one-half per cent less than
15 the rate that would have applied pursuant to section 237-13 of
16 the gross proceeds or gross income received from the sale of all
17 groceries eligible for purchase under the supplemental nutrition
18 assistance program and special supplemental nutrition program
19 for women, infants, and children within the State, regardless of
20 the means of purchase and the eligibility of the purchaser for
21 supplemental nutrition assistance program or special



1 supplemental nutrition program for women, infants, and children
2 benefits.

3 (b) For the purposes of this section:

4 "Food" or "food product" means substances, whether in
5 liquid, concentrated, solid, frozen, dried, or dehydrated form,
6 that are sold for ingestion or chewing by humans and are
7 consumed for their taste or nutritional value.

8 "Groceries" means any food or food product for home
9 consumption. "Groceries" may be further defined by the
10 department by rule through the enumeration of items in rules or
11 tax informational release; provided that the department shall
12 consult with the federal Food and Nutrition Service of the
13 United States Department of Agriculture in further defining the
14 term "groceries" for purposes of the supplemental nutrition
15 assistance program and special supplemental nutrition program
16 for women, infants, and children.

17 **\$237- Reduced rate; nonprescription drugs.** (a)
18 Notwithstanding section 237-13 to the contrary, beginning
19 January 1, 2026, there is hereby levied and shall be assessed
20 and collected a tax equivalent to one-half per cent less than
21 the rate that would have applied pursuant to section 237-13 of



1 the gross proceeds or gross income received from the sale of
2 nonprescription drugs.

3 (b) For the purposes of this section:

4 "Drug" means:

5 (1) Articles recognized in the official United States
6 Pharmacopoeia, official United States Pharmacopoeia
7 Dispensing Information, official Homeopathic
8 Pharmacopoeia of the United States, or official
9 National Formulary, or any supplement to any of these
10 publications;

11 (2) Articles intended for use in the diagnosis, cure,
12 mitigation, treatment, or prevention of disease in
13 humans;

14 (3) Articles, other than food or clothing, intended to
15 affect the structure or any function of the body of
16 humans; or

17 (4) Articles intended for use as a component of any
18 article specified in paragraph (1), (2), or (3).

19 "Drug" does not include devices or their components, parts
20 or accessories, cosmetics, or liquor as defined in section 281-
21 1.



1 "Nonprescription drug" means any packaged, bottled, or
2 nonbulk chemical, drug, or medicine that may be lawfully sold
3 without a practitioner's order."

4 SECTION 3. (a) By December 1, 2026, the department of
5 business, economic development, and tourism shall conduct an
6 economic cost-benefit analysis on the general excise tax
7 reductions for calendar year 2026 as provided in section 2 of
8 this Act.

9 (b) The department of business, economic development, and
10 tourism shall submit a report of its findings from the economic
11 cost-benefit analysis, including any recommendations and
12 proposed legislation, to the legislature no later than twenty
13 days prior to the convening of the regular session of 2027.

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

General Excise Tax; Rate Reduction; SNAP; WIC; Groceries;
Nonprescription Drugs; DBEDT

Description:

Reduces the general excise tax rate on the gross proceeds or gross income from the sale of groceries that are eligible under the Supplemental Nutrition Assistance Program (SNAP) or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), regardless of the means of purchase and the program eligibility of the purchaser. Reduces the general excise tax rate on the gross proceeds or income from the sale of nonprescription drugs. Requires DBEDT to conduct an economic cost-benefit analysis on the general excise tax reductions. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that tax equity is a
3 cornerstone of economic prosperity. According to the Institute
4 on Taxation and Economic Policy, Hawaii places the second-
5 highest tax burden on low-income households, with the State's
6 lowest-income households paying approximately fifteen per cent
7 of their income in state and local taxes. In comparison, the
8 State's highest earning households pay approximately nine per
9 cent of their income in state and local taxes.

10 The legislature further finds that the State's cost of
11 living continues to be burdensome for residents. According to
12 the National Low Income Housing Coalition's "Out of Reach 2023"
13 report, a minimum wage employee must work one hundred seven
14 hours per week to afford a one-bedroom rental home at fair
15 market prices. To afford a two-bedroom residence without being
16 cost burdened, the National Low Income Housing Coalition
17 estimates that a person must earn \$41.83 per hour.



1 In addition to the rising cost of housing, the costs of
2 utilities, groceries, and other everyday items have also
3 increased significantly within the last five years. Rising
4 costs of these essential items can also increase the burden on
5 lower-income families. Eliminating the general excise tax on
6 groceries and nonprescription drugs, for example, could ease the
7 tax burden on residents, especially lower-income households.
8 Further, money saved from a lower tax burden can be spent
9 elsewhere in the local economy, creating a circular effect that
10 will help many individuals and families statewide.

11 The legislature additionally finds that on August 8, 2023,
12 wildfires swept across Maui and killed at least one hundred two
13 people, making it one of the deadliest natural disasters in
14 United States history. The 2023 Maui wildfires destroyed over
15 two thousand two hundred structures, including homes and
16 businesses. Rebuilding after the devastating impacts of the
17 wildfires on the island of Maui could cost more than \$5 billion,
18 according to a preliminary assessment prepared by the university
19 of Hawaii pacific disaster center and local officials.

20 Accordingly, the purpose of this Act is to:



- 1 (1) Exempt the sale of groceries and nonprescription drugs
2 from the general excise tax;
- 3 (2) Incrementally increase the general excise tax over
4 four years to six per cent, with the increased
5 proceeds during certain fiscal years to be deposited
6 into the general fund;
- 7 (3) Remove the state income tax on unemployment
8 compensation benefits;
- 9 (4) Double the standard deduction for individuals earning
10 less than \$100,000 and joint returns earning less than
11 \$200,000;
- 12 (5) Repeal the incremental increases on standard income
13 tax deduction amounts;
- 14 (6) Increase the minimum income threshold exemption amount
15 for the low-income household renters' income tax
16 credit;
- 17 (7) Remove the tax liability for the first \$100,000 of
18 individual income earned; and
- 19 (8) Establish a Maui recovery special fund for the impacts
20 related to the 2023 Maui wildfires.

21

PART II



1 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:

4 "§237- Exemption for groceries. There shall be exempted
5 from, and excluded from the measure of, the taxes imposed by
6 this chapter all of the gross proceeds or gross income received
7 or derived from the sale of groceries.

8 For purposes of this section, "groceries" means products
9 eligible to be purchased with the United States Department of
10 Agriculture's Supplemental Nutrition Assistance Program
11 benefits.

12 §237- Exemption for nonprescription drugs. (a) There
13 shall be exempted from, and excluded from the measure of, the
14 taxes imposed by this chapter all of the gross proceeds or gross
15 income received or derived from the sale of nonprescription
16 drugs.

17 (b) For the purposes of this section:

18 "Drug" means:

19 (1) Articles recognized in the official United States
20 Pharmacopoeia, official United States Pharmacopoeia
21 Dispensing Information, official Homeopathic



1 "§237-13 **Imposition of tax.** There is hereby levied and
2 shall be assessed and collected annually privilege taxes against
3 persons on account of their business and other activities in the
4 State measured by the application of rates against values of
5 products, gross proceeds of sales, or gross income, whichever is
6 specified, as follows:

7 (1) Tax on manufacturers.

8 (A) Upon every person engaging or continuing within
9 the State in the business of manufacturing,
10 including compounding, canning, preserving,
11 packing, printing, publishing, milling,
12 processing, refining, or preparing for sale,
13 profit, or commercial use, either directly or
14 through the activity of others, in whole or in
15 part, any article or articles, substance or
16 substances, commodity or commodities, the amount
17 of the tax to be equal to the value of the
18 articles, substances, or commodities,
19 manufactured, compounded, canned, preserved,
20 packed, printed, milled, processed, refined, or
21 prepared for sale, as shown by the gross proceeds



1 derived from the sale thereof by the manufacturer
2 or person compounding, preparing, or printing
3 them, multiplied by one-half of one per cent.

4 (B) The measure of the tax on manufacturers is the
5 value of the entire product for sale.

6 (2) Tax on business of selling tangible personal property;
7 producing.

8 (A) Upon every person engaging or continuing in the
9 business of selling any tangible personal
10 property whatsoever, there is likewise hereby
11 levied, and shall be assessed and collected, a
12 tax equivalent to [~~four~~]:

13 (i) _____ per cent for taxable years beginning
14 after December 31, 2025;

15 (ii) _____ per cent for taxable years beginning
16 after December 31, 2026;

17 (iii) _____ per cent for taxable years beginning
18 after December 31, 2027; and

19 (iv) _____ per cent for taxable years beginning
20 after December 31, 2028,



1 of the gross proceeds of sales of the business;
2 provided that, in the case of a wholesaler, the
3 tax shall be equal to one-half of one per cent of
4 the gross proceeds of sales of the business;
5 ~~and~~ provided further that insofar as the sale
6 of tangible personal property is a wholesale sale
7 under section 237-4(a)(8), the tax shall be one-
8 half of one per cent of the gross proceeds. Upon
9 every person engaging or continuing within this
10 State in the business of a producer, the tax
11 shall be equal to one-half of one per cent of the
12 gross proceeds of sales of the business, or the
13 value of the products, for sale.

14 (B) Gross proceeds of sales of tangible property in
15 interstate and foreign commerce shall constitute
16 a part of the measure of the tax imposed on
17 persons in the business of selling tangible
18 personal property, to the extent, under the
19 conditions, and in accordance with the provisions
20 of the Constitution of the United States and the
21 Acts of the Congress of the United States ~~which~~



1 that may be now in force or may be hereafter
2 adopted, and whenever there occurs in the State
3 an activity to which, under the Constitution and
4 Acts of Congress, there may be attributed gross
5 proceeds of sales, the gross proceeds shall be so
6 attributed.

7 (C) No manufacturer or producer, engaged in [~~such~~]
8 business in the State and selling the
9 manufacturer's or producer's products for
10 delivery outside of the State (for example,
11 consigned to a mainland purchaser via common
12 carrier f.o.b. Honolulu), shall be required to
13 pay the tax imposed in this chapter for the
14 privilege of so selling the products, and the
15 value or gross proceeds of sales of the products
16 shall be included only in determining the measure
17 of the tax imposed upon the manufacturer or
18 producer.

19 (D) A manufacturer or producer, engaged in [~~such~~]
20 business in the State, shall pay the tax imposed
21 in this chapter for the privilege of selling its



1 products in the State, and the value or gross
2 proceeds of sales of the products, thus subjected
3 to tax, may be deducted insofar as duplicated as
4 to the same products by the measure of the tax
5 upon the manufacturer or producer for the
6 privilege of manufacturing or producing in the
7 State; provided that no producer of agricultural
8 products who sells the products to a purchaser
9 who will process the products outside the State
10 shall be required to pay the tax imposed in this
11 chapter for the privilege of producing or selling
12 those products.

13 (E) A taxpayer selling to a federal cost-plus
14 contractor may make the election provided for by
15 paragraph (3) (C), and in that case the tax shall
16 be computed pursuant to the election,
17 notwithstanding this paragraph or paragraph (1)
18 to the contrary.

19 (F) The department, by rule, may require that a
20 seller take from the purchaser of tangible
21 personal property a certificate, in a form



1 prescribed by the department, certifying that the
2 sale is a sale at wholesale; provided that:

3 (i) Any purchaser who furnishes a certificate
4 shall be obligated to pay to the seller,
5 upon demand, the amount of the additional
6 tax that is imposed upon the seller whenever
7 the sale in fact is not at wholesale; and

8 (ii) The absence of a certificate in itself shall
9 give rise to the presumption that the sale
10 is not at wholesale unless the sales of the
11 business are exclusively at wholesale.

12 (3) Tax upon contractors.

13 (A) Upon every person engaging or continuing within
14 the State in the business of contracting, the tax
15 shall be equal to [~~four~~]:

16 (i) per cent for taxable years beginning
17 after December 31, 2025;

18 (ii) per cent for taxable years beginning
19 after December 31, 2026;

20 (iii) per cent for taxable years beginning
21 after December 31, 2027; and



1 (iv) _____ per cent for taxable years beginning
2 after December 31, 2028,

3 of the gross income of the business.

4 (B) In computing the tax levied under this paragraph,
5 there shall be deducted from the gross income of
6 the taxpayer so much thereof as has been included
7 in the measure of the tax levied under
8 subparagraph (A), on another taxpayer who is a
9 contractor, as defined in section 237-6; provided
10 that any person claiming a deduction under this
11 paragraph shall be required to show in the
12 person's return the name and general excise
13 number of the person paying the tax on the amount
14 deducted by the person.

15 (C) In computing the tax levied under this paragraph
16 against any federal cost-plus contractor, there
17 shall be excluded from the gross income of the
18 contractor so much thereof as fulfills the
19 following requirements:

20 (i) The gross income exempted shall constitute
21 reimbursement of costs incurred for



1 materials, plant, or equipment purchased
2 from a taxpayer licensed under this chapter,
3 not exceeding the gross proceeds of sale of
4 the taxpayer on account of the transaction;
5 and

6 (ii) The taxpayer making the sale shall have
7 certified to the department that the
8 taxpayer is taxable with respect to the
9 gross proceeds of the sale, and that the
10 taxpayer elects to have the tax on gross
11 income computed the same as upon a sale to
12 the state government.

13 (D) A person who, as a business or as a part of a
14 business in which the person is engaged, erects,
15 constructs, or improves any building or
16 structure, of any kind or description, or makes,
17 constructs, or improves any road, street,
18 sidewalk, sewer, or water system, or other
19 improvements on land held by the person (whether
20 held as a leasehold, fee simple, or otherwise),
21 upon the sale or other disposition of the land or



1 improvements, even if the work was not done
2 pursuant to a contract, shall be liable to the
3 same tax as if engaged in the business of
4 contracting, unless the person shows that at the
5 time the person was engaged in making the
6 improvements the person intended, and for the
7 period of at least one year after completion of
8 the building, structure, or other improvements
9 the person continued to intend to hold and not
10 sell or otherwise dispose of the land or
11 improvements. The tax in respect of the
12 improvements shall be measured by the amount of
13 the proceeds of the sale or other disposition
14 that is attributable to the erection,
15 construction, or improvement of such building or
16 structure, or the making, constructing, or
17 improving of the road, street, sidewalk, sewer,
18 or water system, or other improvements. The
19 measure of tax in respect of the improvements
20 shall not exceed the amount which would have been
21 taxable had the work been performed by another,



1 subject as in other cases to the deductions
2 allowed by subparagraph (B). Upon the election
3 of the taxpayer, this paragraph may be applied
4 notwithstanding that the improvements were not
5 made by the taxpayer, or were not made as a
6 business or as a part of a business, or were made
7 with the intention of holding the same. However,
8 this paragraph shall not apply in respect of any
9 proceeds that constitute or are in the nature of
10 rent, which shall be taxable under paragraph (9);
11 provided that insofar as the business of renting
12 or leasing real property under a lease is taxed
13 under section 237-16.5, the tax shall be levied
14 by section 237-16.5.

15 (4) Tax upon theaters, amusements, radio broadcasting
16 stations, etc.

17 (A) Upon every person engaging or continuing within
18 the State in the business of operating a theater,
19 opera house, moving picture show, vaudeville,
20 amusement park, dance hall, skating rink, radio
21 broadcasting station, or any other place at which



1 amusements are offered to the public, the tax
2 shall be equal to [~~four~~]:

3 (i) _____ per cent for taxable years beginning
4 after December 31, 2025;

5 (ii) _____ per cent for taxable years beginning
6 after December 31, 2026;

7 (iii) _____ per cent for taxable years beginning
8 after December 31, 2027; and

9 (iv) _____ per cent for taxable years beginning
10 after December 31, 2028,

11 of the gross income of the business, and in the
12 case of a sale of an amusement at wholesale under
13 section 237-4(a)(13), the tax shall be one-half
14 of one per cent of the gross income.

15 (B) The department may require that the person
16 rendering an amusement at wholesale take from the
17 licensed seller a certificate, in a form
18 prescribed by the department, certifying that the
19 sale is a sale at wholesale; provided that:

20 (i) Any licensed seller who furnishes a
21 certificate shall be obligated to pay to the



H.B. NO. 959

1 person rendering the amusement, upon demand,
2 the amount of additional tax that is imposed
3 upon the seller whenever the sale is not at
4 wholesale; and

5 (ii) The absence of a certificate in itself shall
6 give rise to the presumption that the sale
7 is not at wholesale unless the person
8 rendering the sale is exclusively rendering
9 the amusement at wholesale.

10 (5) Tax upon sales representatives, etc. Upon every
11 person classified as a representative or purchasing
12 agent under section 237-1, engaging or continuing
13 within the State in the business of performing
14 services for another, other than as an employee, there
15 is likewise hereby levied and shall be assessed and
16 collected a tax equal to [~~four~~]:

17 (i) _____ per cent for taxable years beginning
18 after December 31, 2025;

19 (ii) _____ per cent for taxable years beginning
20 after December 31, 2026;



1 of the gross income of the business, and in the
2 case of a wholesaler under section 237-4(a)(10),
3 the tax shall be equal to one-half of one per
4 cent of the gross income of the business.

5 (B) The department may require that the person
6 rendering a service at wholesale take from the
7 licensed seller a certificate, in a form
8 prescribed by the department, certifying that the
9 sale is a sale at wholesale; provided that:

10 (i) Any licensed seller who furnishes a
11 certificate shall be obligated to pay to the
12 person rendering the service, upon demand,
13 the amount of additional tax that is imposed
14 upon the seller whenever the sale is not at
15 wholesale; and

16 (ii) The absence of a certificate in itself shall
17 give rise to the presumption that the sale
18 is not at wholesale unless the person
19 rendering the sale is exclusively rendering
20 services at wholesale.



1 (C) Where any person is engaged in the business of
2 selling interstate or foreign common carrier
3 telecommunication services within and without the
4 State, other than as a home service provider, the
5 tax shall be imposed on that portion of gross
6 income received by a person from service which is
7 originated or terminated in this State and is
8 charged to a telephone number, customer, or
9 account in this State notwithstanding any other
10 state law (except for the exemption under section
11 237-23(a)(1)) to the contrary. If, under the
12 Constitution and laws of the United States, the
13 entire gross income as determined under this
14 paragraph of a business selling interstate or
15 foreign common carrier telecommunication services
16 cannot be included in the measure of the tax, the
17 gross income shall be apportioned as provided in
18 section 237-21; provided that the apportionment
19 factor and formula shall be the same for all
20 persons providing those services in the State.



1 (D) Where any person is engaged in the business of a
2 home service provider, the tax shall be imposed
3 on the gross income received or derived from
4 providing interstate or foreign mobile
5 telecommunications services to a customer with a
6 place of primary use in this State when the
7 services originate in one state and terminate in
8 another state, territory, or foreign country;
9 provided that all charges for mobile
10 telecommunications services which are billed by
11 or for the home service provider are deemed to be
12 provided by the home service provider at the
13 customer's place of primary use, regardless of
14 where the mobile telecommunications originate,
15 terminate, or pass through; provided further that
16 the income from charges specifically derived from
17 interstate or foreign mobile telecommunications
18 services, as determined by books and records that
19 are kept in the regular course of business by the
20 home service provider in accordance with section
21 239-24, shall be apportioned under any



1 apportionment factor or formula adopted under
2 subparagraph (C). Gross income shall not
3 include:

4 (i) Gross receipts from mobile
5 telecommunications services provided to a
6 customer with a place of primary use outside
7 this State;

8 (ii) Gross receipts from mobile
9 telecommunications services that are subject
10 to the tax imposed by chapter 239;

11 (iii) Gross receipts from mobile
12 telecommunications services taxed under
13 section 237-13.8; and

14 (iv) Gross receipts of a home service provider
15 acting as a serving carrier providing mobile
16 telecommunications services to another home
17 service provider's customer.

18 For the purposes of this paragraph, "charges for
19 mobile telecommunications services", "customer",
20 "home service provider", "mobile
21 telecommunications services", "place of primary



1 use", and "serving carrier" have the same
2 [~~meaning~~] meanings as defined in section 239-22.

3 (7) Tax on insurance producers. Upon every person engaged
4 as a licensed producer pursuant to chapter 431, there
5 is hereby levied and shall be assessed and collected a
6 tax equal to 0.15 per cent of the commissions due to
7 that activity.

8 (8) Tax on receipts of sugar benefit payments. Upon the
9 amounts received from the United States government by
10 any producer of sugar (or the producer's legal
11 representative or heirs), as defined under and by
12 virtue of the Sugar Act of 1948, as amended, or other
13 Acts of the Congress of the United States relating
14 thereto, there is hereby levied a tax of one-half of
15 one per cent of the gross amount received; provided
16 that the tax levied hereunder on any amount so
17 received and actually disbursed to another by a
18 producer in the form of a benefit payment shall be
19 paid by the person or persons to whom the amount is
20 actually disbursed, and the producer actually making a
21 benefit payment to another shall be entitled to claim



H.B. NO. 959

1 on the producer's return a deduction from the gross
 2 amount taxable hereunder in the sum of the amount so
 3 disbursed. The amounts taxed under this paragraph
 4 shall not be taxable under any other paragraph,
 5 subsection, or section of this chapter.

6 (9) Tax on other business. Upon every person engaging or
 7 continuing within the State in any business, trade,
 8 activity, occupation, or calling not included in the
 9 preceding paragraphs or any other provisions of this
 10 chapter, there is likewise hereby levied and shall be
 11 assessed and collected, a tax equal to [~~four~~]:

12 (A) _____ per cent for taxable years beginning after
 13 December 31, 2025;

14 (B) _____ per cent for taxable years beginning after
 15 December 31, 2026;

16 (C) _____ per cent for taxable years beginning after
 17 December 31, 2027; and

18 (D) _____ per cent for taxable years beginning after
 19 December 31, 2028,

20 of the gross income thereof. In addition, the rate
 21 prescribed by this paragraph shall apply to a business



1 taxable under one or more of the preceding paragraphs
2 or other provisions of this chapter, as to any gross
3 income thereof not taxed thereunder as gross income or
4 gross proceeds of sales or by taxing an equivalent
5 value of products, unless specifically exempted."

6 SECTION 4. Section 237-15, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§237-15 **Technicians.** When technicians supply dentists or
9 physicians with dentures, orthodontic devices, braces, and
10 similar items [~~which~~] that have been prepared by the technician
11 in accordance with specifications furnished by the dentist or
12 physician, and such items are to be used by the dentist or
13 physician in the dentist's or physician's professional practice
14 for a particular patient who is to pay the dentist or physician
15 for the same as a part of the dentist's or physician's
16 professional services, the technician shall be taxed as though
17 the technician were a manufacturer selling a product to a
18 licensed retailer, rather than at the rate [~~of four per cent~~
19 ~~which~~] that is generally applied to professions and services."

20 SECTION 5. Section 237-16.5, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By amending subsection (a) to read:

2 "(a) This section relates to the leasing of real property
3 by a lessor to a lessee. There is hereby levied, and shall be
4 assessed and collected annually, a privilege tax against persons
5 engaging or continuing within the State in the business of
6 leasing real property to another, equal to [~~four~~]:

7 (1) per cent for taxable years beginning after
8 December 31, 2025;

9 (2) per cent for taxable years beginning after
10 December 31, 2026;

11 (3) per cent for taxable years beginning after
12 December 31, 2027; and

13 (4) per cent for taxable years beginning after
14 December 31, 2028,

15 of the gross proceeds or gross income received or derived from
16 the leasing; provided that where real property is subleased by a
17 lessee to a sublessee, the lessee, as provided in this section,
18 shall be allowed a deduction from the amount of gross proceeds
19 or gross income received from its sublease of the real property.
20 The deduction shall be in the amount allowed under this section.



1 All deductions under this section and the name and general
 2 excise tax number of the lessee's lessor shall be reported on
 3 the general excise tax return. Any deduction allowed under this
 4 section shall only be allowed with respect to leases and
 5 subleases in writing and relating to the same real property."

6 2. By amending subsection (f) to read:

7 "(f) This section shall not cause the tax upon a lessor,
 8 with respect to any item of the lessor's gross proceeds or gross
 9 income, to exceed [~~four~~]:

- 10 (1) _____ per cent for taxable years beginning after
 11 December 31, 2025;
- 12 (2) _____ per cent for taxable years beginning after
 13 December 31, 2026;
- 14 (3) _____ per cent for taxable years beginning after
 15 December 31, 2027; and
- 16 (4) _____ per cent for taxable years beginning after
 17 December 31, 2028."

18 SECTION 6. Section 237-18, Hawaii Revised Statutes, is
 19 amended by amending subsection (f) to read as follows:

20 "(f) Where tourism related services are furnished through
 21 arrangements made by a travel agency or tour packager and the



1 gross income is divided between the provider of the services and
2 the travel agency or tour packager, the tax imposed by this
3 chapter shall apply to each such person with respect to such
4 person's respective portion of the proceeds, and no more.

5 As used in this subsection "tourism related services" means
6 catamaran cruises, canoe rides, dinner cruises, lei greetings,
7 transportation included in a tour package, sightseeing tours not
8 subject to chapter 239, admissions to luaus, dinner shows,
9 extravaganzas, cultural and educational facilities, and other
10 services rendered directly to the customer or tourist, but only
11 if the providers of the services other than air transportation
12 are subject to a [~~four per cent~~] tax rate of:

13 (1) _____ per cent for taxable years beginning after
14 December 31, 2025;

15 (2) _____ per cent for taxable years beginning after
16 December 31, 2026;

17 (3) _____ per cent for taxable years beginning after
18 December 31, 2027; and

19 (4) _____ per cent for taxable years beginning after
20 December 31, 2028,

21 under this chapter or chapter 239."



1 SECTION 7. Section 237-31, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§237-31 Remittances. (a) All remittances of taxes
4 imposed by this chapter shall be made by money, bank draft,
5 check, cashier's check, money order, or certificate of deposit
6 to the office of the department of taxation to which the return
7 was transmitted.

8 (b) The department shall issue its receipts therefor to
9 the taxpayer and shall pay the moneys into the state treasury as
10 a state realization, to be kept and accounted for as provided by
11 law; provided that:

12 (1) A sum, not to exceed \$5,000,000, from all general
13 excise tax revenues realized by the State shall be
14 deposited in the state treasury in each fiscal year to
15 the credit of the compound interest bond reserve fund;

16 (2) A sum from all general excise tax revenues realized by
17 the State that is equal to one-half of the total
18 amount of funds appropriated or transferred out of the
19 hurricane reserve trust fund under sections 4 and 5 of
20 Act 62, Session Laws of Hawaii 2011, shall be
21 deposited into the hurricane reserve trust fund in



1 fiscal year 2013-2014 and in fiscal year 2014-2015;
2 provided that the deposit required in each fiscal year
3 shall be made by October 1 of that fiscal year; and
4 (3) Commencing with fiscal year 2018-2019, a sum from all
5 general excise tax revenues realized by the State that
6 represents the difference between the state public
7 employer's annual required contribution for the
8 separate trust fund established under section 87A-42
9 and the amount of the state public employer's
10 contributions into that trust fund shall be deposited
11 to the credit of the State's annual required
12 contribution into that trust fund in each fiscal year,
13 as provided in section 87A-42.

14 (c) Notwithstanding subsection (b), for taxable years
15 beginning on or after January 1, 2025 and ending on or before
16 December 31, 2028, the additional revenues generated and
17 collected from the increase in general excise tax rates imposed
18 by sections 3, 4, 5, and 6 of Act _____, Session Laws of Hawaii
19 2025, shall be deposited into the general fund."

20

PART IV



1 SECTION 8. Section 235-7, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) There shall be excluded from gross income, adjusted
4 gross income, and taxable income:

5 (1) Income not subject to taxation by the State under the
6 Constitution and laws of the United States;

7 (2) Rights, benefits, and other income exempted from
8 taxation by section 88-91, having to do with the state
9 retirement system, and the rights, benefits, and other
10 income, comparable to the rights, benefits, and other
11 income exempted by section 88-91, under any other
12 public retirement system;

13 (3) Any compensation received in the form of a pension for
14 past services;

15 (4) Compensation paid to a patient affected with Hansen's
16 disease employed by the State or the United States in
17 any hospital, settlement, or place for the treatment
18 of Hansen's disease;

19 (5) Except as otherwise expressly provided, payments made
20 by the United States or this State, under an act of
21 Congress or a law of this State, which by express



1 provision or administrative regulation or
2 interpretation are exempt from both the normal and
3 surtaxes of the United States, even though not so
4 exempted by the Internal Revenue Code itself;

5 (6) Any income expressly exempted or excluded from the
6 measure of the tax imposed by this chapter by any
7 other law of the State, it being the intent of this
8 chapter not to repeal or supersede any such express
9 exemption or exclusion;

10 (7) Income received by each member of the reserve
11 components of the Army, Navy, Air Force, Marine Corps,
12 or Coast Guard of the United States of America, and
13 the Hawaii National Guard as compensation for
14 performance of duty, equivalent to pay received for
15 forty-eight drills (equivalent of twelve weekends) and
16 fifteen days of annual duty, at an:

17 (A) E-1 pay grade after eight years of service;
18 provided that this subparagraph shall apply to
19 taxable years beginning after December 31, 2004;



1 (B) E-2 pay grade after eight years of service;
2 provided that this subparagraph shall apply to
3 taxable years beginning after December 31, 2005;

4 (C) E-3 pay grade after eight years of service;
5 provided that this subparagraph shall apply to
6 taxable years beginning after December 31, 2006;

7 (D) E-4 pay grade after eight years of service;
8 provided that this subparagraph shall apply to
9 taxable years beginning after December 31, 2007;
10 and

11 (E) E-5 pay grade after eight years of service;
12 provided that this subparagraph shall apply to
13 taxable years beginning after December 31, 2008;

14 (8) Income derived from the operation of ships or aircraft
15 if the income is exempt under the Internal Revenue
16 Code pursuant to the provisions of an income tax
17 treaty or agreement entered into by and between the
18 United States and a foreign country[+];[+] provided
19 that the tax laws of the local governments of that
20 country reciprocally exempt from the application of
21 all of their net income taxes, the income derived from



- 1 the operation of ships or aircraft that are documented
2 or registered under the laws of the United States;
- 3 (9) The value of legal services provided by a legal
4 service plan to a taxpayer, the taxpayer's spouse, and
5 the taxpayer's dependents;
- 6 (10) Amounts paid, directly or indirectly, by a legal
7 service plan to a taxpayer as payment or reimbursement
8 for the provision of legal services to the taxpayer,
9 the taxpayer's spouse, and the taxpayer's dependents;
- 10 (11) Contributions by an employer to a legal service plan
11 for compensation (through insurance or otherwise) to
12 the employer's employees for the costs of legal
13 services incurred by the employer's employees, their
14 spouses, and their dependents; ~~and~~
- 15 (12) Amounts received in the form of a monthly surcharge by
16 a utility acting on behalf of an affected utility
17 under section 269-16.3; provided that amounts retained
18 by the acting utility for collection or other costs
19 shall not be included in this exemption~~[]~~; and
- 20 (13) Income received as unemployment compensation benefits
21 under chapter 383."



1 SECTION 9. Section 383-163.6, Hawaii Revised Statutes, is
2 amended by amending its title and subsection (a) to read as
3 follows:

4 "[+]§383-163.6[+] Voluntary deduction and withholding of
5 federal and state income taxes. (a) An individual filing a new
6 claim for unemployment compensation shall, at the time of filing
7 the claim, be advised that:

- 8 (1) Unemployment compensation is subject to federal [~~and~~
9 ~~state~~] income tax;
- 10 (2) Requirements exist pertaining to estimated tax
11 payments;
- 12 (3) The individual may elect to have federal income tax
13 deducted and withheld from the individual's payment of
14 unemployment compensation at the amount specified in
15 the federal Internal Revenue Code;
- 16 (4) The individual may elect to have state income tax
17 deducted and withheld from the individual's payment of
18 unemployment compensation at the amount specified in
19 section 235-69;
- 20 (5) The individual may elect to have state and local
21 income taxes deducted and withheld from the



1 individual's payment of unemployment compensation for
2 other states and localities outside this State at the
3 percentage established by the state or locality, if
4 the department by agreement with the other state or
5 locality is authorized to deduct and withhold income
6 tax; and

7 (6) The individual shall be permitted to change a
8 previously elected withholding status no more than
9 once during a benefit year."

10 PART V

11 SECTION 10. Section 235-2.4, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) Section 63 (with respect to taxable income defined)
14 of the Internal Revenue Code shall be operative for the purposes
15 of this chapter, subject to the following:

16 (1) Section 63(c)(1)(B) (relating to the additional
17 standard deduction), 63(c)(1)(C) (relating to the real
18 property tax deduction), 63(c)(1)(D) (relating to the
19 disaster loss deduction), 63(c)(1)(E) (relating to the
20 motor vehicle sales tax deduction), 63(c)(4) (relating
21 to inflation adjustments), 63(c)(7) (defining the real



1 property tax deduction), 63(c)(8) (defining the
2 disaster loss deduction), 63(c)(9) (defining the motor
3 vehicle sales tax deduction), and 63(f) (relating to
4 additional amounts for the aged or blind) of the
5 Internal Revenue Code shall not be operative for
6 purposes of this chapter;

7 (2) Section 63(c)(2) (relating to the basic standard
8 deduction) of the Internal Revenue Code shall be
9 operative, except that the standard deduction amounts
10 provided therein shall instead mean:

11 (A) \$4,400 or \$8,800 for a return with an adjusted
12 gross income of less than \$200,000, in the case
13 of:

14 (i) A joint return as provided by section
15 235-93; or

16 (ii) A surviving spouse (as defined in section
17 2(a) of the Internal Revenue Code);

18 (B) \$3,212 or \$6,424 for a return with an adjusted
19 gross income less than \$100,000, in the case of a
20 head of household (as defined in section 2(b) of
21 the Internal Revenue Code);



H.B. NO. 959

1 (C) \$2,200 or \$4,400 for a return with an adjusted
2 gross income less than \$100,000, in the case of
3 an individual who is not married and who is not a
4 surviving spouse or head of household;

5 (D) \$2,200 or \$4,400 for a return with an adjusted
6 gross income less than \$100,000, in the case of a
7 married individual filing a separate return;

8 ~~[(E) For taxable years beginning after December 31,~~
9 ~~2023:~~

10 ~~(i) \$8,800 in the case of a joint return as~~
11 ~~provided by section 235-93 or a surviving~~
12 ~~spouse (as defined in section 2(a) of the~~
13 ~~Internal Revenue Code);~~

14 ~~(ii) \$6,424 in the case of a head of household~~
15 ~~(as defined in section 2(b) of the Internal~~
16 ~~Revenue Code);~~

17 ~~(iii) \$4,400 in the case of an individual who is~~
18 ~~not married and who is not a surviving~~
19 ~~spouse or head of household; or~~

20 ~~(iv) \$4,400 in the case of a married individual~~
21 ~~filing a separate return;~~



H.B. NO. 959

- 1 ~~(F) For taxable years beginning after December 31,~~
- 2 ~~2025:~~
- 3 ~~(i) \$16,000 in the case of a joint return as~~
- 4 ~~provided by section 235-93 or a surviving~~
- 5 ~~spouse (as defined in section 2(a) of the~~
- 6 ~~Internal Revenue Code);~~
- 7 ~~(ii) \$12,000 in the case of a head of household~~
- 8 ~~(as defined in section 2(b) of the Internal~~
- 9 ~~Revenue Code);~~
- 10 ~~(iii) \$8,000 in the case of an individual who is~~
- 11 ~~not married and who is not a surviving~~
- 12 ~~spouse or head of household; or~~
- 13 ~~(iv) \$8,000 in the case of a married individual~~
- 14 ~~filing a separate return;~~
- 15 ~~(G) For taxable years beginning after December 31,~~
- 16 ~~2027:~~
- 17 ~~(i) \$18,000 in the case of a joint return as~~
- 18 ~~provided by section 235-93 or a surviving~~
- 19 ~~spouse (as defined in section 2(a) of the~~
- 20 ~~Internal Revenue Code);~~
- 21 ~~(ii) \$13,500 in the case of a head of household~~



H.B. NO. 959

- 1 ~~(as defined in section 2(b) of the Internal~~
2 ~~Revenue Code);~~
- 3 ~~(iii) \$9,000 in the case of an individual who is~~
4 ~~not married and who is not a surviving~~
5 ~~spouse or head of household; or~~
- 6 ~~(iv) \$9,000 in the case of a married individual~~
7 ~~filing a separate return;~~
- 8 ~~(H) For taxable years beginning after December 31,~~
9 ~~2029:~~
- 10 ~~(i) \$20,000 in the case of a joint return as~~
11 ~~provided by section 235-93 or a surviving~~
12 ~~spouse (as defined in section 2(a) of the~~
13 ~~Internal Revenue Code);~~
- 14 ~~(ii) \$15,000 in the case of a head of household~~
15 ~~(as defined in section 2(b) of the Internal~~
16 ~~Revenue Code);~~
- 17 ~~(iii) \$10,000 in the case of an individual who is~~
18 ~~not married and who is not a surviving~~
19 ~~spouse or head of household; or~~
- 20 ~~(iv) \$10,000 in the case of a married individual~~
21 ~~filing a separate return; and~~



H.B. NO. 959

- 1 ~~(I) For taxable years beginning after December 31,~~
2 ~~2030:~~
- 3 ~~(i) \$24,000 in the case of a joint return as~~
4 ~~provided by section 235-93 or a surviving~~
5 ~~spouse (as defined in section 2(a) of the~~
6 ~~Internal Revenue Code);~~
- 7 ~~(ii) \$18,000 in the case of a head of household~~
8 ~~(as defined in section 2(b) of the Internal~~
9 ~~Revenue Code);~~
- 10 ~~(iii) \$12,000 in the case of an individual who is~~
11 ~~not married and who is not a surviving~~
12 ~~spouse or head of household; or~~
- 13 ~~(iv) \$12,000 in the case of a married individual~~
14 ~~filing a separate return.]~~
- 15 (3) Section 63(c)(5) (limiting the basic standard
16 deduction in the case of certain dependents) of the
17 Internal Revenue Code shall be operative, except that
18 the limitation shall be the greater of \$500 or the
19 individual's earned income; and
- 20 (4) The standard deduction amount for nonresidents shall
21 be calculated pursuant to section 235-5."



1 PART VI

2 SECTION 11. Section 235-55.7, Hawaii Revised Statutes, is
3 amended as follows:

4 1. By amending subsections (a) through (c) to read:

5 "(a) As used in this section:

6 [~~1~~] "Adjusted gross income" [~~is defined by section~~
7 ~~235-1-~~] has the same meaning as defined in title 26 United
8 States Code section 62, Internal Revenue Code of 1986, as
9 amended.

10 [~~2~~] "Qualified exemption" includes those exemptions
11 permitted under this chapter; provided that a person for whom
12 exemption is claimed has physically resided in the State for
13 more than nine months during the taxable year; [~~and~~] provided
14 further that multiple [~~exemption~~] exemptions shall not be
15 granted because of deficiencies in vision, hearing, or other
16 disability.

17 [~~3~~] "Rent" means the amount paid in cash in any taxable
18 year for the occupancy of a dwelling place [~~which~~] that is used
19 by a resident taxpayer or the resident taxpayer's immediate
20 family as the principal residence in this State. Rent is
21 limited to the amount paid for the occupancy of the dwelling



1 place only, [~~and~~] or is exclusive of charges for utilities,
2 parking stalls, storage of goods, yard services, furniture,
3 furnishings, and the like. Rent shall not include any rental
4 claimed as a deduction from gross income or adjusted gross
5 income for income tax purposes, any ground rental paid for use
6 of land only, [~~and~~] or any rent allowance or subsidies received.

7 (b) Each resident taxpayer who occupies and pays rent for
8 real property within the State as the resident taxpayer's
9 residence or the residence of the resident taxpayer's immediate
10 family [~~which~~] that is not partially or wholly exempted from
11 real property tax, who is not eligible to be claimed as a
12 dependent for federal or state income taxes by another, and who
13 files an individual net income tax return for a taxable year,
14 may claim a tax credit under this section against the resident
15 taxpayer's Hawaii state individual net income tax.

16 (c) Each taxpayer with an adjusted gross income of less
17 than [~~\$30,000~~] \$50,000 who has paid more than \$1,000 in rent
18 during the taxable year for which the credit is claimed may
19 claim a tax credit of [~~\$50~~] \$500 multiplied by the number of
20 qualified exemptions to which the taxpayer is entitled; provided
21 that each taxpayer sixty-five years of age or over may claim



1 double the tax credit; ~~and~~ provided further that a resident
2 individual who has no income or no income taxable under this
3 chapter may also claim the tax credit as set forth in this
4 section."

5 2. By amending subsection (e) to read:

6 "(e) The tax credits shall be deductible from the
7 taxpayer's individual net income tax for the tax year in which
8 the credits are properly claimed; provided that ~~[a husband and~~
9 ~~wife]~~ married individuals filing separate returns for a taxable
10 year for which a joint return could have been made by them shall
11 claim only the tax credits to which they would have been
12 entitled had a joint return been filed. In the event the
13 allowed tax credits exceed the amount of the income tax payments
14 due from the taxpayer, the excess of credits over payments due
15 shall be refunded to the taxpayer; provided that allowed tax
16 credits properly claimed by an individual who has no income tax
17 liability shall be paid to the individual; ~~and~~ provided
18 further that no refunds or payments on account of the tax
19 credits allowed by this section shall be made for amounts less
20 than \$1."

21 3. By amending subsection (h) to read:



1 "(h) Claims for tax credits under this section, including
 2 any amended claims [~~thereof~~], shall be filed on or before the
 3 end of the twelfth month following the taxable year for which
 4 the credit may be claimed."

PART VII

6 SECTION 12. Section 235-51, Hawaii Revised Statutes, is
 7 amended by amending subsections (a) to (c) to read as follows:

8 "(a) There is hereby imposed on the taxable income of
 9 every:

10 (1) Taxpayer who files a joint return under section
 11 235-93; and

12 (2) Surviving spouse,

13 a tax determined in accordance with the following table:

14 In the case of any taxable year beginning after
 15 December 31, 2017:

16	If the taxable income is:	The tax shall be:
17	Not over \$4,800	1.40% of taxable income
18	Over \$4,800 but	\$67.00 plus 3.20% of
19	not over \$9,600	excess over \$4,800
20	Over \$9,600 but	\$221.00 plus 5.50% of
21	not over \$19,200	excess over \$9,600



H.B. NO. 959

1	Over \$19,200 but	\$749.00 plus 6.40% of
2	not over \$28,800	excess over \$19,200
3	Over \$28,800 but	\$1,363.00 plus 6.80% of
4	not over \$38,400	excess over \$28,800
5	Over \$38,400 but	\$2,016.00 plus 7.20% of
6	not over \$48,000	excess over \$38,400
7	Over \$48,000 but	\$2,707.00 plus 7.60% of
8	not over \$72,000	excess over \$48,000
9	Over \$72,000 but	\$4,531.00 plus 7.90% of
10	not over \$96,000	excess over \$72,000
11	Over \$96,000 but	\$6,427.00 plus 8.25% of
12	not over \$300,000	excess over \$96,000
13	Over \$300,000 but	\$23,257.00 plus 9.00% of
14	not over \$350,000	excess over \$300,000
15	Over \$350,000 but	\$27,757.00 plus 10.00% of
16	not over \$400,000	excess over \$350,000
17	Over \$400,000	\$32,757.00 plus 11.00% of
18		excess over \$400,000.

19 ~~[In the case of any taxable year beginning after~~

20 ~~December 31, 2024:~~

21 ~~If the taxable income is: The tax shall be:~~



H.B. NO. 959

1	Not over \$19,200	1.40% of taxable income
2	Over \$19,200 but	\$269.00 plus 3.20% of
3	not over \$28,800	excess over \$19,200
4	Over \$28,800 but	\$576.00 plus 5.50% of
5	not over \$38,400	excess over \$28,800
6	Over \$38,400 but	\$1,104.00 plus 6.40% of
7	not over \$48,000	excess over \$38,400
8	Over \$48,000 but	\$1,718.00 plus 6.80% of
9	not over \$72,000	excess over \$48,000
10	Over \$72,000 but	\$3,350.00 plus 7.20% of
11	not over \$96,000	excess over \$72,000
12	Over \$96,000 but	\$5,078.00 plus 7.60% of
13	not over \$250,000	excess over \$96,000
14	Over \$250,000 but	\$16,782.00 plus 7.90% of
15	not over \$350,000	excess over \$250,000
16	Over \$350,000 but	\$24,682.00 plus 8.25% of
17	not over \$450,000	excess over \$350,000
18	Over \$450,000 but	\$32,932.00 plus 9.00% of
19	not over \$550,000	excess over \$450,000
20	Over \$550,000 but	\$41,932.00 plus 10.00% of
21	not over \$650,000	excess over \$550,000



H.B. NO. 959

1	not over \$550,000	excess over \$450,000
2	Over \$550,000 but	\$39,244.00 plus 9.00% of
3	not over \$650,000	excess over \$550,000
4	Over \$650,000 but	\$48,244.00 plus 10.00% of
5	not over \$800,000	excess over \$650,000
6	Over \$800,000	\$63,244.00 plus 11.00% of
7		excess over \$800,000.

8 ~~In the case of any taxable year beginning after~~
9 ~~December 31, 2028:~~

10	If the taxable income is:	The tax shall be:
11	Not over \$38,400	1.40% of taxable income
12	Over \$38,400 but	\$538.00 plus 3.20% of
13	not over \$48,000	excess over \$38,400
14	Over \$48,000 but	\$845.00 plus 5.50% of
15	not over \$72,000	excess over \$48,000
16	Over \$72,000 but	\$2,165.00 plus 6.40% of
17	not over \$96,000	excess over \$72,000
18	Over \$96,000 but	\$3,701.00 plus 6.80% of
19	not over \$250,000	excess over \$96,000
20	Over \$250,000 but	\$14,173.00 plus 7.20% of
21	not over \$350,000	excess over \$250,000



H.B. NO. 959

1	Over \$350,000 but	\$21,373.00 plus 7.60% of
2	not over \$450,000	excess over \$350,000
3	Over \$450,000 but	\$28,973.00 plus 7.90% of
4	not over \$550,000	excess over \$450,000
5	Over \$550,000 but	\$36,873.00 plus 8.25% of
6	not over \$650,000	excess over \$550,000
7	Over \$650,000 but	\$45,123.00 plus 9.00% of
8	not over \$800,000	excess over \$650,000
9	Over \$800,000 but	\$58,623.00 plus 10.00% of
10	not over \$950,000	excess over \$800,000
11	Over \$950,000	\$73,623.00 plus 11.00% of
12		excess over \$950,000.]

13 In the case of any taxable year beginning after
 14 December 31, 2025:

15	<u>If the taxable income is:</u>	<u>The tax shall be:</u>
16	<u>Not over \$100,000</u>	<u>0% of taxable income</u>
17	<u>Over \$100,000 but</u>	<u>\$0 plus 8.25% of</u>
18	<u>not over \$300,000</u>	<u>excess over \$100,000</u>
19	<u>Over \$300,000 but</u>	<u>\$16,500 plus 9.00% of</u>
20	<u>not over \$350,000</u>	<u>excess over \$300,000</u>
21	<u>Over \$350,000 but</u>	<u>\$21,000 plus 10.0% of</u>



1	<u>not over \$400,000</u>	<u>excess over \$350,000</u>
2	<u>Over \$400,000</u>	<u>\$26,000 plus 11.00% of</u>
3		<u>excess over \$400,000.</u>

4 (b) There is hereby imposed on the taxable income of every
5 head of a household a tax determined in accordance with the
6 following table:

7 In the case of any taxable year beginning after
8 December 31, 2017:

9	If the taxable income is:	The tax shall be:
10	Not over \$3,600	1.40% of taxable income
11	Over \$3,600 but	\$50.00 plus 3.20% of
12	not over \$7,200	excess over \$3,600
13	Over \$7,200 but	\$166.00 plus 5.50% of
14	not over \$14,400	excess over \$7,200
15	Over \$14,400 but	\$562.00 plus 6.40% of
16	not over \$21,600	excess over \$14,400
17	Over \$21,600 but	\$1,022.00 plus 6.80% of
18	not over \$28,800	excess over \$21,600
19	Over \$28,800 but	\$1,512.00 plus 7.20% of
20	not over \$36,000	excess over \$28,800
21	Over \$36,000 but	\$2,030.00 plus 7.60% of



H.B. NO. 959

1	not over \$54,000	excess over \$36,000
2	Over \$54,000 but	\$3,398.00 plus 7.90% of
3	not over \$72,000	excess over \$54,000
4	Over \$72,000 but	\$4,820.00 plus 8.25% of
5	not over \$225,000	excess over \$72,000
6	Over \$225,000 but	\$17,443.00 plus 9.00% of
7	not over \$262,500	excess over \$225,000
8	Over \$262,500 but	\$20,818.00 plus 10.00% of
9	not over \$300,000	excess over \$262,500
10	Over \$300,000	\$24,568.00 plus 11.00% of
11		excess over \$300,000.

12 ~~[In the case of any taxable year beginning after~~
13 ~~December 31, 2024:~~

14	If the taxable income is:	The tax shall be:
15	Not over \$14,400	1.40% of taxable income
16	Over \$14,400 but	\$202.00 plus 3.20% of
17	not over \$21,600	excess over \$14,400
18	Over \$21,600 but	\$432.00 plus 5.50% of
19	not over \$28,800	excess over \$21,600
20	Over \$28,800 but	\$828.00 plus 6.40% of
21	not over \$36,000	excess over \$28,800



1	Over \$36,000 but	\$1,289.00 plus 6.80% of
2	not over \$54,000	excess over \$36,000
3	Over \$54,000 but	\$2,513.00 plus 7.20% of
4	not over \$72,000	excess over \$54,000
5	Over \$72,000 but	\$3,809.00 plus 7.60% of
6	not over \$187,500	excess over \$72,000
7	Over \$187,500 but	\$12,587.00 plus 7.90% of
8	not over \$262,500	excess over \$187,500
9	Over \$262,500 but	\$18,512.00 plus 8.25% of
10	not over \$337,500	excess over \$262,500
11	Over \$337,500 but	\$24,699.00 plus 9.00% of
12	not over \$412,500	excess over \$337,500
13	Over \$412,500 but	\$31,449.00 plus 10.00% of
14	not over \$487,500	excess over \$412,500
15	Over \$487,500	\$38,949.00 plus 11.00% of
16		excess over \$487,500.

17 ~~In the case of any taxable year beginning after~~

18 ~~December 31, 2026:~~

19	If the taxable income is:	The tax shall be:
20	Not over \$21,600	1.40% of taxable income
21	Over \$21,600 but	\$302.00 plus 3.20% of



H.B. NO. 959

1	not over \$28,800	excess over \$21,600
2	Over \$28,800 but	\$533.00 plus 5.50% of
3	not over \$36,000	excess over \$28,800
4	Over \$36,000 but	\$929.00 plus 6.40% of
5	not over \$54,000	excess over \$36,000
6	Over \$54,000 but	\$2,081.00 plus 6.80% of
7	not over \$72,000	excess over \$54,000
8	Over \$72,000 but	\$3,305.00 plus 7.20% of
9	not over \$187,500	excess over \$72,000
10	Over \$187,500 but	\$11,621.00 plus 7.60% of
11	not over \$262,500	excess over \$187,500
12	Over \$262,500 but	\$17,321.00 plus 7.90% of
13	not over \$337,500	excess over \$262,500
14	Over \$337,500 but	\$23,246.00 plus 8.25% of
15	not over \$412,500	excess over \$337,500
16	Over \$412,500 but	\$29,433.00 plus 9.00% of
17	not over \$487,500	excess over \$412,500
18	Over \$487,500 but	\$36,183.00 plus 10.00% of
19	not over \$600,000	excess over \$487,500
20	Over \$600,000	\$47,433.00 plus 11.00% of
21		excess over \$600,000.



1 ~~In the case of any taxable year beginning after~~
2 ~~December 31, 2028:~~

3	If the taxable income is:	The tax shall be:
4	Not over \$28,800	1.40% of taxable income
5	Over \$28,800 but	\$403.00 plus 3.20% of
6	not over \$36,000	excess over \$28,800
7	Over \$36,000 but	\$634.00 plus 5.50% of
8	not over \$54,000	excess over \$36,000
9	Over \$54,000 but	\$1,624.00 plus 6.40% of
10	not over \$72,000	excess over \$54,000
11	Over \$72,000 but	\$2,776.00 plus 6.80% of
12	not over \$187,500	excess over \$72,000
13	Over \$187,500 but	\$10,630.00 plus 7.20% of
14	not over \$262,500	excess over \$187,500
15	Over \$262,500 but	\$16,030.00 plus 7.60% of
16	not over \$337,500	excess over \$262,500
17	Over \$337,500 but	\$21,730.00 plus 7.90% of
18	not over \$412,500	excess over \$337,500
19	Over \$412,500 but	\$27,655.00 plus 8.25% of
20	not over \$487,500	excess over \$412,500
21	Over \$487,500 but	\$33,842.00 plus 9.00% of



~~1 not over \$600,000 excess over \$487,500~~
~~2 Over \$600,000 but \$43,967.00 plus 10.00% of~~
~~3 not over \$712,500 excess over \$600,000~~
~~4 Over \$712,500 \$55,217.00 plus 11.00% of~~
~~5 excess over \$712,500.]~~

6 In the case of any taxable year beginning after
7 December 31, 2025:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
8 <u>Not over \$100,000</u>	<u>0% of taxable income</u>
9 <u>Over \$100,000 but</u>	<u>\$0 plus 8.25% of</u>
10 <u>not over \$225,000</u>	<u>excess over \$100,000</u>
11 <u>Over \$225,000 but</u>	<u>\$10,313 plus 9.00% of</u>
12 <u>not over \$262,500</u>	<u>excess over \$225,000</u>
13 <u>Over \$262,500 but</u>	<u>\$13,688 plus 10.0% of</u>
14 <u>not over \$300,000</u>	<u>excess over \$262,500</u>
15 <u>Over \$300,000</u>	<u>\$17,438 plus 11.00% of</u>
16 <u>excess over \$300,000.</u>	

18 (c) There is hereby imposed on the taxable income of (1)
19 every unmarried individual (other than a surviving spouse, or
20 the head of a household) and (2) on the taxable income of every
21 married individual who does not make a single return jointly



1 with the individual's spouse under section 235-93 a tax
 2 determined in accordance with the following table:

3 In the case of any taxable year beginning after
 4 December 31, 2017:

5	If the taxable income is:	The tax shall be:
6	Not over \$2,400	1.40% of taxable income
7	Over \$2,400 but	\$34.00 plus 3.20% of
8	not over \$4,800	excess over \$2,400
9	Over \$4,800 but	\$110.00 plus 5.50% of
10	not over \$9,600	excess over \$4,800
11	Over \$9,600 but	\$374.00 plus 6.40% of
12	not over \$14,400	excess over \$9,600
13	Over \$14,400 but	\$682.00 plus 6.80% of
14	not over \$19,200	excess over \$14,400
15	Over \$19,200 but	\$1,008.00 plus 7.20% of
16	not over \$24,000	excess over \$19,200
17	Over \$24,000 but	\$1,354.00 plus 7.60% of
18	not over \$36,000	excess over \$24,000
19	Over \$36,000 but	\$2,266.00 plus 7.90% of
20	not over \$48,000	excess over \$36,000
21	Over \$48,000 but	\$3,214.00 plus 8.25% of



H.B. NO. 959

1	not over \$150,000	excess over \$48,000
2	Over \$150,000 but	\$11,629.00 plus 9.00% of
3	not over \$175,000	excess over \$150,000
4	Over \$175,000 but	\$13,879.00 plus 10.00% of
5	not over \$200,000	excess over \$175,000
6	Over \$200,000	\$16,379.00 plus 11.00% of
7		excess over \$200,000.

8 ~~[In the case of any taxable year beginning after~~
9 ~~December 31, 2024:~~

10	If the taxable income is:	The tax shall be:
11	Not over \$9,600	1.40% of taxable income
12	Over \$9,600 but	\$134.00 plus 3.20% of
13	not over \$14,400	excess over \$9,600
14	Over \$14,400 but	\$288.00 plus 5.50% of
15	not over \$19,200	excess over \$14,400
16	Over \$19,200 but	\$552.00 plus 6.40% of
17	not over \$24,000	excess over \$19,200
18	Over \$24,000 but	\$859.00 plus 6.80% of
19	not over \$36,000	excess over \$24,000
20	Over \$36,000 but	\$1,675.00 plus 7.20% of
21	not over \$48,000	excess over \$36,000



H.B. NO. 959

1	Over \$48,000 but	\$2,539.00 plus 7.60% of
2	not over \$125,000	excess over \$48,000
3	Over \$125,000 but	\$8,391.00 plus 7.90% of
4	not over \$175,000	excess over \$125,000
5	Over \$175,000 but	\$12,341.00 plus 8.25% of
6	not over \$225,000	excess over \$175,000
7	Over \$225,000 but	\$16,466.00 plus 9.00% of
8	not over \$275,000	excess over \$225,000
9	Over \$275,000 but	\$20,966.00 plus 10.00% of
10	not over \$325,000	excess over \$275,000
11	Over \$325,000	\$25,966.00 plus 11.00% of
12		excess over \$325,000.

13 ~~In the case of any taxable year beginning after~~
14 ~~December 31, 2026:~~

15	If the taxable income is:	The tax shall be:
16	Not over \$14,400	1.40% of taxable income
17	Over \$14,400 but	\$202.00 plus 3.20% of
18	not over \$19,200	excess over \$14,400
19	Over \$19,200 but	\$355.00 plus 5.50% of
20	not over \$24,000	excess over \$19,200
21	Over \$24,000 but	\$619.00 plus 6.40% of



H.B. NO. 959

1	not over \$36,000	excess over \$24,000
2	Over \$36,000 but	\$1,387.00 plus 6.80% of
3	not over \$48,000	excess over \$36,000
4	Over \$48,000 but	\$2,203.00 plus 7.20% of
5	not over \$125,000	excess over \$48,000
6	Over \$125,000 but	\$7,747.00 plus 7.60% of
7	not over \$175,000	excess over \$125,000
8	Over \$175,000 but	\$11,547.00 plus 7.90% of
9	not over \$225,000	excess over \$175,000
10	Over \$225,000 but	\$15,497.00 plus 8.25% of
11	not over \$275,000	excess over \$225,000
12	Over \$275,000 but	\$19,622.00 plus 9.00% of
13	not over \$325,000	excess over \$275,000
14	Over \$325,000 but	\$24,122.00 plus 10.00% of
15	not over \$400,000	excess over \$325,000
16	Over \$400,000	\$31,622.00 plus 11.00% of
17		excess over \$400,000.

18 ~~In the case of any taxable year beginning after~~
 19 ~~December 31, 2028:~~

20	If the taxable income is:	The tax shall be:
21	Not over \$19,200	1.40% of taxable income



H.B. NO. 959

1	Over \$19,200 but	\$269.00 plus 3.20% of
2	not over \$24,000	excess over \$19,200
3	Over \$24,000 but	\$422.00 plus 5.50% of
4	not over \$36,000	excess over \$24,000
5	Over \$36,000 but	\$1,082.00 plus 6.40% of
6	not over \$48,000	excess over \$36,000
7	Over \$48,000 but	\$1,850.00 plus 6.80% of
8	not over \$125,000	excess over \$48,000
9	Over \$125,000 but	\$7,086.00 plus 7.20% of
10	not over \$175,000	excess over \$125,000
11	Over \$175,000 but	\$10,686.00 plus 7.60% of
12	not over \$225,000	excess over \$175,000
13	Over \$225,000 but	\$14,486.00 plus 7.90% of
14	not over \$275,000	excess over \$225,000
15	Over \$275,000 but	\$18,436.00 plus 8.25% of
16	not over \$325,000	excess over \$275,000
17	Over \$325,000 but	\$22,561.00 plus 9.00% of
18	not over \$400,000	excess over \$325,000
19	Over \$400,000 but	\$29,311.00 plus 10.00% of
20	not over \$475,000	excess over \$400,000
21	Over \$475,000	\$36,811.00 plus 11.00% of



1 ~~excess over \$475,000.]~~

2 In the case of any taxable year beginning after
3 December 31, 2025:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
4 <u>Not over \$100,000</u>	<u>0% of taxable income</u>
5 <u>Over \$100,000 but</u>	<u>\$0 plus 8.25% of</u>
6 <u>not over \$150,000</u>	<u>excess over \$100,000</u>
7 <u>Over \$150,000 but</u>	<u>\$4,125 plus 9.00% of</u>
8 <u>not over \$175,000</u>	<u>excess over \$150,000</u>
9 <u>Over \$175,000 but</u>	<u>\$6,375 plus 10.0% of</u>
10 <u>not over \$200,000</u>	<u>excess over \$175,000</u>
11 <u>Over \$200,000</u>	<u>\$8,875 plus 11.00% of</u>
12	<u>excess over \$200,000."</u>

13
14 PART VIII

15 SECTION 13. Chapter 248, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

18 "\$248- Maui recovery special fund. (a) There is
19 established in the state treasury the Maui recovery special
20 fund, into which shall be deposited:

21 (1) Appropriations made by the legislature;



1 (2) Contributions from public or private partners; and

2 (3) Interest earned on or accrued to moneys deposited in
3 the special fund.

4 (b) Moneys in the Maui recovery special fund shall be used
5 for recovery programs, capital improvement projects, and
6 assistance to those impacted by the 2023 Maui wildfires."

7 SECTION 14. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2025-2026 and
10 the same sum or so much thereof as may be necessary for fiscal
11 year 2026-2027 to be deposited into the Maui recovery special
12 fund.

13 SECTION 15. There is appropriated out of the Maui recovery
14 special fund the sum of \$ or so much thereof as may be
15 necessary for fiscal year 2025-2026 and the same sum or so much
16 thereof as may be necessary for fiscal year 2026-2027 for
17 recovery programs, capital improvement projects, and assistance
18 to individuals impacted by the 2023 Maui wildfires pursuant to
19 section 248- .

20 The sums appropriated shall be expended by the county of
21 Maui for the purposes of this Act.



1
2
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7

PART IX

SECTION 16. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 17. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2024; provided that part VIII of this Act shall take effect on July 1, 2025.

INTRODUCED BY:



JAN 21 2025



H.B. NO. 959

Report Title:

General Excise Tax; Groceries; Nonprescription Drugs; Income Tax; Income Tax Brackets; Standard Deduction; Unemployment Insurance; Exemptions; Maui Recovery Special Fund; Appropriations

Description:

Exempts the sale of groceries and nonprescription drugs from the general excise tax. Incrementally increases the general excise tax over four years, with the increased proceeds during certain fiscal years to be deposited into the general fund. Removes the state income tax on unemployment compensation benefits. Doubles the standard deduction for individuals earning less than \$100,000 and joint returns earning less than \$200,000. Repeals the incremental increases on standard income tax deduction amounts. Increases the minimum income threshold and exemption amount for the low-income household renters' income tax credit. Removes the tax liability for the first \$100,000 of individual income earned. Establishes the Maui Recovery Special Fund to be used for recovery programs related to the 2023 Maui wildfires. Appropriates funds. Applies to taxable years beginning after 12/31/2024.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that allowing for
2 meaningful choice in how consumers access prescription
3 medication has numerous benefits, including cost savings,
4 convenience, and improved medication adherence.

5 As Hawaii residents continue to face economic hardship, the
6 legislature finds that there is an obligation to explore all
7 opportunities for cost savings, especially those that do not
8 compromise quality or access to care. Mail-order pharmacies can
9 reduce copayments by thirty-three per cent, improve adherence to
10 maintenance medications, and help address retail shortages that
11 often force patients to pay for higher-cost brand-name drugs or
12 visit multiple locations. These savings also extend to employer
13 groups that pay a significant share of health plan premiums
14 under the Prepaid Health Care Act.

15 With evolving technology, these potential cost savings and
16 conveniences can be passed on to consumers while preserving
17 their ability to choose how they receive their medications. By



1 expanding access to use of mail order pharmacies, the State will
2 be better able to improve access, lower prescription drug costs,
3 and support better health outcomes.

4 Accordingly, the purpose of this Act is to repeal certain
5 prohibitions on the imposition of fees, conditions, or
6 requirements on community retail pharmacies that are not imposed
7 on mail order pharmacies.

8 SECTION 2. Section 431R-3, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) A prescription drug benefit plan, health benefits
11 plan under chapter 87A, or pharmacy benefit manager who has
12 entered into a contractual retail pharmacy network agreement
13 with a retail community pharmacy shall not:

14 (1) Require a beneficiary to exclusively obtain any
15 prescription from a mail order pharmacy;

16 ~~[-(2) Impose upon a beneficiary utilizing the retail
17 community pharmacy a copayment, fee, or other
18 condition not imposed upon beneficiaries electing to
19 utilize a mail order pharmacy;~~

20 ~~-(3) Subject any prescription dispensed by a retail
21 community pharmacy to a beneficiary to a minimum or~~



1 ~~maximum quantity limit, length of script, restriction~~
2 ~~on refills, or requirement to obtain refills not~~
3 ~~imposed upon a mail order pharmacy;~~

4 ~~(4) Require a beneficiary in whole or in part to pay for~~
5 ~~any prescription dispensed by a retail community~~
6 ~~pharmacy and seek reimbursement if the beneficiary is~~
7 ~~not required to pay for and seek reimbursement in the~~
8 ~~same manner for a prescription dispensed by a mail~~
9 ~~order pharmacy;~~

10 ~~(5)]~~ (2) Subject a beneficiary to any administrative
11 requirement to use a retail community pharmacy that is
12 not imposed upon the use of a mail order pharmacy; or

13 ~~[(6)]~~ (3) Impose any other term, condition, or requirement
14 pertaining to the use of the services of a retail
15 community pharmacy that materially and unreasonably
16 interferes with or impairs the right of a beneficiary
17 to obtain prescriptions from a retail community
18 pharmacy of the beneficiary's choice."

19 SECTION 3. This Act does not affect rights and duties that
20 matured, penalties that were incurred, and proceedings that were
21 begun before its effective date.



H.B. NO. 1539

1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

4

INTRODUCED BY:



JAN 14 2026



H.B. NO. 1539

Report Title:

Mail Order Pharmacies; Community Retail Pharmacies; Prohibitions

Description:

Repeals certain prohibitions on the imposition of fees, conditions, or requirements on community retail pharmacies that are not imposed on mail order pharmacies.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the cost of living
2 in the State is among the highest in the nation, with many
3 residents struggling to afford basic necessities, such as food
4 and medication. According to the Hawaii Foodbank, nearly thirty
5 per cent of households were food insecure in 2023, including
6 nineteen per cent experiencing very low food security. Unlike
7 most states, Hawaii continues to fully tax groceries and
8 nonprescription drugs. Just ten states in the nation impose a
9 tax on groceries, while only Hawaii, Mississippi, and South
10 Dakota continue to tax groceries at the full, regular rate.
11 Nearly all other states exempt these necessities or tax them at
12 a reduced rate.

13 The legislature further finds that taxes on food are
14 regressive, because low- and middle-income families spend a
15 larger share of their income on necessities. The state
16 refundable food/excise tax credit provides limited relief in
17 practice. At the highest income bracket that qualifies for the



1 credit at \$50,000 to \$60,000 of adjusted gross income for a
2 family of four—the credit amounts to \$70 per exemption, or about
3 \$280 annually for a four-person household. Many ALICE (asset
4 limited, income constrained, employed) households need roughly
5 \$110,000 annually for a family of four to meet basic needs and
6 do not qualify at all because eligibility for the credit phases
7 out well below ALICE income levels. In addition, a significant
8 portion of low-income households do not file state income tax
9 returns, resulting in many eligible residents receiving no
10 credit, even though the food/excise tax credit is refundable.

11 Research shows that taxing groceries worsens food
12 insecurity. A 2021 study conducted by Cornell University
13 researchers found that each one percentage point increase in
14 grocery taxation is associated with a 0.84 per cent increase in
15 the probability of food insecurity among low-income households,
16 demonstrating that grocery taxes meaningfully worsen food
17 hardship. Applying that estimate to Hawaii's general excise tax
18 rate of 4.5 per cent indicates that the tax contributes to
19 roughly a 3.78 percentage-point increase in food insecurity.

20 The legislature also finds that United States Department of
21 Agriculture food expenditure data show that in 2023, Hawaii



1 residents spent an estimated \$5,510,000,000 on food-at-home
2 purchases, such as groceries. Visitors to Hawaii, by contrast,
3 spend the overwhelming majority of their food dollars on
4 restaurants, hotels, and other food-away-from-home
5 establishments. Although federal data do not directly separate
6 food purchases by residents and tourists, Hawaii's high share of
7 restaurant and hotel food sales, combined with well-established
8 tourism spending patterns, indicates that nearly all grocery
9 purchases are made by resident households, particularly low- and
10 middle-income families.

11 The legislature additionally finds that applying the
12 general excise tax to groceries meaningfully increases the cost
13 of basic necessities for Hawaii families. Using the 2023 food-
14 at-home figure of \$5,510,000,000, the estimated general excise
15 tax burden on groceries is approximately \$220,000,000 to
16 \$250,000,000 annually. The legislature believes that exempting
17 essential groceries from the tax base will directly reduce
18 household food costs, particularly for low- and moderate-income
19 residents, while reducing the tax burden on necessities more
20 fairly.

21 Accordingly, the purpose of this Act is to:



- 1 (1) Beginning January 1, 2027, establish a yearly
2 reduction in the general excise tax rate on groceries
3 and nonprescription drugs on a tiered schedule until
4 January 1, 2034, when a full general excise tax
5 exemption will begin;
- 6 (2) Beginning January 1, 2028, provide a general excise
7 tax exemption on the wholesale sale of groceries and
8 nonprescription drugs of groceries and nonprescription
9 drugs; and
- 10 (3) Beginning January 1, 2027, prohibit the counties from
11 imposing a county surcharge on groceries and
12 nonprescription drugs.

13 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§237- Groceries; nonprescription drugs; reduced rates.

17 (a) Notwithstanding any provision of law to the contrary,
18 except in the case of a wholesaler under section 237-13(2) (A),
19 beginning January 1, 2027, there is hereby levied and shall be
20 assessed and collected a tax on the gross proceeds or gross



1 income received from the sale of groceries and nonprescription
2 drugs at the following rates:

3 (1) Beginning January 1, 2027: 3.5 per cent;

4 (2) Beginning January 1, 2028: 3.0 per cent;

5 (3) Beginning January 1, 2029: 2.5 per cent;

6 (4) Beginning January 1, 2030: 2.0 per cent;

7 (5) Beginning January 1, 2031: 1.5 per cent;

8 (6) Beginning January 1, 2032: 1.0 per cent; and

9 (7) Beginning January 1, 2033: 0.5 per cent.

10 (b) Notwithstanding any provision of law to the contrary,
11 beginning January 1, 2034, and thereafter, there shall be
12 exempted from, and excluded from the measure of, the taxes
13 imposed by this chapter all of the gross proceeds or gross
14 income received from the sale of groceries and nonprescription
15 drugs."

16 SECTION 3. Section 237-1, Hawaii Revised Statutes, is
17 amended by adding three new definitions to be appropriately
18 inserted and to read as follows:

19 "Groceries" means substances, whether in liquid,
20 concentrated, solid, frozen, dried, or dehydrated form, that are
21 sold for ingestion or chewing by humans and are consumed for



1 their taste or nutritional value, including any food or food
2 product for home consumption. "Groceries" does not include
3 alcoholic beverages, tobacco, and hot foods or hot food products
4 prepared for immediate consumption.

5 "Nonprescription drug" has the same meaning as in section
6 328-1.

7 "Wholesale transaction" means a sale of groceries or
8 nonprescription drugs for resale, including transactions between
9 manufacturers, distributors, and retailers."

10 SECTION 4. Section 237-13, Hawaii Revised Statutes, is
11 amended to read as follows:

12 **"§237-13 Imposition of tax.** There is hereby levied and
13 shall be assessed and collected annually privilege taxes against
14 persons on account of their business and other activities in the
15 State measured by the application of rates against values of
16 products, gross proceeds of sales, or gross income, whichever is
17 specified, as follows:

18 (1) Tax on manufacturers.

19 (A) Upon every person engaging or continuing within
20 the State in the business of manufacturing,
21 including compounding, canning, preserving,



H.B. NO. 1611

1 packing, printing, publishing, milling,
2 processing, refining, or preparing for sale,
3 profit, or commercial use, either directly or
4 through the activity of others, in whole or in
5 part, any article or articles, substance or
6 substances, commodity or commodities, the amount
7 of the tax to be equal to the value of the
8 articles, substances, or commodities,
9 manufactured, compounded, canned, preserved,
10 packed, printed, milled, processed, refined, or
11 prepared for sale, as shown by the gross proceeds
12 derived from the sale thereof by the manufacturer
13 or person compounding, preparing, or printing
14 them, multiplied by one-half of one per cent.

15 (B) The measure of the tax on manufacturers is the
16 value of the entire product for sale.

17 (2) Tax on business of selling tangible personal property;
18 producing.

19 (A) Upon every person engaging or continuing in the
20 business of selling any tangible personal
21 property whatsoever, there is likewise hereby



H.B. NO. 1611

1 levied, and shall be assessed and collected, a
2 tax equivalent to four per cent of the gross
3 proceeds of sales of the business; provided that,
4 in the case of a wholesaler~~[, the]~~:

5 (i) The tax shall be equal to one-half of one
6 per cent of the gross proceeds of sales of
7 the business; ~~[and provided further that~~
8 ~~insofar]~~

9 (ii) Beginning January 1, 2028, the gross
10 proceeds or gross income arising from the
11 wholesale sale of groceries or
12 nonprescription drugs shall be exempt from
13 the tax imposed by this subparagraph; and

14 (iii) Insofar as the sale of tangible personal
15 property is a wholesale sale under section
16 237-4(a)(8), the tax shall be one-half of
17 one per cent of the gross proceeds.

18 Upon every person engaging or continuing within
19 this State in the business of a producer, the tax
20 shall be equal to one-half of one per cent of the



1 gross proceeds of sales of the business, or the
2 value of the products, for sale.

3 (B) Gross proceeds of sales of tangible property in
4 interstate and foreign commerce shall constitute
5 a part of the measure of the tax imposed on
6 persons in the business of selling tangible
7 personal property, to the extent, under the
8 conditions, and in accordance with the provisions
9 of the Constitution of the United States and the
10 Acts of the Congress of the United States which
11 may be now in force or may be hereafter adopted,
12 and whenever there occurs in the State an
13 activity to which, under the Constitution and
14 Acts of Congress, there may be attributed gross
15 proceeds of sales, the gross proceeds shall be so
16 attributed.

17 (C) No manufacturer or producer, engaged in such
18 business in the State and selling the
19 manufacturer's or producer's products for
20 delivery outside of the State (for example,
21 consigned to a mainland purchaser via common



1 carrier f.o.b. Honolulu), shall be required to
2 pay the tax imposed in this chapter for the
3 privilege of so selling the products, and the
4 value or gross proceeds of sales of the products
5 shall be included only in determining the measure
6 of the tax imposed upon the manufacturer or
7 producer.

8 (D) A manufacturer or producer, engaged in such
9 business in the State, shall pay the tax imposed
10 in this chapter for the privilege of selling its
11 products in the State, and the value or gross
12 proceeds of sales of the products, thus subjected
13 to tax, may be deducted insofar as duplicated as
14 to the same products by the measure of the tax
15 upon the manufacturer or producer for the
16 privilege of manufacturing or producing in the
17 State; provided that no producer of agricultural
18 products who sells the products to a purchaser
19 who will process the products outside the State
20 shall be required to pay the tax imposed in this



1 chapter for the privilege of producing or selling
2 those products.

3 (E) A taxpayer selling to a federal cost-plus
4 contractor may make the election provided for by
5 paragraph (3) (C), and in that case the tax shall
6 be computed pursuant to the election,
7 notwithstanding this paragraph or paragraph (1)
8 to the contrary.

9 (F) The department, by rule, may require that a
10 seller take from the purchaser of tangible
11 personal property a certificate, in a form
12 prescribed by the department, certifying that the
13 sale is a sale at wholesale; provided that:

14 (i) Any purchaser who furnishes a certificate
15 shall be obligated to pay to the seller,
16 upon demand, the amount of the additional
17 tax that is imposed upon the seller whenever
18 the sale in fact is not at wholesale; and

19 (ii) The absence of a certificate in itself shall
20 give rise to the presumption that the sale



1 is not at wholesale unless the sales of the
2 business are exclusively at wholesale.

3 (3) Tax upon contractors.

4 (A) Upon every person engaging or continuing within
5 the State in the business of contracting, the tax
6 shall be equal to four per cent of the gross
7 income of the business.

8 (B) In computing the tax levied under this paragraph,
9 there shall be deducted from the gross income of
10 the taxpayer so much thereof as has been included
11 in the measure of the tax levied under
12 subparagraph (A), on another taxpayer who is a
13 contractor, as defined in section 237-6; provided
14 that any person claiming a deduction under this
15 paragraph shall be required to show in the
16 person's return the name and general excise
17 number of the person paying the tax on the amount
18 deducted by the person.

19 (C) In computing the tax levied under this paragraph
20 against any federal cost-plus contractor, there
21 shall be excluded from the gross income of the



1 contractor so much thereof as fulfills the
2 following requirements:
3 (i) The gross income exempted shall constitute
4 reimbursement of costs incurred for
5 materials, plant, or equipment purchased
6 from a taxpayer licensed under this chapter,
7 not exceeding the gross proceeds of sale of
8 the taxpayer on account of the transaction;
9 and
10 (ii) The taxpayer making the sale shall have
11 certified to the department that the
12 taxpayer is taxable with respect to the
13 gross proceeds of the sale, and that the
14 taxpayer elects to have the tax on gross
15 income computed the same as upon a sale to
16 the state government.
17 (D) A person who, as a business or as a part of a
18 business in which the person is engaged, erects,
19 constructs, or improves any building or
20 structure, of any kind or description, or makes,
21 constructs, or improves any road, street,



1 sidewalk, sewer, or water system, or other
2 improvements on land held by the person (whether
3 held as a leasehold, fee simple, or otherwise),
4 upon the sale or other disposition of the land or
5 improvements, even if the work was not done
6 pursuant to a contract, shall be liable to the
7 same tax as if engaged in the business of
8 contracting, unless the person shows that at the
9 time the person was engaged in making the
10 improvements the person intended, and for the
11 period of at least one year after completion of
12 the building, structure, or other improvements
13 the person continued to intend to hold and not
14 sell or otherwise dispose of the land or
15 improvements. The tax in respect of the
16 improvements shall be measured by the amount of
17 the proceeds of the sale or other disposition
18 that is attributable to the erection,
19 construction, or improvement of such building or
20 structure, or the making, constructing, or
21 improving of the road, street, sidewalk, sewer,



1 or water system, or other improvements. The
2 measure of tax in respect of the improvements
3 shall not exceed the amount which would have been
4 taxable had the work been performed by another,
5 subject as in other cases to the deductions
6 allowed by subparagraph (B). Upon the election
7 of the taxpayer, this paragraph may be applied
8 notwithstanding that the improvements were not
9 made by the taxpayer, or were not made as a
10 business or as a part of a business, or were made
11 with the intention of holding the same. However,
12 this paragraph shall not apply in respect of any
13 proceeds that constitute or are in the nature of
14 rent, which shall be taxable under paragraph (9);
15 provided that insofar as the business of renting
16 or leasing real property under a lease is taxed
17 under section 237-16.5, the tax shall be levied
18 by section 237-16.5.

- 19 (4) Tax upon theaters, amusements, radio broadcasting
20 stations, etc.



- 1 (A) Upon every person engaging or continuing within
2 the State in the business of operating a theater,
3 opera house, moving picture show, vaudeville,
4 amusement park, dance hall, skating rink, radio
5 broadcasting station, or any other place at which
6 amusements are offered to the public, the tax
7 shall be equal to four per cent of the gross
8 income of the business, and in the case of a sale
9 of an amusement at wholesale under section 237-
10 4(a) (13), the tax shall be one-half of one per
11 cent of the gross income.
- 12 (B) The department may require that the person
13 rendering an amusement at wholesale take from the
14 licensed seller a certificate, in a form
15 prescribed by the department, certifying that the
16 sale is a sale at wholesale; provided that:
- 17 (i) Any licensed seller who furnishes a
18 certificate shall be obligated to pay to the
19 person rendering the amusement, upon demand,
20 the amount of additional tax that is imposed



1 upon the seller whenever the sale is not at
2 wholesale; and
3 (ii) The absence of a certificate in itself shall
4 give rise to the presumption that the sale
5 is not at wholesale unless the person
6 rendering the sale is exclusively rendering
7 the amusement at wholesale.

8 (5) Tax upon sales representatives, etc. Upon every
9 person classified as a representative or purchasing
10 agent under section 237-1, engaging or continuing
11 within the State in the business of performing
12 services for another, other than as an employee, there
13 is likewise hereby levied and shall be assessed and
14 collected a tax equal to four per cent of the
15 commissions and other compensation attributable to the
16 services so rendered by the person.

17 (6) Tax on service business.

18 (A) Upon every person engaging or continuing within
19 the State in any service business or calling
20 including professional services not otherwise
21 specifically taxed under this chapter, there is



1 likewise hereby levied and shall be assessed and
2 collected a tax equal to four per cent of the
3 gross income of the business, and in the case of
4 a wholesaler under section 237-4(a)(10), the tax
5 shall be equal to one-half of one per cent of the
6 gross income of the business.

7 (B) The department may require that the person
8 rendering a service at wholesale take from the
9 licensed seller a certificate, in a form
10 prescribed by the department, certifying that the
11 sale is a sale at wholesale; provided that:

12 (i) Any licensed seller who furnishes a
13 certificate shall be obligated to pay to the
14 person rendering the service, upon demand,
15 the amount of additional tax that is imposed
16 upon the seller whenever the sale is not at
17 wholesale; and

18 (ii) The absence of a certificate in itself shall
19 give rise to the presumption that the sale
20 is not at wholesale unless the person



1 rendering the sale is exclusively rendering
2 services at wholesale.

3 (C) Where any person is engaged in the business of
4 selling interstate or foreign common carrier
5 telecommunication services within and without the
6 State, other than as a home service provider, the
7 tax shall be imposed on that portion of gross
8 income received by a person from service which is
9 originated or terminated in this State and is
10 charged to a telephone number, customer, or
11 account in this State notwithstanding any other
12 state law (except for the exemption under section
13 237-23(a)(1)) to the contrary. If, under the
14 Constitution and laws of the United States, the
15 entire gross income as determined under this
16 paragraph of a business selling interstate or
17 foreign common carrier telecommunication services
18 cannot be included in the measure of the tax, the
19 gross income shall be apportioned as provided in
20 section 237-21; provided that the apportionment



1 factor and formula shall be the same for all
2 persons providing those services in the State.

3 (D) Where any person is engaged in the business of a
4 home service provider, the tax shall be imposed
5 on the gross income received or derived from
6 providing interstate or foreign mobile
7 telecommunications services to a customer with a
8 place of primary use in this State when the
9 services originate in one state and terminate in
10 another state, territory, or foreign country;
11 provided that all charges for mobile
12 telecommunications services which are billed by
13 or for the home service provider are deemed to be
14 provided by the home service provider at the
15 customer's place of primary use, regardless of
16 where the mobile telecommunications originate,
17 terminate, or pass through; provided further that
18 the income from charges specifically derived from
19 interstate or foreign mobile telecommunications
20 services, as determined by books and records that
21 are kept in the regular course of business by the



1 home service provider in accordance with section
2 239-24, shall be apportioned under any
3 apportionment factor or formula adopted under
4 subparagraph (C). Gross income shall not
5 include:

6 (i) Gross receipts from mobile
7 telecommunications services provided to a
8 customer with a place of primary use outside
9 this State;

10 (ii) Gross receipts from mobile
11 telecommunications services that are subject
12 to the tax imposed by chapter 239;

13 (iii) Gross receipts from mobile
14 telecommunications services taxed under
15 section 237-13.8; and

16 (iv) Gross receipts of a home service provider
17 acting as a serving carrier providing mobile
18 telecommunications services to another home
19 service provider's customer.

20 For the purposes of this paragraph, "charges for
21 mobile telecommunications services", "customer",



1 "home service provider", "mobile
2 telecommunications services", "place of primary
3 use", and "serving carrier" have the same meaning
4 as in section 239-22.

5 (7) Tax on insurance producers. Upon every person engaged
6 as a licensed producer pursuant to chapter 431, there
7 is hereby levied and shall be assessed and collected a
8 tax equal to 0.15 per cent of the commissions due to
9 that activity.

10 (8) Tax on receipts of sugar benefit payments. Upon the
11 amounts received from the United States government by
12 any producer of sugar (or the producer's legal
13 representative or heirs), as defined under and by
14 virtue of the Sugar Act of 1948, as amended, or other
15 Acts of the Congress of the United States relating
16 thereto, there is hereby levied a tax of one-half of
17 one per cent of the gross amount received; provided
18 that the tax levied hereunder on any amount so
19 received and actually disbursed to another by a
20 producer in the form of a benefit payment shall be
21 paid by the person or persons to whom the amount is



1 actually disbursed, and the producer actually making a
2 benefit payment to another shall be entitled to claim
3 on the producer's return a deduction from the gross
4 amount taxable hereunder in the sum of the amount so
5 disbursed. The amounts taxed under this paragraph
6 shall not be taxable under any other paragraph,
7 subsection, or section of this chapter.

8 (9) Tax on other business. Upon every person engaging or
9 continuing within the State in any business, trade,
10 activity, occupation, or calling not included in the
11 preceding paragraphs or any other provisions of this
12 chapter, there is likewise hereby levied and shall be
13 assessed and collected, a tax equal to four per cent
14 of the gross income thereof. In addition, the rate
15 prescribed by this paragraph shall apply to a business
16 taxable under one or more of the preceding paragraphs
17 or other provisions of this chapter, as to any gross
18 income thereof not taxed thereunder as gross income or
19 gross proceeds of sales or by taxing an equivalent
20 value of products, unless specifically exempted."



1 SECTION 5. Section 237-8.6, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The county surcharge on state tax, upon the adoption
4 of county ordinances and in accordance with the requirements of
5 section 46-16.8, shall be levied, assessed, and collected as
6 provided in this section on all gross proceeds and gross income
7 taxable under this chapter. No county shall [~~set~~]:

8 (1) Set the surcharge on state tax at a rate greater than
9 one-half per cent of all gross proceeds and gross
10 income taxable under this chapter[~~-~~]; and

11 (2) Beginning January 1, 2027, impose a surcharge on gross
12 proceeds or gross income arising from the sale of
13 groceries or nonprescription drugs or wholesale
14 transactions involving groceries or nonprescription
15 drugs.

16 All provisions of this chapter shall apply to the county
17 surcharge on state tax. With respect to the surcharge, the
18 director of taxation shall have all the rights and powers
19 provided under this chapter. In addition, the director of
20 taxation shall have the exclusive rights and power to determine
21 the county or counties in which a person is engaged in business



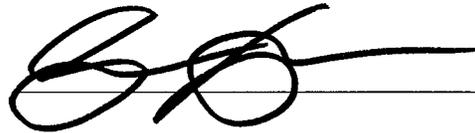
1 and, in the case of a person engaged in business in more than
2 one county, the director shall determine, through apportionment
3 or other means, that portion of the surcharge on state tax
4 attributable to business conducted in each county."

5 SECTION 6. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 7. This Act shall take effect on July 1, 2026.

8

INTRODUCED BY:

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JAN 16 2026



H.B. NO. 1611

Report Title:

General Excise Tax; Groceries; Nonprescription Drugs; Reduced Rate; Exemptions; Wholesale; County Surcharge

Description:

Beginning 1/1/2027, establishes a yearly reduction in the general excise tax rate on groceries and nonprescription drugs on a tiered schedule, until 1/1/2034 and thereafter, when a full general excise tax exemption applies. Beginning 1/1/2028, provides a general excise tax exemption on the wholesale sale of groceries and nonprescription drugs. Beginning 1/1/2027, prohibits the counties from imposing a county surcharge on groceries and nonprescription drugs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the State's existing
2 reimbursement rates for nonprescription drugs, over-the-counter
3 drugs, or nonlegend drugs for workers' compensation are not
4 clearly provided. The legislature further finds that this
5 omission has led some to charge inflated rates for these drugs,
6 which drives up the cost of workers' compensation insurance
7 policies.

8 Accordingly, the purpose of this Act is to prohibit health
9 care providers from prescribing or dispensing nonprescription
10 drugs, over-the-counter drugs, or nonlegend drugs for workers'
11 compensation.

12 SECTION 2. Chapter 386, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 "§386- Nonprescription, over-the-counter, or nonlegend
16 drugs; prohibition. (a) No health care provider shall



1 prescribe or dispense a nonprescription drug, over-the-counter
2 drug, or nonlegend drug.

3 (b) For purposes of this section, "nonprescription drug",
4 "over-the-counter drug", or "nonlegend drug" has the same
5 meaning as in section 328-1."

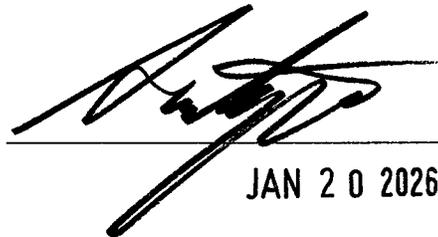
6 SECTION 3. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun before its effective date.

9 SECTION 4. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2026.

11

INTRODUCED BY:



JAN 20 2026



H.B. NO. 1648

Report Title:

Workers' Compensation; Nonprescription Drugs; Over-The-Counter Drugs; Nonlegend Drugs; Prescription or Dispensing Prohibited

Description:

Prohibits health care providers from prescribing or dispensing nonprescription drugs, over-the-counter drugs, and nonlegend drugs for workers' compensation patients.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO OPIOID ANTAGONISTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new section to article 10A, part I, to be
3 appropriately designated and to read as follows:

4 "§431:10A- Opioid antagonists; coverage. (a) Each
5 individual or group policy of accident and health or sickness
6 insurance that provides prescription drug coverage issued or
7 renewed in the State on or after January 1, 2027, shall provide
8 coverage for the policyholder, or any dependent of the
9 policyholder who is covered by the policy, for at least one
10 generic opioid antagonist and device.

11 (b) Generic opioid antagonists and devices covered by this
12 section:

13 (1) Shall be placed on the lowest cost-sharing tier of the
14 formulary managed by the health insurer or pharmacy
15 benefits manager;

16 (2) Shall not be subject to any annual or lifetime dollar
17 limitations;



1 (3) Shall not be subject to financial requirements and
2 quantitative treatment limitations that do not comply
3 with the Mental Health Parity and Addiction Equity Act
4 of 2008, P.L. 110-343; and

5 (4) Shall not require prior authorization, except that
6 prior authorization may be required for the
7 prescription of non-generic forms of opioid
8 antagonists and devices.

9 (c) For the purposes of this section:

10 "Device" means an administration mechanism that delivers an
11 opioid antagonist medication, including but not limited to
12 prepackaged nasal spray, oral tablets, and auto-injectors.

13 "Formulary" has the same meaning as in section 431:10A-140.

14 "Opioid antagonist" means naloxone hydrochloride and any
15 other drug approved by the United States Food and Drug
16 Administration for the treatment of opioid overdose.

17 "Pharmacy benefit manager" has the same meaning as in
18 section 431R-1."

19 SECTION 2. Chapter 432, Hawaii Revised Statutes, is
20 amended by adding a new section to article 1 to be appropriately
21 designated and to read as follows:



1 "§432:1- Opioid antagonists; coverage. (a) Each
2 individual or group hospital or medical service plan contract
3 that provides prescription drug coverage issued or renewed in
4 the State on or after January 1, 2027, shall provide coverage
5 for the subscriber or member, or any dependent of the subscriber
6 or member who is covered by the plan contract, for at least one
7 generic opioid antagonist and device.

8 (b) Generic opioid antagonists and devices covered by this
9 section:

10 (1) Shall be placed on the lowest cost-sharing tier of the
11 formulary managed by the mutual benefit society or
12 pharmacy benefits manager;

13 (2) Shall not be subject to any annual or lifetime dollar
14 limitations;

15 (3) Shall not be subject to financial requirements and
16 quantitative treatment limitations that do not comply
17 with the Mental Health Parity and Addiction Equity Act
18 of 2008, P.L. 110-343; and

19 (4) Shall not require prior authorization, except that
20 prior authorization may be required for the



1 prescription of non-generic forms of opioid
2 antagonists and devices.

3 (c) For the purposes of this section:

4 "Device" means an administration mechanism that delivers an
5 opioid antagonist medication, including but not limited to
6 prepackaged nasal spray, oral tablets, and auto-injectors.

7 "Formulary" has the same meaning as in section 432:1-620.

8 "Opioid antagonist" means naloxone hydrochloride and any
9 other drug approved by the United States Food and Drug
10 Administration for the treatment of opioid overdose.

11 "Pharmacy benefit manager" has the same meaning as in
12 section 431R-1."

13 SECTION 3. Chapter 432D, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§432D- Opioid antagonists; coverage. (a) Each health
17 maintenance organization policy, contract, plan, or agreement
18 issued or renewed in the State on or after January 1, 2027,
19 shall provide coverage for the subscriber or enrollee, or any
20 dependent of the subscriber or enrollee who is covered by the



1 policy, contract, plan, or agreement, for at least one generic
2 opioid antagonist and device.

3 (b) Generic opioid antagonists and devices covered by this
4 section:

5 (1) Shall be placed on the lowest cost-sharing tier of the
6 formulary managed by the health maintenance
7 organization or pharmacy benefits manager;

8 (2) Shall not be subject to any annual or lifetime dollar
9 limitations;

10 (3) Shall not be subject to financial requirements and
11 quantitative treatment limitations that do not comply
12 with the Mental Health Parity and Addiction Equity Act
13 of 2008, P.L. 110-343; and

14 (4) Shall not require prior authorization, except that
15 prior authorization may be required for the
16 prescription of non-generic forms of opioid
17 antagonists and devices.

18 (c) For the purposes of this section:

19 "Device" means an administration mechanism that delivers an
20 opioid antagonist medication, including but not limited to
21 prepackaged nasal spray, oral tablets, and auto-injectors.



H.B. NO. 1767

1 "Formulary" has the same meaning as in section 431:10A-140.

2 "Opioid antagonist" means naloxone hydrochloride and any
3 other drug approved by the United States Food and Drug
4 Administration for the treatment of opioid overdose.

5 "Pharmacy benefit manager" has the same meaning as in
6 section 431R-1."

7 SECTION 5. New statutory material is underscored.

8 SECTION 6. This Act shall take effect upon its approval.

9

INTRODUCED BY:



JAN 21 2026



H.B. NO. 1767

Report Title:

Health Insurance; Health Insurers; Mutual Benefit Societies;
Health Maintenance Organizations; Prescription Drug Coverage;
Opioid Antagonists

Description:

Beginning 1/1/2027, requires health insurers, mutual benefit societies, and health maintenance organizations that issue policies, contracts, plans, or agreements that provide prescription drug coverage to provide coverage for at least one generic opioid antagonist and device.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 15 2025

A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that health insurance
2 plans are increasingly making use of step therapy protocols
3 which require patients to try one or more prescription drug
4 alternatives before insurance coverage is provided for the
5 particular prescription drug selected by the patient's health
6 care provider. Step therapy protocols can serve an important
7 role in controlling health care costs when they are based on
8 well-developed scientific standards and administered in a
9 flexible manner that considers the individual needs of patients.
10 However, requiring a patient to follow a step therapy protocol
11 may have adverse and even dangerous consequences for a patient
12 who may not realize a benefit from taking a required
13 prescription drug alternative or suffer harm if the step therapy
14 protocol requires use of a drug that is inappropriate for the
15 patient.

16 The legislature further finds that without uniform
17 statewide policies in place for step therapy protocols,



1 residents of the State may have varying access to appropriate
2 health care treatment depending on their particular insurance
3 carrier. It is imperative that step therapy protocols in the
4 State preserve health care providers' right to make treatment
5 decisions in the best interest of the patient.

6 The legislature finds that it is necessary for the
7 protection of public health and safety to require health
8 insurers to base step therapy protocols on appropriate clinical
9 practice guidelines or published peer reviewed data developed by
10 independent experts with knowledge of the condition or
11 conditions under consideration. To protect the interest of
12 patients statewide, step therapy protocols should include
13 provisions to exempt patients for whom step therapy would be
14 inappropriate and should ensure that patients have access to a
15 fair, transparent, and independent process for requesting an
16 exception to a step therapy protocol when the patients'
17 physician deems it to be appropriate.

18 Accordingly, the purpose of this Act is to require all
19 insurers in the State to adopt minimum standards for the use of
20 step therapy protocols to ensure the fair, consistent, and



1 transparent provision of prescription drugs to residents of the
2 State.

3 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
4 amended by adding a new section to article 10A to be
5 appropriately designated and to read as follows:

6 "§431:10A- Step therapy protocol; requirements;
7 exceptions. (a) Clinical review criteria used to establish a
8 step therapy protocol shall be based on clinical practice
9 guidelines. Clinical practice guidelines shall:

10 (1) Recommend that the prescription drugs be taken in the
11 specific sequence required by the step therapy
12 protocol;

13 (2) Be developed and endorsed by a multidisciplinary panel
14 of experts that manages conflicts of interest among
15 the members of the writing and review groups by:

16 (A) Requiring members to disclose any potential
17 conflict of interests with entities, including
18 insurers, health plans, and pharmaceutical
19 manufacturers and recuse themselves of voting if
20 they have a conflict of interest;



- 1 (B) Using a methodologist to work with writing groups
2 to provide objectivity in data analysis and
3 ranking of evidence through the preparation of
4 evidence tables and facilitating consensus; and
5 (C) Offering opportunities for public review and
6 comments;
7 provided that in the absence of a panel, peer reviewed
8 publications shall suffice;
9 (3) Be based on high quality studies, research, and
10 medical practices;
11 (4) Be established under an explicit and transparent
12 process that:
13 (A) Minimizes biases and conflicts of interest;
14 (B) Explains the relationship between treatment
15 options and outcomes;
16 (C) Rates the quality of the evidence supporting
17 recommendations; and
18 (D) Considers relevant patient subgroups and
19 preferences;



1 (5) Be continually updated through a review of new
2 evidence, research, and newly developed treatments;
3 and

4 (6) Consider the needs of atypical patient populations and
5 diagnoses;

6 Nothing in this subsection shall be construed to require an
7 insurer, utilization review organization, or health care
8 provider to create any new entity to develop clinical review
9 criteria used for step therapy protocols.

10 (b) When coverage of a prescription drug for the treatment
11 of any medical condition is restricted for use by an insurer or
12 utilization review organization through the use of a step
13 therapy protocol, the patient and the prescribing practitioner
14 shall have access to request a step therapy exception through a
15 clear and convenient process which shall be readily accessible
16 through the insurer or utilization review organization's
17 website. An insurer or utilization review organization may use
18 its existing medical exceptions or appeal process to satisfy
19 this requirement; provided that the process complies with the
20 requirements of this section. An insurer or utilization review
21 organization shall upon written request:



1 (1) Provide all written clinical review criteria relating
2 to a particular condition or disease or a step therapy
3 exception determination;

4 (2) Display the requested clinical review criteria and
5 other clinical information on its website; and

6 (3) Distribute the requested clinical review criteria and
7 other clinical information to a health care
8 professional on the behalf of a patient.

9 (c) A step therapy exception shall be granted to a patient
10 whose relevant medical condition is:

11 (1) Currently stabilized by a particular prescription drug
12 prescribed by the patient's health care provider,
13 regardless of any current or prior insurance coverage,
14 and the patient's health care provider has prescribed
15 continued treatment with the same prescription drug;

16 or

17 (2) Not currently stabilized by a particular prescription
18 drug and if any prescription drug required under the
19 applicable step therapy protocol:



- 1 (A) Is contraindicated or will likely cause an
2 adverse reaction by or physical or mental harm to
3 the patient;
 - 4 (B) Is expected to be ineffective based on the known
5 clinical characteristics of the patient and the
6 known characteristics of the prescription drug;
 - 7 (C) Has been previously prescribed to the patient or
8 is in the same pharmacologic class or has the
9 same mechanism of action as another prescription
10 drug that has been prescribed to the patient and
11 was discontinued by the patient's health care
12 provider due to lack of efficacy or
13 effectiveness, diminished effect, or an adverse
14 event, regardless of any current or prior
15 insurance coverage of the prescription drug; or
 - 16 (D) Will not serve the best interest of the patient,
17 based on medical necessity.
- 18 (d) An insurer or utilization review organization shall
19 make a step therapy exception determination within seventy-two
20 hours of receipt of a request for an exception or filing of an
21 appeal; provided that if exigent circumstances exist, a



1 determination shall be made within twenty-four hours; provided
2 further that if no determination has been made within the time
3 specified, the exception shall be deemed to be granted.

4 If a request for a step therapy exception is incomplete or
5 additional clinically relevant information is required, the
6 insurer or utilization review organization shall notify the
7 prescribing practitioner within seventy-two hours of submission
8 of a request for an exception, or within twenty-four hours in
9 exigent circumstances, what additional or clinically relevant
10 information is required to approve or deny the step therapy
11 exception request or appeal pursuant to the criteria disclosed
12 in subsection (a). Once the requested information is submitted,
13 the applicable time period for an insurer or utilization review
14 organization to make a step therapy exception determination
15 shall apply.

16 Upon the grant of a step therapy exception, the insurer or
17 utilization review organization shall authorize coverage for the
18 particular prescription drug prescribed by the patient's health
19 care provider. Any adverse determination under this subsection
20 shall be subject to appeal pursuant to the insurer or
21 utilization review organization's existing appeal procedures.



1 (e) Every insurer or utilization review organization
2 subject to this section shall certify annually to the insurance
3 commissioner that the insurer or utilization review
4 organization's step therapy protocol meets the requirements of
5 this section. Any proposed change in protocol or clinical
6 review criteria shall be submitted to the insurance commissioner
7 for approval before it may be implemented by the insurer or
8 utilization review organization.

9 (f) Notwithstanding any law to the contrary, the insurance
10 division of the department of commerce and consumer affairs
11 shall adopt rules necessary for the purposes of this section.

12 (g) Each insurer or utilization review organization shall
13 annually submit a report to the insurance division of the
14 department of commerce and consumer affairs, on forms prescribed
15 by the insurance division of the department of commerce and
16 consumer affairs, that includes the following:

17 (1) The number of step therapy exception requests
18 received;

19 (2) The type of health care providers or the medical
20 specialties of the health care providers submitting
21 step therapy exception requests;



1 (3) The number of step therapy exception requests that
2 were:

3 (A) Denied, including the reasons for the denials;

4 (B) Approved;

5 (C) Initially denied and then appealed; and

6 (D) Initially denied and then subsequently reversed

7 by the internal appeals or external reviews; and

8 (4) The medical conditions under which patients were

9 granted step therapy exceptions due to the likelihood

10 that switching from the prescription drug will likely

11 cause an adverse reaction by or physical or mental

12 harm to the insured.

13 (h) This section applies to any state regulated plan or

14 health insurance coverage offered in connection with a state

15 regulated plan that provides coverage of a prescription drug

16 pursuant to a policy that meets the definition of a step therapy

17 protocol, regardless of whether the policy is described as a

18 step therapy protocol.

19 (i) Nothing in this section shall be construed to prevent:

20 (1) An insurer or utilization review organization from

21 requiring a patient to try an AB-rated generic



1 equivalent drug or interchangeable biological product
2 before providing coverage for a name-brand
3 prescription drug, unless the requirement meets the
4 qualifications for a step therapy exception pursuant
5 to subsection (c);

6 (2) An insurer or utilization review organization from
7 requiring a pharmacist to effect substitutions of
8 prescription drugs pursuant to section 328-92; or

9 (3) A health care provider from prescribing any
10 prescription drug that the provider finds to be
11 medically appropriate for the patient.

12 (j) For the purposes of this section:

13 "AB-rated generic equivalent drug" means a prescription
14 drug product that is considered by the federal Food and Drug
15 Administration to be therapeutically equivalent to a particular
16 name brand prescription drug.

17 "Clinical practice guidelines" means a systematically
18 developed statement to assist decision-making by health care
19 providers and patients about appropriate health care for
20 specific clinical circumstances and conditions.



1 "Clinical review criteria" means the written screening
2 procedures, decision abstracts, clinical protocols, and practice
3 guidelines used by an insurer or utilization review organization
4 to determine the medical necessity and appropriateness of health
5 care services.

6 "Interchangeable biological product" has the same meaning
7 as defined in section 328-91.

8 "Medically appropriate" means health services and supplies
9 that under the applicable standard of care are appropriate:

10 (1) To improve or preserve health, life, or function;

11 (2) To slow the deterioration of health, life, or
12 function; or

13 (3) For the early screening, prevention, evaluation,
14 diagnosis, or treatment of a disease, condition,
15 illness, or injury.

16 "Step therapy exception determination" means a
17 determination as to whether a step therapy protocol should apply
18 in a particular situation or be overridden in favor of immediate
19 coverage of a health care provider's selected prescription drug
20 based on a review of the patient's or prescriber's request for
21 an exception and supporting rationale and documentation.



1 "Step therapy protocol" means a protocol or program that
2 requires the use of specific prescription drugs in a specific
3 sequence as a condition of coverage under a policy.

4 "Utilization review organization" means an entity that
5 conducts utilization reviews, other than an insurer that
6 performs utilization reviews for its own policies."

7 SECTION 3. Chapter 432, Hawaii Revised Statutes, is
8 amended by adding a new section to article 1 to be appropriately
9 designated and to read as follows:

10 "§432:1- Step therapy protocol; requirements;
11 exceptions. (a) Clinical review criteria used to establish a
12 step therapy protocol shall be based on clinical practice
13 guidelines. Clinical practice guidelines shall:

14 (1) Recommend that the prescription drugs be taken in the
15 specific sequence required by the step therapy
16 protocol;

17 (2) Be developed and endorsed by a multidisciplinary panel
18 of experts that manages conflicts of interest among
19 the members of the writing and review groups by:

20 (A) Requiring members to disclose any potential
21 conflict of interests with entities, including



- 1 insurers, health plans, and pharmaceutical
- 2 manufacturers and recuse themselves of voting if
- 3 they have a conflict of interest;
- 4 (B) Using a methodologist to work with writing groups
- 5 to provide objectivity in data analysis and
- 6 ranking of evidence through the preparation of
- 7 evidence tables and facilitating consensus; and
- 8 (C) Offering opportunities for public review and
- 9 comments;
- 10 provided that in the absence of a panel, peer reviewed
- 11 publications shall suffice;
- 12 (3) Be based on high quality studies, research, and
- 13 medical practices;
- 14 (4) Be established under an explicit and transparent
- 15 process that:
- 16 (A) Minimizes biases and conflicts of interest;
- 17 (B) Explains the relationship between treatment
- 18 options and outcomes;
- 19 (C) Rates the quality of the evidence supporting
- 20 recommendations; and



1 (D) Considers relevant patient subgroups and
2 preferences;

3 (5) Be continually updated through a review of new
4 evidence, research, and newly developed treatments;
5 and

6 (6) Consider the needs of atypical patient populations and
7 diagnoses;

8 Nothing in this subsection shall be construed to require a
9 mutual benefit society, utilization review organization, or
10 health care provider to create any new entity to develop
11 clinical review criteria used for step therapy protocols.

12 (b) When coverage of a prescription drug for the treatment
13 of any medical condition is restricted for use by a mutual
14 benefit society or utilization review organization through the
15 use of a step therapy protocol, the patient and the prescribing
16 practitioner shall have access to request a step therapy
17 exception through a clear and convenient process which shall be
18 readily accessible through the mutual benefit society or
19 utilization review organization's website. A mutual benefit
20 society or utilization review organization may use its existing
21 medical exceptions or appeal process to satisfy this



1 requirement; provided that the process complies with the
2 requirements of this section. A mutual benefit society or
3 utilization review organization shall upon written request:

4 (1) Provide all written clinical review criteria relating
5 to a particular condition or disease or a step therapy
6 exception determination;

7 (2) Display the requested clinical review criteria and
8 other clinical information on its website; and

9 (3) Distribute the requested clinical review criteria and
10 other clinical information to a health care
11 professional on the behalf of a patient.

12 (c) A step therapy exception shall be granted to a patient
13 whose relevant medical condition is:

14 (1) Currently stabilized by a particular prescription drug
15 prescribed by the patient's health care provider,
16 regardless of any current or prior insurance coverage,
17 and the patient's health care provider has prescribed
18 continued treatment with the same prescription drug;

19 or



- 1 (2) Not currently stabilized by a particular prescription
2 drug and if any prescription drug required under the
3 applicable step therapy protocol:
- 4 (A) Is contraindicated or will likely cause an
5 adverse reaction by or physical or mental harm to
6 the patient;
- 7 (B) Is expected to be ineffective based on the known
8 clinical characteristics of the patient and the
9 known characteristics of the prescription drug;
- 10 (C) Has been previously prescribed to the patient or
11 is in the same pharmacologic class or has the
12 same mechanism of action as another prescription
13 drug that has been prescribed to the patient and
14 was discontinued by the patient's health care
15 provider due to lack of efficacy or
16 effectiveness, diminished effect, or an adverse
17 event, regardless of any current or prior
18 insurance coverage of the prescription drug; or
- 19 (D) Will not serve the best interest of the patient,
20 based on medical necessity.



1 (d) A mutual benefit society or utilization review
2 organization shall make a step therapy exception determination
3 within seventy-two hours of receipt of a request for an
4 exception or filing of an appeal; provided that if exigent
5 circumstances exist, a determination shall be made within
6 twenty-four hours; provided further that if no determination has
7 been made within the time specified, the exception shall be
8 deemed to be granted.

9 If a request for a step therapy exception is incomplete or
10 additional clinically relevant information is required, the
11 mutual benefit society or utilization review organization shall
12 notify the prescribing practitioner within seventy-two hours of
13 submission of a request for an exception, or within twenty-four
14 hours in exigent circumstances, what additional or clinically
15 relevant information is required to approve or deny the step
16 therapy exception request or appeal pursuant to the criteria
17 disclosed in subsection (a). Once the requested information is
18 submitted, the applicable time period for a mutual benefit
19 society or utilization review organization to make a step
20 therapy exception determination shall apply.



1 Upon the grant of a step therapy exception, the mutual
2 benefit society or utilization review organization shall
3 authorize coverage for the particular prescription drug
4 prescribed by the patient's health care provider. Any adverse
5 determination under this subsection shall be subject to appeal
6 pursuant to the mutual benefit society or utilization review
7 organization's existing appeal procedures.

8 (e) Every mutual benefit society or utilization review
9 organization subject to this section shall certify annually to
10 the insurance commissioner that the mutual benefit society or
11 utilization review organization's step therapy protocol meets
12 the requirements of this section. Any proposed change in
13 protocol or clinical review criteria shall be submitted to the
14 insurance commissioner for approval before it may be implemented
15 by the mutual benefit society or utilization review
16 organization.

17 (f) Notwithstanding any law to the contrary, the insurance
18 division of the department of commerce and consumer affairs
19 shall adopt rules necessary for the purposes of this section.

20 (g) Each mutual benefit society or utilization review
21 organization shall annually submit a report to the insurance



1 division of the department of commerce and consumer affairs, on
2 forms prescribed by the insurance division of the department of
3 commerce and consumer affairs, that includes the following:

4 (1) The number of step therapy exception requests
5 received;

6 (2) The type of health care providers or the medical
7 specialties of the health care providers submitting
8 step therapy exception requests;

9 (3) The number of step therapy exception requests that
10 were:

11 (A) Denied, including the reasons for the denials;

12 (B) Approved;

13 (C) Initially denied and then appealed; and

14 (D) Initially denied and then subsequently reversed
15 by the internal appeals or external reviews; and

16 (4) The medical conditions under which patients were
17 granted step therapy exceptions due to the likelihood
18 that switching from the prescription drug will likely
19 cause an adverse reaction by or physical or mental
20 harm to the insured.



1 (h) This section applies to any state regulated plan or
2 health insurance coverage offered in connection with a state
3 regulated plan that provides coverage of a prescription drug
4 pursuant to a policy that meets the definition of a step therapy
5 protocol, regardless of whether the policy is described as a
6 step therapy protocol.

7 (i) Nothing in this section shall be construed to prevent:

8 (1) A mutual benefit society or utilization review
9 organization from requiring a patient to try an AB-
10 rated generic equivalent drug or interchangeable
11 biological product before providing coverage for a
12 name-brand prescription drug, unless the requirement
13 meets the qualifications for a step therapy exception
14 pursuant to subsection (c);

15 (2) A mutual benefit society or utilization review
16 organization from requiring a pharmacist to effect
17 substitutions of prescription drugs pursuant to
18 section 328-92; or

19 (3) A health care provider from prescribing any
20 prescription drug that the provider finds to be
21 medically appropriate for the patient.



1 (j) For the purposes of this section:

2 "AB-rated generic equivalent drug" means a prescription
3 drug product that is considered by the federal Food and Drug
4 Administration to be therapeutically equivalent to a particular
5 name brand prescription drug.

6 "Clinical practice guidelines" means a systematically
7 developed statement to assist decision-making by health care
8 providers and patients about appropriate health care for
9 specific clinical circumstances and conditions.

10 "Clinical review criteria" means the written screening
11 procedures, decision abstracts, clinical protocols, and practice
12 guidelines used by a mutual benefit society or utilization
13 review organization to determine the medical necessity and
14 appropriateness of health care services.

15 "Interchangeable biological product" has the same meaning
16 as defined in section 328-91.

17 "Medically appropriate" means health services and supplies
18 that under the applicable standard of care are appropriate:

19 (1) To improve or preserve health, life, or function;

20 (2) To slow the deterioration of health, life, or

21 function; or



1 (3) For the early screening, prevention, evaluation,
2 diagnosis, or treatment of a disease, condition,
3 illness, or injury.

4 "Step therapy exception determination" means a
5 determination as to whether a step therapy protocol should apply
6 in a particular situation or be overridden in favor of immediate
7 coverage of a health care provider's selected prescription drug
8 based on a review of the patient's or prescriber's request for
9 an exception and supporting rationale and documentation.

10 "Step therapy protocol" means a protocol or program that
11 requires the use of specific prescription drugs in a specific
12 sequence as a condition of coverage under a policy.

13 "Utilization review organization" means an entity that
14 conducts utilization reviews, other than a mutual benefit
15 society that performs utilization reviews for its own health
16 benefit plans."

17 SECTION 4. Section 432D-23, Hawaii Revised Statutes, is
18 amended to read as follows:

19 **"§432D-23 Required provisions and benefits.**

20 Notwithstanding any provision of law to the contrary, each
21 policy, contract, plan, or agreement issued in the State after



1 January 1, 1995, by health maintenance organizations pursuant to
2 this chapter, shall include benefits provided in sections
3 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
4 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
5 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, 431:10A-132,
6 431:10A-133, 431:10A-134, 431:10A-140, [~~and 431:10A-134,~~] and
7 431:10A- and chapter 431M."

8 SECTION 5. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 6. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act shall take effect upon its approval,
14 and shall apply to all health insurance and health benefit
15 plans, contracts, and agreements issued or renewed in this State
16 after December 31, 2025.

17

INTRODUCED BY: _____



Report Title:

Health Insurance; Prescription Drugs; Step Therapy Protocol;
Clinical Review Criteria; Clinical Practice Guidelines;
Exceptions

Description:

Establishes requirements for the clinical review criteria and clinical practical guidelines used to establish step therapy protocols. Provides a process for a patient to request an exception to using step therapy protocols. Establishes insurance coverage requirements relating to the use of step therapy protocols and standards to appeal an adverse step therapy exception determination.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 17 2025

A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the federal 340B
2 drug pricing program is essential for providing health care
3 access to low-income and uninsured populations. The federal
4 340B program requires drug manufacturers to offer significant
5 discounts on outpatient medications to eligible nonprofit
6 hospitals and safety-net providers, rural hospitals, community
7 health centers, and Native Hawaiian health centers.

8 The legislature further finds that the 340B program helps
9 stretch limited resources, allowing hospitals to reinvest
10 savings into essential community benefits. These benefits
11 include financial assistance for low-income patients, free
12 wellness visits, screenings, vaccinations, transportation to
13 appointments, health education classes, and workforce
14 development programs. In Hawaii, the 340B program also supports
15 unique services such as integrating Native Hawaiian health
16 practices into patient care.



1 The legislature further finds that, despite the program's
2 importance, drug manufacturers have consistently tried to
3 undermine the benefits provided by the program by limiting the
4 use of contract pharmacies by 340B covered entities, which has
5 made it particularly difficult for patients living in rural
6 areas of the State. Contract pharmacies play a vital role in
7 ensuring that patients can access medications, especially in
8 rural areas where many hospitals do not have an in-house
9 pharmacy. For example, more than eighty per cent of rural 340B
10 hospitals nationwide rely on contract pharmacies to dispense
11 medication to patients who might otherwise go without essential
12 treatments.

13 The legislature further finds that contract pharmacies are
14 crucial in Hawaii, where geographic barriers make access to
15 health care difficult for many residents. By partnering with
16 pharmacies in those communities, hospitals can ensure that
17 patients in remote areas receive their prescribed medications
18 without the need to travel long distances. This is especially
19 important for those requiring specialty drugs, which are often
20 available only through specific pharmacy channels.



1 The legislature further finds that the current restrictions
2 imposed by drug manufacturers not only limit a patient's access
3 to affordable medication, but also jeopardize the financial
4 savings that hospitals depend on to provide these critical
5 services. Hospitals use the difference between the 340B
6 discounted drug price and the reimbursement from insurance to
7 reinvest in their operations, expand services, and support
8 underserved communities. Without access to contract pharmacies,
9 hospitals face reduced savings, which could result in cutbacks
10 to essential health care programs.

11 Accordingly, the purpose of this Act is to preserve the
12 integrity of the 340B drug pricing program by prohibiting drug
13 manufacturers from restricting the use of contract pharmacies by
14 any 340B covered entity in the State.

15 SECTION 2. Chapter 321, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

18 "§321- Drug manufacturers and wholesale distributors;
19 discriminatory acts prohibited. (a) No drug manufacturer or
20 wholesale distributor, or any agents or affiliates thereof,
21 shall directly or indirectly limit or deny access to a 340B drug



1 by a pharmacy that is contracted with a 340B covered entity and
2 is authorized to receive and dispense prescription drugs on its
3 behalf.

4 (b) Any person who violates this section shall be deemed
5 to have engaged in unfair or deceptive acts or practices in the
6 conduct of any trade or commerce within the meaning of section
7 480-2.

8 (c) For the purposes of this section:

9 "340B covered entity" means an entity that participates in
10 the federal 340B drug pricing program authorized by title 42
11 United States Code section 256b.

12 "340B drug" means an outpatient prescription drug that is
13 sold at a discount to a covered entity under the federal 340B
14 drug pricing program authorized by title 42 United States Code
15 section 256b.

16 "Manufacturer" has the same meaning as defined in section
17 328-112.

18 "Wholesale distributor" has the same meaning as defined in
19 section 328-112."

20 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

S.B. NO. 480

Report Title:

Department of Health; Affordable Health Care; Prescription Drugs; 340B Drug Pricing Program; Pharmacies; Covered Entities; Discriminatory Practices

Description:

Prohibits drug manufacturers and wholesale distributors from restricting or denying access for pharmacies contracted with 340B covered entities to purchase 340B drugs at a discounted price under the federal 340B Drug Pricing Program. Imposes civil penalties for engaging in unfair or deceptive acts or practices in the conduct of any trade or commerce.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 17 2025

A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding two new sections to part III, subpart F, to be
3 appropriately designated and to read as follows:

4 "§302A-A Bronchodilators; stock supply. (a) A school may
5 maintain a stock supply of bronchodilators to be administered by
6 a school health assistant or an authorized employee or agent who
7 volunteers to administer the medication to any student for an
8 actual or perceived asthma episode.

9 (b) The department, in collaboration with the department
10 of health, shall develop a protocol regarding the storage and
11 usage of a stock supply of bronchodilators that shall include:

12 (1) Maintenance and location of stock bronchodilators and
13 spacers;

14 (2) Training of the school's employees and agents in
15 accordance with section 302A-B;

16 (3) Parameters for the administration of the stock supply
17 of bronchodilators; and



1 (4) Contingencies for immediate and long-term follow up
2 regarding the administration of the medication,
3 including any "911" emergency communication made
4 during the administration.

5 The department shall make the protocol for the storage and
6 maintenance of a bronchodilator stock supply available upon
7 request.

8 (c) A school that intends to maintain a stock supply of
9 bronchodilators and spacers in a school setting or at related
10 activities shall:

11 (1) Follow the department's protocol established pursuant
12 to subsection (b);

13 (2) Ensure that the bronchodilator is prescribed by a
14 physician, advanced practice registered nurse,
15 physician assistant, or other practitioner with
16 prescriptive authority; provided that:

17 (A) The prescription shall designate the school as
18 the patient, and each prescription for a
19 bronchodilator shall be dispensed by a licensed
20 pharmacist, pharmacy, or manufacturer;



1 (B) An authorized licensed prescriber may refill any
2 used or expired prescriptions to be maintained
3 for use at the school when deemed necessary; and
4 (C) A school may, with a valid prescription, purchase
5 or accept short-acting bronchodilators and
6 components as donations or transfers; provided
7 further that the bronchodilators are new,
8 unexpired, manufacturer-sealed, not subject to
9 recall, unadulterated, and in compliance with
10 regulations promulgated by the United States Food
11 and Drug Administration;
12 (3) Only school health assistants and authorized employees
13 and agents who have completed appropriate training
14 shall administer the stock bronchodilator in
15 accordance with subsection (b); and
16 (4) Inform parents or guardians about the potential use of
17 a bronchodilator in a respiratory emergency.
18 (d) For the purposes of this section:
19 "Bronchodilator" has the same meaning as defined in section
20 302A-B.



1 "School" means any day care center, child care facility,
2 headstart program, preschool, kindergarten, or elementary or
3 secondary school, public or private, including any special
4 school for children in the State.

5 §302A-B Emergency administration of medication by a
6 volunteer; assistance with diabetes testing; assistance with
7 blood glucose monitoring; bronchodilators; permitted. (a)
8 Employees and agents of a school, including school health
9 assistants, may volunteer to administer epinephrine, glucagon,
10 seizure rescue medication, inhalers, and stock bronchodilators
11 to a student in an emergency situation; provided that the
12 administration of the medication meets the requirements in
13 accordance with subsection (c).

14 (b) Employees and agents of a school, including school
15 health assistants, may volunteer to administer:

16 (1) Insulin or assist a student in administering insulin
17 through an insulin delivery system that the student
18 uses; and

19 (2) Blood glucose monitoring or assist a student with
20 blood glucose monitoring;



1 provided that the administration of insulin or blood glucose
2 monitoring meets the requirements in accordance with subsection
3 (e).

4 (c) In the case of the administration of emergency
5 medication prescribed to a specific student, including
6 epinephrine, glucagon, seizure rescue medication, and inhalers:

7 (1) The student's parent or guardian shall provide the
8 school with:

9 (A) Written authorization from the parent or guardian
10 requesting the administration of the medication;

11 (B) Written medical orders for the medication from
12 the student's physician, advanced practice
13 registered nurse, physician assistant, or other
14 practitioner with prescriptive authority; and

15 (C) The supply of medication prescribed to the
16 student, and any necessary devices or inhalers,
17 as required for the requested emergency
18 medication administration;

19 (2) The authorization shall be effective for the school
20 year for which it is granted and shall be renewed for



1 each subsequent school year upon the fulfillment of
2 the requirements pursuant to this section;

3 (3) The school may store the student's medication and
4 related supplies in a secure and accessible location;
5 and

6 (4) Any employee or agent who volunteers to administer the
7 medication shall receive instruction in the proper
8 administration of epinephrine, glucagon, or inhalers
9 by a licensed physician, physician assistant,
10 registered nurse, or advanced practice registered
11 nurse.

12 (d) In the case of the administration of a bronchodilator
13 to a student using a bronchodilator from a stock supply
14 maintained by a school pursuant to section 302A-A:

15 (1) The school shall inform parents and guardians each
16 school year regarding the potential use of the stock
17 bronchodilator in a respiratory emergency;

18 (2) The administration of the stock bronchodilator shall
19 follow the department's protocol pursuant to section
20 302A-A(b), including indications, standard dosing,
21 disposition, and aftercare; and



1 (3) Any employee or agent who volunteers to administer
2 stock bronchodilators in an emergency situation shall
3 receive instruction in the proper administration of
4 bronchodilators by a physician, physician assistant,
5 registered nurse, advanced practice registered nurse,
6 or pharmacist. The training shall include:

7 (A) Causes of asthma exacerbation;

8 (B) Recognition of signs and symptoms of asthma
9 attacks;

10 (C) Indications for the administration of
11 bronchodilators;

12 (D) The administration technique, including the use
13 of inhalers and spacers; and

14 (E) The need for immediate access to a certified
15 emergency responder.

16 (e) In the case of the administration of, or assistance in
17 the administration of, insulin or blood glucose monitoring to a
18 student:

19 (1) The student's parent or guardian shall provide the
20 school with:



- 1 (A) Written authorization from the parent or guardian
2 requesting the administration of insulin or blood
3 glucose monitoring;
- 4 (B) Written medical orders for the administration of
5 insulin or blood glucose monitoring from the
6 student's physician, advanced practice registered
7 nurse, physician assistant, or other practitioner
8 with prescriptive authority; and
- 9 (C) The supply of insulin prescribed to the student
10 and any supplies necessary to administer insulin
11 or blood glucose monitoring, as required for the
12 requested administration or assistance;
- 13 (2) The written authorization shall be effective for the
14 school year for which it is granted and shall be
15 renewed for each subsequent school year upon the
16 fulfillment of the requirements pursuant to this
17 section;
- 18 (3) The school may store the student's medication and
19 related supplies in a secure and accessible location;
20 and



1 (4) Any employee or agent who volunteers to administer
2 insulin or blood glucose monitoring shall receive
3 instruction in the proper administration of insulin or
4 blood glucose monitoring by a licensed physician,
5 physician assistant, registered nurse, advanced
6 practice registered nurse, or certified diabetes
7 educator.

8 (f) The department shall authorize its employees and
9 agents to volunteer to administer:

10 (1) Insulin, or assist a student in administering insulin
11 through the insulin delivery system that the student
12 uses;

13 (2) Glucagon in an emergency situation to students with
14 diabetes;

15 (3) Epinephrine in an emergency situation to students with
16 anaphylaxis;

17 (4) Blood glucose monitoring, or assisting a student with
18 blood glucose monitoring;

19 (5) Seizure rescue medication in an emergency situation to
20 students with epilepsy or other seizure disorders;



- 1 (6) An inhaler in an emergency situation to students with
2 asthma or other chronic lung diseases; and
- 3 (7) A stock bronchodilator to a student in an emergency
4 situation for actual or perceived asthma episodes,
5 pursuant to section 302A-A.
- 6 (g) Notwithstanding the provisions of subsection (d), in
7 the case of stock bronchodilators:
- 8 (1) The department or school shall inform the student's
9 parent or guardian in writing that the department or
10 school and its employees and agents shall not incur
11 any liability as a result of any injury arising from
12 compliance with this section; and
- 13 (2) The student's parent or guardian shall sign a
14 statement acknowledging that:
- 15 (A) The department or school and its employees and
16 agents shall not incur any liability as a result
17 of any injury arising from compliance with this
18 section; and
- 19 (B) The parent or guardian shall indemnify and hold
20 harmless the department or school and its



1 employees and agents against any claims arising
2 out of compliance with this section.

3 (h) Any school or person, including the health
4 professionals providing training to volunteers subject to this
5 section, the prescribing physician, physician assistant,
6 advanced practice registered nurse, or other practitioner with
7 prescriptive authority, and the pharmacist or pharmacy
8 dispensing the prescription, who acts in accordance with the
9 requirements of this section shall be immune from any civil or
10 criminal liability arising from these acts, except where the
11 person's conduct would constitute gross negligence, wilful and
12 wanton misconduct, or intentional misconduct.

13 (i) For the purposes of this section:

14 "Bronchodilator" means any medication used for the quick
15 relief of asthma symptoms that dilates the airways and is
16 recommended by the National Heart, Lung and Blood Institute's
17 National Asthma Education and Prevention Program guidelines for
18 the treatment of asthma. "Bronchodilator" includes an orally
19 inhaled medication that contains a premeasured single dose of
20 albuterol or albuterol sulfate delivered by a nebulizer
21 (compressor device) or by a metered dose inhaler used to treat



1 respiratory distress, including wheezing, shortness of breath,
2 and difficulty breathing, or another dosage of a bronchodilator
3 recommended in the guidelines for the treatment of asthma.

4 "Epinephrine" includes any device available by prescription
5 that is designed to deliver a premeasured dose of epinephrine,
6 including auto-injection devices, nasal spray devices, or oral
7 formulation.

8 "Glucagon" includes any device available by prescription
9 that is designed to deliver a premeasured dose of glucagon or
10 dasiglucagon, including injection kits, auto-injection devices,
11 or nasal spray devices.

12 "Inhaler" includes:

- 13 (1) Metered-dose, breath-actuated, and dry powder
14 inhalers;
15 (2) Spacers and holding chambers; and
16 (3) Bronchodilators.

17 "School" means any day care center, child care facility,
18 headstart program, preschool, kindergarten, or elementary or
19 secondary school, public or private, including any special
20 school for children in the State.



- 1 ~~(2) Department employees and agents to volunteer to~~
2 ~~administer:~~
- 3 ~~(A) Insulin or assist a student in administering~~
4 ~~insulin via the insulin delivery system that the~~
5 ~~student uses;~~
- 6 ~~(B) Glucagon in an emergency situation to students~~
7 ~~with diabetes;~~
- 8 ~~(C) Auto injectable epinephrine in an emergency~~
9 ~~situation to students with anaphylaxis; or~~
- 10 ~~(D) Blood glucose monitoring or assist a student with~~
11 ~~blood glucose monitoring].~~
- 12 (b) The student's parent or guardian shall provide the
13 department with:
- 14 (1) Written authorization from the parent or guardian for
15 the self-administration of medication [~~or the~~
16 ~~emergency administration of glucagon or auto-~~
17 ~~injectable epinephrine;~~] by the student;
- 18 (2) In the case of self-administration of medication[+],
19 blood glucose monitoring, or both, by the student with
20 diabetes,



1 ~~[(A) Written]~~ written certification from the student's
2 physician, advanced practice registered nurse,
3 ~~[or]~~ physician assistant, or other qualified
4 health care provider stating that the student
5 with diabetes may perform the student's own blood
6 glucose checks, administer insulin through the
7 student's insulin delivery system, and otherwise
8 attend to the care and management of the
9 student's diabetes during any school-related
10 activity, and that the student may possess on the
11 student's person all necessary supplies and
12 equipment to perform the diabetes monitoring and
13 treatment activities, if applicable; and
14 ~~[(B)]~~ (3) Written certification from the student's
15 physician, advanced practice registered nurse, or
16 physician assistant stating that the student:
17 ~~[(i)]~~ (A) Has asthma, anaphylaxis, diabetes, or
18 another potentially life-threatening illness; and
19 ~~[(ii)]~~ (B) Is capable of, and has been instructed
20 in, the proper method of self-administration of
21 medication or blood glucose monitoring~~[-and~~



1 ~~(3) In the case of administration of insulin or emergency~~
2 ~~administration of glucagon to a student with diabetes,~~
3 ~~blood glucose monitoring of a student, or auto-~~
4 ~~injectable epinephrine to a student with anaphylaxis,~~
5 ~~written certification from the student's physician,~~
6 ~~advanced practice registered nurse, or physician~~
7 ~~assistant stating that the student has medical orders~~
8 ~~that insulin, glucagon, blood glucose monitoring, or~~
9 ~~auto-injectable epinephrine may be administered by a~~
10 ~~volunteer].~~

11 (c) The department shall inform the student's parent or
12 guardian in writing that the department and its employees or
13 agents shall not incur any liability as a result of any injury
14 arising from compliance with this section.

15 (d) The student's parent or guardian shall sign a
16 statement acknowledging that:

17 (1) The department and its employees or agents shall not
18 incur any liability as a result of any injury arising
19 from compliance with this section; and

20 (2) The parent or guardian shall indemnify and hold
21 harmless the department and its employees or agents



1 against any claims arising out of compliance with this
2 section.

3 (e) The permission shall be effective for the school year
4 for which it is granted and shall be renewed for each subsequent
5 school year upon the fulfillment of the requirements in this
6 section.

7 (f) Notwithstanding any other law to the contrary, a
8 student who is permitted to self-administer medication under
9 this section shall be permitted to carry ~~[an inhaler or~~
10 ~~auto-injectable epinephrine, or both,~~ the medication, and any
11 devices necessary to perform the permitted self-administration
12 of medication, at all times if the student does not endanger the
13 student's person or other persons through the misuse of the
14 ~~[inhaler;~~ permitted medication or devices; provided that the
15 department~~[,~~ or its employees or agents may confiscate a
16 student's medication~~[, inhaler, or auto-injectable epinephrine]~~
17 or devices if the student's self-administration of the
18 medication exceeds the student's prescribed dosage, or if the
19 student endangers others with the student's medication~~[,~~
20 ~~inhaler, or auto-injectable epinephrine.]~~ or device.



1 ~~[For the purposes of this section, the term "inhaler"~~
2 ~~includes:~~
3 ~~(1) Metered dose, breath actuated, and dry powder~~
4 ~~inhalers; and~~
5 ~~(2) Spacers and holding chambers.~~
6 ~~(g) Any employee or agent who volunteers to administer~~
7 ~~insulin or glucagon in an emergency situation to a student with~~
8 ~~diabetes or auto-injectable epinephrine to a student with~~
9 ~~anaphylaxis or who volunteers to administer or assist a student~~
10 ~~with blood glucose monitoring shall receive instruction in the~~
11 ~~proper administration of insulin, glucagon, auto-injectable~~
12 ~~epinephrine, or blood glucose monitoring by a qualified health~~
13 ~~care professional. A "qualified health care professional" means~~
14 ~~a licensed physician, physician assistant, advanced practice~~
15 ~~registered nurse or registered nurse, or certified diabetes~~
16 ~~educator. The student's parent or guardian shall supply the~~
17 ~~school with the glucagon kit required to administer the~~
18 ~~glucagon, any supplies necessary to administer insulin, blood~~
19 ~~glucose monitoring, or with auto-injectable epinephrine supplies~~
20 ~~to administer epinephrine. The school shall store the glucagon~~
21 ~~kit, insulin supplies, blood glucose monitoring supplies, or~~



1 ~~auto-injectable epinephrine supplies in a secure but accessible~~
2 ~~location.~~

3 ~~(h)] (g)~~ Any person[, ~~except for a qualified health care~~
4 ~~professional providing the training required in subsection (g),]~~
5 who acts in accordance with the requirements of this section
6 shall be immune from any civil or criminal liability arising
7 from these acts, except where the person's conduct would
8 constitute gross negligence, wilful and wanton misconduct, or
9 intentional misconduct."

10 SECTION 3. Section 328-16, Hawaii Revised Statutes, is
11 amended as follows:

12 1. By amending subsection (a) to read:

13 "(a) A prescription drug shall be dispensed only if its
14 label bears the following:

15 (1) The name, business address, and telephone number of
16 the seller. The business address shall be the
17 physical location of the pharmacy or the dispensing
18 practitioner's office;

19 (2) Except as otherwise authorized for expedited partner
20 therapy in section 453-52 or an opioid antagonist in
21 section 461-11.8, the name of the person for whom the



1 drug was prescribed or the name of the owner of the
2 animal for which the drug was prescribed[+], or the
3 name of the school or institution where a
4 bronchodilator is prescribed pursuant to section
5 302A-A;

- 6 (3) The serial number of the prescription;
- 7 (4) The date the prescription was prepared;
- 8 (5) The name of the practitioner if the seller is not the
9 practitioner;
- 10 (6) The name, strength, and quantity of the drug;
- 11 (7) The "use by" date for the drug, which shall be:
 - 12 (A) The expiration date on the manufacturer's
 - 13 container; or
 - 14 (B) One year from the date the drug is dispensed,
 - 15 whichever is earlier;
- 16 (8) The number of refills available, if any;
- 17 (9) In the case of the dispensing of an equivalent generic
18 drug product, the statement "same as (brand name of
19 the drug product prescribed or the referenced listed
20 drug name)", or words of similar meaning;



1 (10) In the case of the dispensing of an interchangeable
2 biological product, the statement "interchangeable
3 with (brand name of the biological product prescribed
4 or the referenced biological drug name)", or words of
5 similar meaning; and

6 (11) Specific directions for the drug's use; provided that
7 if the specific directions for use are too lengthy for
8 inclusion on the label, the notation "take according
9 to written instructions" may be used if separate
10 written instructions for use are actually issued with
11 the drug by the practitioner or the pharmacist, but in
12 no event shall the notation "take as directed",
13 referring to oral instructions, be considered
14 acceptable.

15 If any prescription for a drug does not indicate the number of
16 times it may be refilled, if any, the pharmacist shall not
17 refill that prescription unless subsequently authorized to do so
18 by the practitioner or pursuant to section 461-11.9. The act of
19 dispensing a prescription drug other than a professional sample
20 or medical oxygen contrary to this subsection shall be deemed to



1 be an act that results in a drug being misbranded while held for
2 sale."

3 2. By amending subsection (c) to read:

4 "(c) A prescription may be communicated in writing,
5 orally, or by electronic transmission, and shall include the
6 following information:

7 (1) The authorization of the practitioner noted as
8 follows:

9 (A) Written prescriptions shall include the original
10 signature of the practitioner;

11 (B) Oral prescriptions shall be promptly recorded by
12 the pharmacist or medical oxygen distributor and
13 shall include the practitioner's oral code
14 designation; and

15 (C) Electronic prescriptions shall be irrefutably
16 traceable to the prescribing practitioner by a
17 recognizable and unique practitioner identifier
18 such as:

19 (i) A bitmap or graphic image of the
20 prescriber's handwritten signature and the
21 prescriber's oral code designation (or



- 1 license number or other identifier if the
2 prescriber is an out-of-state practitioner);
- 3 (ii) An electronic signature;
- 4 (iii) A digital signature; or
- 5 (iv) By other means as approved by the director;
- 6 (2) The date of issuance;
- 7 (3) The practitioner's name, business telephone number,
8 and business address, unless the practitioner is
9 otherwise uniquely identified and the pharmacy or
10 medical oxygen distributor dispensing the prescription
11 has the prescriber's contact information on file
12 accessible within the dispensing area;
- 13 (4) The name, strength, and quantity of the drug to be
14 dispensed, and specific directions for the drug's use;
- 15 (5) Except as otherwise authorized for expedited partner
16 therapy in section 453-52 or for an opioid antagonist
17 in section 461-11.8, the name and address of the
18 person for whom the prescription was written [~~or~~], the
19 name of the owner of the animal for which the drug was
20 prescribed, or the name and address of the school or
21 institution where a bronchodilator is prescribed



1 pursuant to section 302A-A, unless the pharmacy or
2 medical oxygen distributor dispensing the prescription
3 has the address on file accessible within the
4 dispensing area;

5 (6) The room number and route of administration, if the
6 patient is in an institutional facility; and

7 (7) The number of allowable refills, if the prescription
8 is refillable. If the number of refills authorized by
9 the practitioner is indicated using the terms "as
10 needed" or "prn", the prescription may be refilled up
11 to twelve months from the date the original
12 prescription was written. After the twelve-month
13 period, the "as needed" or "prn" prescription may be
14 refilled for a subsequent three-month period;
15 provided:

16 (A) The prescription is refilled only once during the
17 three-month period;

18 (B) The refill does not exceed a thirty-day supply of
19 the drug;



1 (C) The refill does not provide any amount of the
2 drug fifteen months beyond the date the original
3 prescription was written;

4 (D) In the case of medical oxygen, the duration of
5 therapy indicated on a certificate of medical
6 necessity shall supersede any limitations or
7 restrictions on refilling; and

8 (E) Subparagraphs (A) to (D) shall apply only to
9 pharmacies and medical oxygen distributors
10 practicing in the State."

11 SECTION 4. In codifying the new sections added by section
12 1 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect upon its approval.

18

INTRODUCED BY: Michelle Anderson



S.B. NO. 531

Report Title:

DOE; Bronchodilators; Stock Supply; Medication Administration and Assistance; Protocol; Blood Glucose Monitoring; Diabetes Testing; Seizure Rescue Medication; Inhalers; Volunteers; School Health Assistants; Prescriptions

Description:

Establishes provisions for the storage and maintenance of a stock supply of bronchodilators at schools. Requires the Department of Education to establish a protocol for the storage, usage, and administration of bronchodilators. Establishes provisions regarding the administration of certain medications by a volunteer at Department of Education schools. Clarifies labeling requirements for bronchodilator prescriptions issued to the Department of Education for a stock supply of bronchodilators.

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JAN 17 2025

A BILL FOR AN ACT

RELATING TO VETERINARY MEDICINE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to promote consumer
2 choice, affordability, and transparency by ensuring that pet
3 owners in the State have the right to obtain and fill
4 prescriptions for their animals at a pharmacy of their choice.
5 This Act is intended to remove barriers to competitive pricing,
6 ensure fair access to veterinary medications, and enhance trust
7 between veterinarians and their clients. This Act also seeks to
8 protect consumer rights while maintaining safety and efficacy in
9 the dispensing of pet medications. Additionally, this Act
10 supports the integrity of veterinary practice by preserving the
11 focus on medical care over retail functions and ensuring that
12 veterinarians continue to play a central role in animal health
13 management. Lastly, this Act furthers the State's commitment to
14 consumer rights, affordability, and fair market competition by
15 aligning with existing consumer protection laws and economic
16 policies, such as the statutes against unfair or deceptive acts
17 and practices, which promote transparency and fairness in



1 consumer transactions and ensure pet owners, particularly those
2 in rural or underserved areas, can access medications at
3 reasonable costs while preserving high standards of veterinary
4 care.

5 SECTION 2. Chapter 471, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 "§471- Requirements for written prescriptions. (a) A
9 veterinarian shall, upon the request of a client, provide a
10 written prescription for any medication prescribed for the
11 client's animal patient without requiring the medication to be
12 dispensed directly by the veterinarian.

13 (b) A veterinarian shall inform a client of the client's
14 right to request a written prescription from the veterinarian
15 and the option to have it filled at a pharmacy of the client's
16 choice.

17 (c) No veterinarian shall issue a written prescription
18 without the prior establishment of a veterinarian-client-patient
19 relationship, which shall require that a veterinarian has
20 conducted a timely examination of the animal or has made
21 medically appropriate visits to the premises where the animal is



1 kept. A veterinarian with an existing
2 veterinarian-client-patient relationship shall also have
3 sufficient knowledge of the animal's health to make an informed
4 medical judgment and ensure the availability of follow-up care
5 as needed.

6 (d) A written prescription shall contain all of the
7 following information:

- 8 (1) The name and address of the prescribing veterinarian;
9 (2) The name and species of the animal patient;
10 (3) The name, strength, and quantity of the prescribed
11 medication;
12 (4) Directions for use with any cautionary statements, as
13 needed;
14 (5) The date of issuance; and
15 (6) The veterinarian's signature or equivalent.

16 (e) No additional fee shall be charged by a veterinarian
17 for providing a written prescription.

18 (f) Any pharmacy duly licensed in the State may dispense
19 the medication prescribed by a licensed veterinarian pursuant to
20 this section; provided that all state and federal certification



1 requirements for handling and dispensing veterinary
2 pharmaceuticals are met.

3 (g) Any veterinarian who violates or fails to comply with
4 this section shall be deemed to have engaged in professional
5 misconduct and may be subject to disciplinary action by the
6 board pursuant to section 471-10, which may include fines, or
7 the suspension or revocation of a license, or both.

8 (h) For the purposes of this section, "prescription" means
9 a written order for medication issued by a veterinarian licensed
10 in the State for the treatment of an animal."

11 SECTION 3. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.

13

INTRODUCED BY: Carol Fukushima



S.B. NO. 874

Report Title:

Hawaii Board of Veterinary Medicine; Veterinary Medicine;
Veterinarian-Client-Patient Relationship; Pet Medication;
Consumer Prescription Choice

Description:

Requires veterinarians to provide a written prescription, upon the request of a client, for any animal patient of a client with whom the veterinarian has established an existing veterinarian-client-patient relationship. Allows pharmacies licensed in the State to dispense medications prescribed by veterinarians. Authorizes the Hawaii Board of Veterinary Medicine to establish penalties, which may include fines or suspension or revocation of a license.

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JAN 17 2025

A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX REDUCTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the cost of living
2 in Hawaii is extremely high and many residents are struggling to
3 pay for food, medication, housing, and other necessities. Many
4 Hawaii residents, including vulnerable populations, suffer from
5 food insecurity. A 2021 study by the University of Hawaii at
6 Manoa stated that forty-eight per cent of Hawaii families with
7 children are experiencing food insecurity. A 2021 Cornell study
8 indicated that even the slightest increase in tax rate
9 correlated to an increased likelihood of food insecurity.

10 The legislature further finds that only thirteen states tax
11 most foods purchased for consumption at home from the state
12 sales tax. Six of the states that tax groceries do so at a
13 reduced rate. Taxing the sale of groceries is generally
14 considered regressive and disproportionately hurts working
15 families because they spend a higher percentage of their income
16 on food. Hawaii's general excise tax on groceries negatively
17 affects not only the amount of food that Hawaii families can



1 afford, but also the quality and diversity of their food
2 choices.

3 According to the United States Department of Agriculture, a
4 Hawaii family on a thrifty food plan spends \$1,794.60 per month
5 on food. This family would pay over \$800 a year in state taxes
6 on those groceries. The thrifty food plan represents those on a
7 limited budget. Even if this family is eligible for a
8 refundable food/excise tax credit, the family would likely get
9 back less than one-half of those state taxes paid on groceries.

10 The legislature has already recognized that certain items
11 should be exempt from the general excise tax, as evidenced by
12 the existing general exemption for amounts received by certain
13 entities for selling prescription drugs. Lowering the tax rate
14 on groceries and nonprescription drugs will have an immediate
15 positive impact on Hawaii's cost of living by lowering the cost
16 of these necessary items.

17 Accordingly, the purpose of this Act is to:

- 18 (1) Establish a reduction in the general excise tax rate
19 on gross proceeds or income from the sale of groceries
20 that are eligible for purchase under the supplemental
21 nutrition assistance program or special supplemental



1 nutrition program for women, infants, and children and
2 from the sale of nonprescription drugs; and

3 (2) Require the department of business, economic
4 development and tourism to conduct an economic cost-
5 benefit analysis on the general excise reductions and
6 submit a report to the legislature.

7 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
8 amended by adding two new sections to be appropriately
9 designated and to read as follows:

10 "§237- Reduced rate; eligible groceries. (a)
11 Notwithstanding section 237-13 to the contrary, beginning
12 January 1, 2026, there is hereby levied and shall be assessed
13 and collected a tax equivalent to one-half per cent less than
14 the rate that would have applied pursuant to section 237-13 of
15 the gross proceeds or income received from the sale of all
16 groceries eligible for purchase under the supplemental nutrition
17 assistance program and special supplemental nutrition program
18 for women, infants, and children within the State, regardless of
19 the means of purchase and the eligibility of the purchaser for
20 supplemental nutrition assistance program or special



1 supplemental nutrition program for women, infants, and children
2 benefits.

3 (b) For the purposes of this section:

4 "Food" or "food product" means substances, whether in
5 liquid, concentrated, solid, frozen, dried, or dehydrated form,
6 that are sold for ingestion or chewing by humans and are
7 consumed for their taste or nutritional value.

8 "Groceries" means any food or food product for home
9 consumption. "Groceries" may be further defined by the
10 department by rule through the enumeration of items in rules or
11 tax informational release; provided that the department shall
12 consult with the federal Food and Nutrition Service of the
13 United States Department of Agriculture in further defining the
14 term "groceries" for purposes of the supplemental nutrition
15 assistance program and special supplemental nutrition program
16 for women, infants, and children.

17 §237- Reduced rate; nonprescription drugs. (a)
18 Notwithstanding section 237-13 to the contrary, beginning
19 January 1, 2026, there is hereby levied and shall be assessed
20 and collected a tax equivalent to one-half per cent less than
21 the rate that would have applied pursuant to section 237-13 of



1 the gross proceeds or income received from the sale of
2 nonprescription drugs.

3 (b) For the purposes of this section:

4 "Drug" means:

5 (1) Articles recognized in the official United States
6 Pharmacopoeia, official United States Pharmacopoeia
7 Dispensing Information, official Homeopathic
8 Pharmacopoeia of the United States, or official
9 National Formulary, or any supplement to any of these
10 publications;

11 (2) Articles intended for use in the diagnosis, cure,
12 mitigation, treatment, or prevention of disease in
13 humans;

14 (3) Articles, other than food or clothing, intended to
15 affect the structure or any function of the body of
16 humans; or

17 (4) Articles intended for use as a component of any
18 article specified in paragraph (1), (2), or (3);
19 provided that the term "drug" does not include devices
20 or their components, parts or accessories, cosmetics,
21 or liquor as defined in section 281-1.



1 "Nonprescription drug" means any packaged, bottled, or
2 nonbulk chemical, drug, or medicine that may be lawfully sold
3 without a practitioner's order."

4 SECTION 3. (a) By December 1, 2026, the department of
5 business, economic development, and tourism shall conduct an
6 economic cost-benefit analysis on the general excise tax
7 reductions for calendar year 2026 as provided in section 2 of
8 this Act.

9 (b) The department of business, economic development, and
10 tourism shall submit a report of its findings from the economic
11 cost-benefit analysis, including any recommendations and
12 proposed legislation, to the legislature no later than twenty
13 days prior to the convening of the regular session of 2027.

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2025.

16

INTRODUCED BY: Carol Johnson



S.B. NO. 875

Report Title:

General Excise Tax; Rate Reduction; SNAP; WIC; Groceries;
Nonprescription Drugs; DBEDT

Description:

Reduces the general excise tax rate on the gross proceeds or income from the sale of groceries that are eligible under the supplemental nutrition assistance program (SNAP) or special supplemental nutrition program for women, infants, and children (WIC), regardless of the means of purchase and the program eligibility of the purchaser. Reduces the general excise tax rate on the gross proceeds or income from the sale of nonprescription drugs. Requires DBEDT to conduct an economic cost-benefit analysis on the GET reductions.

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JAN 17 2025

A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that appropriate, timely
2 pain management is an integral part of ensuring high quality,
3 patient-centered health care. As the rising danger of opiates
4 became clear, the legislature acted to put guardrails in place
5 to protect patients from the harmful effects of overprescribing,
6 long-term use, and addiction. However, the legislature
7 recognizes the need to balance these protections with the need
8 for timely patient access to appropriate pain management.
9 Therefore there is a need to remove barriers to short-term
10 opiate prescriptions while maintaining protections against
11 overprescribing and patient misuse.

12 Accordingly, the purpose of this Act is to allow a patient
13 seen in-person by another health care provider in the same
14 medical group as the prescribing physician to be prescribed an
15 opiate prescription for a three-day supply or less via
16 telehealth.



1 SECTION 2. Section 453-1.3, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) Treatment recommendations made via telehealth,
4 including issuing a prescription via electronic means, shall be
5 held to the same standards of appropriate practice as those in
6 traditional physician-patient settings that do not include
7 [+]an[+] in-person visit but in which prescribing is
8 appropriate, including on-call telephone encounters and
9 encounters for which a follow-up visit is arranged. Issuing a
10 prescription based solely on an online questionnaire is not
11 treatment for the purposes of this section and does not
12 constitute an acceptable standard of care. For the purposes of
13 prescribing opiates or certifying a patient for the medical use
14 of cannabis, a physician-patient relationship shall only be
15 established after an in-person consultation between the
16 prescribing physician and the patient[-]; provided that a
17 patient seen in-person by another health care provider in the
18 same medical group as the prescribing physician may be
19 prescribed an opiate prescription for a three-day supply or less
20 via telehealth."

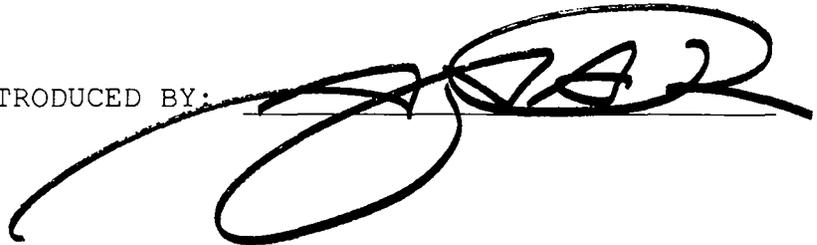


1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval;
4 provided that the amendments made to section 453-1.3, Hawaii
5 Revised Statutes, by section 2 of this Act shall not be repealed
6 when that section is reenacted on December 31, 2025, pursuant to
7 Act 107, Session Laws of Hawaii 2023.

8

INTRODUCED BY:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and appears to be the name of the bill's sponsor.

S.B. NO. 956

Report Title:

Prescriptions; Opiates; Telehealth; Three-day Supply

Description:

Allows a patient seen in-person by another health care provider in the same medical group as the prescribing physician to be prescribed an opiate prescription for a three-day supply or less via telehealth.

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A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii has one of
2 the highest costs of living in the nation, placing a heavy
3 financial burden on working families. The legislature further
4 finds that the general excise tax on the sale of certain
5 essential products, such as groceries and nonprescription drugs,
6 disproportionately impacts low- and moderate-income families.
7 While completely eliminating these taxes would also eliminate
8 their regressive impact on taxpayers, the legislature recognizes
9 that the State's fiscal needs would not be met with the
10 significant decrease in revenue that would result from full
11 exemptions from the general excise tax.

12 Accordingly, the purpose of this Act is to reduce the
13 general excise tax rate imposed on nonprescription drugs by one
14 half.

15 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
16 amended by adding one new section to be appropriately designated
17 and to read as follows:



1 "§237- Rate for nonprescription drugs. (a) The rate
2 of taxes imposed by this chapter on all of the gross proceeds or
3 gross income received or derived from the sale of
4 nonprescription drugs shall be one half of the rate imposed by
5 section 237-13(9).

6 (b) For the purposes of this section, "nonprescription
7 drug" has the same meaning as in section 328-1."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

General Excise Tax; Nonprescription Drugs; Reduced Rate

Description:

Reduces the general excise tax rate imposed on nonprescription drugs by one half. Effective 7/1/3000. (HD1)

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A BILL FOR AN ACT

RELATING TO HEARING AIDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 237-24.3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§237-24.3 Additional amounts not taxable.** In addition to
4 the amounts not taxable under section 237-24, this chapter shall
5 not apply to:

6 (1) Amounts received from the loading, transportation, and
7 unloading of agricultural commodities shipped for a
8 producer or produce dealer on one island of this State
9 to a person, firm, or organization on another island
10 of this State. The terms "agricultural commodity",
11 "producer", and "produce dealer" shall be defined in
12 the same manner as they are defined in section 147-1;
13 provided that agricultural commodities need not have
14 been produced in the State;

15 (2) Amounts received by the manager, submanager, or board
16 of directors of:



1 (A) An association of a condominium property regime
2 established in accordance with chapter 514B or
3 any predecessor thereto; or

4 (B) A nonprofit homeowners or community association
5 incorporated in accordance with chapter 414D or
6 any predecessor thereto and existing pursuant to
7 covenants running with the land,

8 in reimbursement of sums paid for common expenses;

9 (3) Amounts received or accrued from:

10 (A) The loading or unloading of cargo from ships,
11 barges, vessels, or aircraft, including
12 stevedoring services as defined in section 382-1,
13 whether or not the ships, barges, vessels, or
14 aircraft travel between the State and other
15 states or countries or between the islands of the
16 State;

17 (B) Tugboat services including pilotage fees
18 performed within the State, and the towage of
19 ships, barges, or vessels in and out of state
20 harbors, or from one pier to another;



1 (C) The transportation of pilots or governmental
2 officials to ships, barges, or vessels offshore;
3 rigging gear; checking freight and similar
4 services; standby charges; and use of moorings
5 and running mooring lines; and
6 (D) Wharfage and demurrage imposed under chapter 266
7 that is paid to the department of transportation;
8 (4) Amounts received by an employee benefit plan by way of
9 contributions, dividends, interest, and other income;
10 and amounts received by a nonprofit organization or
11 office, as payments for costs and expenses incurred
12 for the administration of an employee benefit plan;
13 provided that this exemption shall not apply to any
14 gross rental income or gross rental proceeds received
15 after June 30, 1994, as income from investments in
16 real property in this State; and provided further that
17 gross rental income or gross rental proceeds from
18 investments in real property received by an employee
19 benefit plan after June 30, 1994, under written
20 contracts executed prior to July 1, 1994, shall not be
21 taxed until the contracts are renegotiated, renewed,



1 or extended, or until after December 31, 1998,
2 whichever is earlier. For the purposes of this
3 paragraph, "employee benefit plan" means any plan as
4 defined in title 29 United States Code section
5 1002(3), as amended;

6 (5) Amounts received for purchases made with United States
7 Department of Agriculture food coupons under the
8 federal [~~food stamp~~] supplemental nutrition assistance
9 program, and amounts received for purchases made with
10 United States Department of Agriculture food vouchers
11 under the Special Supplemental Foods Program for
12 Women, Infants and Children;

13 (6) Amounts received by a hospital, infirmary, medical
14 clinic, health care facility, pharmacy, or a
15 practitioner licensed to administer the drug to an
16 individual for selling prescription drugs, hearing
17 aids, or prosthetic devices to an individual; provided
18 that this paragraph shall not apply to any amounts
19 received for services provided in selling prescription
20 drugs, hearing aids, or prosthetic devices. [~~As used~~
21 ~~in~~] For the purposes of this paragraph:



1 "Hearing aid" has the same meaning as defined in
2 section 451A-1;

3 "Prescription drugs" are those drugs defined
4 under section 328-1 and dispensed by filling or
5 refilling a written or oral prescription by a
6 practitioner licensed under law to administer the drug
7 and sold by a licensed pharmacist under section 328-16
8 or practitioners licensed to administer drugs;
9 provided that "prescription drugs" shall not include
10 cannabis or manufactured cannabis products authorized
11 pursuant to chapters 329 and 329D; and

12 "Prosthetic device" means any artificial device
13 or appliance, instrument, apparatus, or contrivance,
14 including their components, parts, accessories, and
15 replacements thereof, used to replace a missing or
16 surgically removed part of the human body, which is
17 prescribed by a licensed practitioner of medicine,
18 osteopathy, or podiatry and that is sold by the
19 practitioner or that is dispensed and sold by a dealer
20 of prosthetic devices; provided that "prosthetic
21 device" shall not mean any auditory, ophthalmic,



- 1 dental, or ocular device or appliance, instrument,
2 apparatus, or contrivance;
- 3 (7) Taxes on transient accommodations imposed by chapter
4 237D and passed on and collected by operators holding
5 certificates of registration under that chapter;
- 6 (8) Amounts received as dues by an unincorporated
7 merchants association from its membership for
8 advertising media, promotional, and advertising costs
9 for the promotion of the association for the benefit
10 of its members as a whole and not for the benefit of
11 an individual member or group of members less than the
12 entire membership;
- 13 (9) Amounts received by a labor organization for real
14 property leased to:
- 15 (A) A labor organization; or
- 16 (B) A trust fund established by a labor organization
17 for the benefit of its members, families, and
18 dependents for medical or hospital care, pensions
19 on retirement or death of employees,
20 apprenticeship and training, and other membership
21 service programs.



1 As used in this paragraph, "labor organization" means
2 a labor organization exempt from federal income tax
3 under section 501(c)(5) of the Internal Revenue Code,
4 as amended;

5 (10) Amounts received from foreign diplomats and consular
6 officials who are holding cards issued or authorized
7 by the United States Department of State granting them
8 an exemption from state taxes; and

9 (11) Amounts received as rent for the rental or leasing of
10 aircraft or aircraft engines used by the lessees or
11 renters for interstate air transportation of
12 passengers and goods. For purposes of this paragraph,
13 payments made pursuant to a lease shall be considered
14 rent regardless of whether the lease is an operating
15 lease or a financing lease. The definition of
16 "interstate air transportation" is the same as in 49
17 U.S.C. section 40102."

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 3. This Act shall take effect on December 31,
21 2050; provided that on January 1, 2027, this Act shall be



1 repealed and section 237-24.3, Hawaii Revised Statutes, shall be
2 reenacted in the form in which it read on the day before the
3 effective date of this Act.



S.B. NO. 1495
S.D. 1

Report Title:

Deaf and Blind Task Force; General Excise Tax; Hearing Aids;
Exemption

Description:

Exempts from the general excise tax, gross receipts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer drugs to an individual, from the sale of hearing aids. Effective 12/31/2050. Sunsets 1/1/2027. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. (a) The legislative reference bureau shall
2 conduct a study on best practices for the regulation of pharmacy
3 benefit managers and reduction in the cost of prescription drugs
4 for health insurance plan beneficiaries. The study shall:

5 (1) Assess standards and regulations adopted by other
6 states regarding pharmacy benefit managers; and

7 (2) Review best practices that result in reduced
8 prescription drug costs and improved transparency in
9 the health insurance system.

10 (b) The legislative reference bureau shall submit a report
11 of its findings and recommendations, including any proposed
12 legislation, to the legislature no later than twenty days prior
13 to the convening of the regular session of 2026.

14 SECTION 2. This Act shall take effect on December 31,
15 2050.



Report Title:

Legislative Reference Bureau; Pharmacy Benefit Managers;
Prescription Drugs; Study

Description:

Requires the Legislative Reference Bureau to conduct a study on best practices for the regulation of pharmacy benefit managers and reduction in prescription drug costs for health insurance plan beneficiaries. Requires a report to the Legislature. Effective 12/31/2050. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 21 2026

A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the cost of living
3 in the State is among the highest in the nation, with many
4 residents struggling to afford basic necessities such as food
5 and medication. According to a survey conducted for the Hawaii
6 Foodbank, thirty-two per cent of households in the State were
7 food insecure in 2024, of which two-thirds were experiencing
8 very low food security.

9 The legislature further finds that the State does not
10 exempt groceries or nonprescription drugs from the general
11 excise tax, nor does it apply a reduced rate to those items.
12 Hawaii is one of only four states in the nation that tax
13 groceries at their full sales or general excise tax rate,
14 whereas most other states exempt groceries or impose a reduced
15 tax rate, thereby improving affordability and stimulating local
16 economies.



1 The legislature also finds that sales taxes on necessities,
2 such as groceries and nonprescription drugs, are regressive in
3 nature because they impose a disproportionate burden on low- and
4 moderate-income households who must allocate a larger share of
5 their income to these essential goods compared to higher-income
6 households.

7 The legislature additionally finds that the State's
8 refundable food/excise tax credit provides only modest relief in
9 practice. Under existing law, which limits eligibility to
10 households with an adjusted gross income below \$60,000 for
11 non-single filers or \$40,000 for single filers, the tax credit
12 ranges from \$220 at the lowest income levels to \$0 at the
13 highest income levels, which is then multiplied by the number of
14 exemptions claimed. For many low- and moderate-income
15 households, the resulting tax credit may be relatively small.
16 Furthermore, many asset limited, income constrained, employed
17 (ALICE) households--households earning above the federal poverty
18 level but still unable to afford basic living costs--do not
19 qualify for the tax credit at all, despite facing significant
20 cost-of-living pressures in the State.



1 The legislature further finds that taxes on groceries
2 exacerbate food insecurity. Research indicates that a one
3 percentage point increase in grocery tax rates is associated
4 with an estimated 0.84 per cent increase in food insecurity
5 among low-income households. Applying this estimate to the
6 State's current 4.712 per cent general excise tax rate
7 (including county surcharges and maximum business pass-on rates)
8 suggests an approximate 3.96 per cent increase in food
9 insecurity attributable to grocery taxation.

10 The legislature also finds that eliminating the general
11 excise tax on groceries for preparation and consumption at home
12 will primarily benefit the State's low- and moderate-income
13 households rather than visitors, because residents purchase most
14 of their food for such purpose, whereas visitors incur the vast
15 majority of their food expenditures on meals prepared and
16 consumed away from home.

17 The legislature finds that several states have repealed
18 their taxes on groceries through a phased approach to improve
19 access to essential goods while maintaining long-term fiscal
20 stability. For example, Kansas enacted a phased repeal of the
21 state sales and use tax on food, food ingredients, and certain



1 prepared food beginning in 2022, culminating in the elimination
2 of the state tax on those items as of January 1, 2025. Georgia
3 also adopted a phased approach to exempting food for off-
4 premises consumption, applicable to most grocery items, from the
5 state sales tax, reaching a zero per cent tax rate on October 1,
6 1998.

7 With respect to fiscal feasibility, the legislature finds
8 that the State's general fund revenues and reserves are
9 sufficient to support a phased elimination of the general excise
10 tax on groceries beginning on January 1, 2027. According to the
11 United States Department of Agriculture Economic Research
12 Service's Food Expenditure Series, food purchased for
13 consumption at home in Hawaii totaled approximately \$4.6 billion
14 in 2024, excluding taxes and tips. Applying the State's current
15 general excise tax rate of four per cent--excluding county
16 surcharges and maximum business pass-on rates--to this amount
17 indicates that a state-level grocery tax exemption would reduce
18 state revenues by approximately \$184 million annually. On the
19 budgetary side, according to the State's Annual Comprehensive
20 Financial Report for fiscal year 2024, which compares changes in
21 the State's net position to fiscal year 2023, general excise tax



1 revenues declined from \$11.080 billion to \$10.413 billion while
2 total government-wide expenses increased from \$15.190 billion to
3 \$17.634 billion. Nevertheless, the State realized a \$1.267
4 billion increase in net position for the fiscal year.
5 Furthermore, the governor's executive budget and the council on
6 revenue's general fund tax revenue forecasts project steady
7 surpluses and growing balances in the years following a brief
8 shortfall in fiscal year 2026. Taken together, these data
9 reflect the State's overall fiscal capacity and demonstrate
10 that, with prudent budgeting, the State can absorb a gradual and
11 targeted general excise tax exemption on certain essential
12 goods.

13 Furthermore, the legislature acknowledges that food
14 security is a matter of statewide concern that directly affects
15 the general welfare of the people of Hawaii and the State's
16 long-term economic and social well-being.

17 Accordingly, the purpose of this Act is to provide
18 immediate and ongoing point-of-sale relief on groceries and
19 nonprescription drugs, reduce food insecurity, and improve
20 affordability while maintaining the State's fiscal stability by:



- 1 (1) Implementing a phased repeal of the state general
- 2 excise tax on the sale of groceries and
- 3 nonprescription drugs in the State; and
- 4 (2) Prohibiting counties from establishing county
- 5 surcharges on the state general excise tax on gross
- 6 income or gross proceeds from the sale of groceries
- 7 and nonprescription drugs in the State.

8 PART II

9 SECTION 2. Section 237-13, Hawaii Revised Statutes, is

10 amended to read as follows:

11 **"§237-13 Imposition of tax.** There is hereby levied and

12 shall be assessed and collected annually privilege taxes against

13 persons on account of their business and other activities in the

14 State measured by the application of rates against values of

15 products, gross proceeds of sales, or gross income, whichever is

16 specified, as follows:

17 (1) Tax on manufacturers.

18 (A) Upon every person engaging or continuing within

19 the State in the business of manufacturing,

20 including compounding, canning, preserving,

21 packing, printing, publishing, milling,



1 processing, refining, or preparing for sale,
2 profit, or commercial use, either directly or
3 through the activity of others, in whole or in
4 part, any article or articles, substance or
5 substances, commodity or commodities, the amount
6 of the tax to be equal to the value of the
7 articles, substances, or commodities,
8 manufactured, compounded, canned, preserved,
9 packed, printed, milled, processed, refined, or
10 prepared for sale, as shown by the gross proceeds
11 derived from the sale thereof by the manufacturer
12 or person compounding, preparing, or printing
13 them, multiplied by one-half of one per cent.

14 (B) The measure of the tax on manufacturers is the
15 value of the entire product for sale.

16 (2) Tax on business of selling tangible personal property;
17 producing. Except as provided in paragraphs (9) and
18 (10):

19 (A) Upon every person engaging or continuing in the
20 business of selling any tangible personal
21 property whatsoever, there is likewise hereby



1 levied, and shall be assessed and collected, a
2 tax equivalent to four per cent of the gross
3 proceeds of sales of the business; provided that,
4 in the case of a wholesaler, the tax shall be
5 equal to one-half of one per cent of the gross
6 proceeds of sales of the business; and provided
7 further that insofar as the sale of tangible
8 personal property is a wholesale sale under
9 section 237-4(a)(8), the tax shall be one-half of
10 one per cent of the gross proceeds. Upon every
11 person engaging or continuing within this State
12 in the business of a producer, the tax shall be
13 equal to one-half of one per cent of the gross
14 proceeds of sales of the business, or the value
15 of the products, for sale.

16 (B) Gross proceeds of sales of tangible property in
17 interstate and foreign commerce shall constitute
18 a part of the measure of the tax imposed on
19 persons in the business of selling tangible
20 personal property, to the extent, under the
21 conditions, and in accordance with the provisions



1 of the Constitution of the United States and the
2 Acts of the Congress of the United States which
3 may be now in force or may be hereafter adopted,
4 and whenever there occurs in the State an
5 activity to which, under the Constitution and
6 Acts of Congress, there may be attributed gross
7 proceeds of sales, the gross proceeds shall be so
8 attributed.

9 (C) No manufacturer or producer, engaged in such
10 business in the State and selling the
11 manufacturer's or producer's products for
12 delivery outside of the State (for example,
13 consigned to a mainland purchaser via common
14 carrier f.o.b. Honolulu), shall be required to
15 pay the tax imposed in this chapter for the
16 privilege of so selling the products, and the
17 value or gross proceeds of sales of the products
18 shall be included only in determining the measure
19 of the tax imposed upon the manufacturer or
20 producer.



1 (D) A manufacturer or producer, engaged in such
2 business in the State, shall pay the tax imposed
3 in this chapter for the privilege of selling its
4 products in the State, and the value or gross
5 proceeds of sales of the products, thus subjected
6 to tax, may be deducted insofar as duplicated as
7 to the same products by the measure of the tax
8 upon the manufacturer or producer for the
9 privilege of manufacturing or producing in the
10 State; provided that no producer of agricultural
11 products who sells the products to a purchaser
12 who will process the products outside the State
13 shall be required to pay the tax imposed in this
14 chapter for the privilege of producing or selling
15 those products.

16 (E) A taxpayer selling to a federal cost-plus
17 contractor may make the election provided for by
18 paragraph (3) (C), and in that case the tax shall
19 be computed pursuant to the election,
20 notwithstanding this paragraph or paragraph (1)
21 to the contrary.



1 (F) The department, by rule, may require that a
2 seller take from the purchaser of tangible
3 personal property a certificate, in a form
4 prescribed by the department, certifying that the
5 sale is a sale at wholesale; provided that:
6 (i) Any purchaser who furnishes a certificate
7 shall be obligated to pay to the seller,
8 upon demand, the amount of the additional
9 tax that is imposed upon the seller whenever
10 the sale in fact is not at wholesale; and
11 (ii) The absence of a certificate in itself shall
12 give rise to the presumption that the sale
13 is not at wholesale unless the sales of the
14 business are exclusively at wholesale.
15 (3) Tax upon contractors.
16 (A) Upon every person engaging or continuing within
17 the State in the business of contracting, the tax
18 shall be equal to four per cent of the gross
19 income of the business.
20 (B) In computing the tax levied under this paragraph,
21 there shall be deducted from the gross income of



1 the taxpayer so much thereof as has been included
2 in the measure of the tax levied under
3 subparagraph (A), on another taxpayer who is a
4 contractor, as defined in section 237-6; provided
5 that any person claiming a deduction under this
6 paragraph shall be required to show in the
7 person's return the name and general excise
8 number of the person paying the tax on the amount
9 deducted by the person.

10 (C) In computing the tax levied under this paragraph
11 against any federal cost-plus contractor, there
12 shall be excluded from the gross income of the
13 contractor so much thereof as fulfills the
14 following requirements:

15 (i) The gross income exempted shall constitute
16 reimbursement of costs incurred for
17 materials, plant, or equipment purchased
18 from a taxpayer licensed under this chapter,
19 not exceeding the gross proceeds of sale of
20 the taxpayer on account of the transaction;
21 and



1 (ii) The taxpayer making the sale shall have
2 certified to the department that the
3 taxpayer is taxable with respect to the
4 gross proceeds of the sale, and that the
5 taxpayer elects to have the tax on gross
6 income computed the same as upon a sale to
7 the state government.

8 (D) A person who, as a business or as a part of a
9 business in which the person is engaged, erects,
10 constructs, or improves any building or
11 structure, of any kind or description, or makes,
12 constructs, or improves any road, street,
13 sidewalk, sewer, or water system, or other
14 improvements on land held by the person (whether
15 held as a leasehold, fee simple, or otherwise),
16 upon the sale or other disposition of the land or
17 improvements, even if the work was not done
18 pursuant to a contract, shall be liable to the
19 same tax as if engaged in the business of
20 contracting, unless the person shows that at the
21 time the person was engaged in making the



1 improvements the person intended, and for the
2 period of at least one year after completion of
3 the building, structure, or other improvements
4 the person continued to intend to hold and not
5 sell or otherwise dispose of the land or
6 improvements. The tax in respect of the
7 improvements shall be measured by the amount of
8 the proceeds of the sale or other disposition
9 that is attributable to the erection,
10 construction, or improvement of such building or
11 structure, or the making, constructing, or
12 improving of the road, street, sidewalk, sewer,
13 or water system, or other improvements. The
14 measure of tax in respect of the improvements
15 shall not exceed the amount which would have been
16 taxable had the work been performed by another,
17 subject as in other cases to the deductions
18 allowed by subparagraph (B). Upon the election
19 of the taxpayer, this paragraph may be applied
20 notwithstanding that the improvements were not
21 made by the taxpayer, or were not made as a



1 business or as a part of a business, or were made
2 with the intention of holding the same. However,
3 this paragraph shall not apply in respect of any
4 proceeds that constitute or are in the nature of
5 rent, which shall be taxable under paragraph (9);
6 provided that insofar as the business of renting
7 or leasing real property under a lease is taxed
8 under section 237-16.5, the tax shall be levied
9 by section 237-16.5.

10 (4) Tax upon theaters, amusements, radio broadcasting
11 stations, etc.

12 (A) Upon every person engaging or continuing within
13 the State in the business of operating a theater,
14 opera house, moving picture show, vaudeville,
15 amusement park, dance hall, skating rink, radio
16 broadcasting station, or any other place at which
17 amusements are offered to the public, the tax
18 shall be equal to four per cent of the gross
19 income of the business, and in the case of a sale
20 of an amusement at wholesale under section



1 237-4(a)(13), the tax shall be one-half of one
2 per cent of the gross income.

3 (B) The department may require that the person
4 rendering an amusement at wholesale take from the
5 licensed seller a certificate, in a form
6 prescribed by the department, certifying that the
7 sale is a sale at wholesale; provided that:

8 (i) Any licensed seller who furnishes a
9 certificate shall be obligated to pay to the
10 person rendering the amusement, upon demand,
11 the amount of additional tax that is imposed
12 upon the seller whenever the sale is not at
13 wholesale; and

14 (ii) The absence of a certificate in itself shall
15 give rise to the presumption that the sale
16 is not at wholesale unless the person
17 rendering the sale is exclusively rendering
18 the amusement at wholesale.

19 (5) Tax upon sales representatives, etc. Upon every
20 person classified as a representative or purchasing
21 agent under section 237-1, engaging or continuing



1 within the State in the business of performing
2 services for another, other than as an employee, there
3 is likewise hereby levied and shall be assessed and
4 collected a tax equal to four per cent of the
5 commissions and other compensation attributable to the
6 services so rendered by the person.

7 (6) Tax on service business.

8 (A) Upon every person engaging or continuing within
9 the State in any service business or calling
10 including professional services not otherwise
11 specifically taxed under this chapter, there is
12 likewise hereby levied and shall be assessed and
13 collected a tax equal to four per cent of the
14 gross income of the business, and in the case of
15 a wholesaler under section 237-4(a)(10), the tax
16 shall be equal to one-half of one per cent of the
17 gross income of the business.

18 (B) The department may require that the person
19 rendering a service at wholesale take from the
20 licensed seller a certificate, in a form



1 prescribed by the department, certifying that the
2 sale is a sale at wholesale; provided that:
3 (i) Any licensed seller who furnishes a
4 certificate shall be obligated to pay to the
5 person rendering the service, upon demand,
6 the amount of additional tax that is imposed
7 upon the seller whenever the sale is not at
8 wholesale; and
9 (ii) The absence of a certificate in itself shall
10 give rise to the presumption that the sale
11 is not at wholesale unless the person
12 rendering the sale is exclusively rendering
13 services at wholesale.
14 (C) Where any person is engaged in the business of
15 selling interstate or foreign common carrier
16 telecommunication services within and without the
17 State, other than as a home service provider, the
18 tax shall be imposed on that portion of gross
19 income received by a person from service which is
20 originated or terminated in this State and is
21 charged to a telephone number, customer, or



1 account in this State notwithstanding any other
2 state law (except for the exemption under section
3 237-23(a)(1)) to the contrary. If, under the
4 Constitution and laws of the United States, the
5 entire gross income as determined under this
6 paragraph of a business selling interstate or
7 foreign common carrier telecommunication services
8 cannot be included in the measure of the tax, the
9 gross income shall be apportioned as provided in
10 section 237-21; provided that the apportionment
11 factor and formula shall be the same for all
12 persons providing those services in the State.

13 (D) Where any person is engaged in the business of a
14 home service provider, the tax shall be imposed
15 on the gross income received or derived from
16 providing interstate or foreign mobile
17 telecommunications services to a customer with a
18 place of primary use in this State when the
19 services originate in one state and terminate in
20 another state, territory, or foreign country;
21 provided that all charges for mobile



1 telecommunications services which are billed by
2 or for the home service provider are deemed to be
3 provided by the home service provider at the
4 customer's place of primary use, regardless of
5 where the mobile telecommunications originate,
6 terminate, or pass through; provided further that
7 the income from charges specifically derived from
8 interstate or foreign mobile telecommunications
9 services, as determined by books and records that
10 are kept in the regular course of business by the
11 home service provider in accordance with section
12 239-24, shall be apportioned under any
13 apportionment factor or formula adopted under
14 subparagraph (C). Gross income shall not
15 include:

16 (i) Gross receipts from mobile
17 telecommunications services provided to a
18 customer with a place of primary use outside
19 this State;



S.B. NO. 2104

- 1 (ii) Gross receipts from mobile
- 2 telecommunications services that are subject
- 3 to the tax imposed by chapter 239;
- 4 (iii) Gross receipts from mobile
- 5 telecommunications services taxed under
- 6 section 237-13.8; and
- 7 (iv) Gross receipts of a home service provider
- 8 acting as a serving carrier providing mobile
- 9 telecommunications services to another home
- 10 service provider's customer.

11 For the purposes of this paragraph, "charges for
12 mobile telecommunications services", "customer",
13 "home service provider", "mobile
14 telecommunications services", "place of primary
15 use", and "serving carrier" have the same meaning
16 as in section 239-22.

17 (7) Tax on insurance producers. Upon every person engaged
18 as a licensed producer pursuant to chapter 431, there
19 is hereby levied and shall be assessed and collected a
20 tax equal to 0.15 per cent of the commissions due to
21 that activity.



- 1 (8) Tax on receipts of sugar benefit payments. Upon the
2 amounts received from the United States government by
3 any producer of sugar (or the producer's legal
4 representative or heirs), as defined under and by
5 virtue of the Sugar Act of 1948, as amended, or other
6 Acts of the Congress of the United States relating
7 thereto, there is hereby levied a tax of one-half of
8 one per cent of the gross amount received; provided
9 that the tax levied hereunder on any amount so
10 received and actually disbursed to another by a
11 producer in the form of a benefit payment shall be
12 paid by the person or persons to whom the amount is
13 actually disbursed, and the producer actually making a
14 benefit payment to another shall be entitled to claim
15 on the producer's return a deduction from the gross
16 amount taxable hereunder in the sum of the amount so
17 disbursed. The amounts taxed under this paragraph
18 shall not be taxable under any other paragraph,
19 subsection, or section of this chapter.
- 20 (9) Tax on businesses selling groceries in the State.



- 1 (A) Upon every person engaging or continuing in the
2 business of selling any groceries in the State,
3 there is likewise hereby levied, and shall be
4 assessed and collected, a tax equivalent to the
5 following percentages of the gross proceeds of
6 sales of the business:
- 7 (i) 4.0 per cent until December 31, 2026;
8 (ii) 3.5 per cent for the period beginning on
9 January 1, 2027, to December 31, 2027;
10 (iii) 3.0 per cent for the period beginning on
11 January 1, 2028, to December 31, 2028;
12 (iv) 2.5 per cent for the period beginning on
13 January 1, 2029, to December 31, 2029;
14 (v) 2.0 per cent for the period beginning on
15 January 1, 2030, to December 31, 2030;
16 (vi) 1.5 per cent for the period beginning on
17 January 1, 2031, to December 31, 2031;
18 (vii) 1.0 per cent for the period beginning on
19 January 1, 2032, to December 31, 2032;
20 (viii) 0.5 per cent for the period beginning on
21 January 1, 2033, to December 31, 2033; and



1 (ix) For the period beginning on January 1, 2034,
2 and thereafter, this chapter shall no longer
3 apply.

4 (B) Upon every person engaging or continuing in the
5 business of selling any groceries in the State as
6 a wholesaler, the tax shall be equal to:

7 (i) One-half of one per cent of the gross
8 proceeds of sales of the business; or

9 (ii) One-half of one per cent of the gross
10 proceeds, insofar as the sale of groceries
11 is a wholesale sale under section
12 237-4(a)(8);

13 provided that beginning on January 1, 2028, and
14 thereafter, this chapter shall no longer apply.

15 (C) Upon every person engaging or continuing within
16 this State in the business of a manufacturer or
17 producer of groceries, the tax shall be equal to
18 one-half of one per cent of the gross proceeds of
19 sales of the business, or the value of the
20 products, for sale in the State; provided that



S.B. NO. 2104

1 beginning on January 1, 2028, and thereafter,
2 this chapter shall no longer apply.

3 (F) The department, by rule, may require that a
4 seller take from the purchaser of nonprescription
5 drugs, a certificate certifying that the sale is
6 a sale at wholesale pursuant to paragraph (2)(F).

7 For the purposes of this paragraph:

8 "Groceries" means any food or food product for
9 home consumption except alcoholic beverages, tobacco,
10 and hot foods or hot food products prepared for
11 immediate consumption.

12 "Food" or "food product" means any substance,
13 whether in liquid, concentrated, solid, frozen, dried,
14 or dehydrated form, that is sold for ingestion or
15 chewing by humans and is consumed for its taste or
16 nutritional value.

17 (10) Tax on businesses selling nonprescription drugs in the
18 State.

19 (A) Upon every person engaging or continuing in the
20 business of selling any nonprescription drugs in
21 the State, there is likewise hereby levied, and



S.B. NO. 2104

1 shall be assessed and collected, a tax equivalent
2 to the following percentages of the gross
3 proceeds of sales of the business:
4 (i) 4.0 per cent until December 31, 2026;
5 (ii) 3.5 per cent for the period beginning on
6 January 1, 2027, to December 31, 2027;
7 (iii) 3.0 per cent for the period beginning on
8 January 1, 2028, to December 31, 2028;
9 (iv) 2.5 per cent for the period beginning on
10 January 1, 2029, to December 31, 2029;
11 (v) 2.0 per cent for the period beginning on
12 January 1, 2030, to December 31, 2030;
13 (vi) 1.5 per cent for the period beginning on
14 January 1, 2031, to December 31, 2031;
15 (vii) 1.0 per cent for the period beginning on
16 January 1, 2032, to December 31, 2032;
17 (viii) 0.5 per cent for the period beginning on
18 January 1, 2033, to December 31, 2033; and
19 (ix) For the period beginning on January 1, 2034,
20 and thereafter, this chapter shall no longer
21 apply.



1 (B) Upon every person engaging or continuing in the
2 business of selling any nonprescription drugs in
3 the State as a wholesaler, the tax shall be equal
4 to:
5 (i) One-half of one per cent of the gross
6 proceeds of sales of the business; or
7 (ii) One-half of one per cent of the gross
8 proceeds, insofar as the sale of groceries
9 is a wholesale sale under section
10 237-4(a)(8);
11 provided that beginning on January 1, 2028, and
12 thereafter, this chapter shall no longer apply.
13 (C) Upon every person engaging or continuing within
14 this State in the business of a manufacturer or
15 producer of nonprescription drugs, the tax shall
16 be equal to one-half of one per cent of the gross
17 proceeds of sales of the business, or the value
18 of the products, for sale in the State; provided
19 that beginning on January 1, 2028, and
20 thereafter, this chapter shall no longer apply.



1 (F) The department, by rule, may require that a
2 seller take from the purchaser of nonprescription
3 drugs, a certificate certifying that the sale is
4 a sale at wholesale pursuant to paragraph (2)(F).
5 For the purposes of this paragraph,
6 "nonprescription drug" has the same meaning as defined
7 in section 328-1.

8 ~~(+9)~~ (11) Tax on other business. Upon every person
9 engaging or continuing within the State in any
10 business, trade, activity, occupation, or calling not
11 included in the preceding paragraphs or any other
12 provisions of this chapter, there is likewise hereby
13 levied and shall be assessed and collected, a tax
14 equal to four per cent of the gross income thereof.
15 In addition, the rate prescribed by this paragraph
16 shall apply to a business taxable under one or more of
17 the preceding paragraphs or other provisions of this
18 chapter, as to any gross income thereof not taxed
19 thereunder as gross income or gross proceeds of sales
20 or by taxing an equivalent value of products, unless
21 specifically exempted."



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PART III

SECTION 3. Section 237-8.6, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) No county surcharge on state tax shall be established on any:

(1) Gross income or gross proceeds taxable under this chapter at the one-half per cent tax rate;

(2) Gross income or gross proceeds taxable under this chapter at the 0.15 per cent tax rate; ~~[or]~~

(3) Transactions, amounts, persons, gross income, or gross proceeds exempt from tax under this chapter~~[or]~~; or

(4) Gross income or gross proceeds taxable under section 237-13(9) or (10)."

PART IV

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on January 1, 2027; provided that section 3 of this Act shall be repealed upon the repeal of section 237-8.6, Hawaii Revised Statutes, on



S.B. NO. 2104

1 December 31, 2030, pursuant to section 6 of Act 1, Special
2 Session Laws of Hawaii 2017.
3

INTRODUCED BY: *Mike Gabbard*



S.B. NO. 2104

Report Title:

GET; Groceries; Nonprescription Drugs; Phased Repeal; County Surcharge; Prohibition

Description:

Implements a phased repeal of the state general excise tax on the sale of groceries and nonprescription drugs in the State. Prohibits counties from establishing county surcharges on the state general excise tax on gross income or gross proceeds from the sale of groceries and nonprescription drugs in the State. Prohibition on county surcharges to be repealed on 12/31/2030.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 21 2026

A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 328, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 "§328- Nonprescription diet pills; dietary supplements;
5 weight loss; muscle building; minors; prohibition. (a) No
6 person shall sell, offer to sell, or give away, as either a
7 retail or wholesale promotion, a nonprescription diet pill or a
8 dietary supplement for weight loss or muscle building to any
9 person under eighteen years of age.

10 (b) Any retail establishment that sells nonprescription
11 diet pills or dietary supplements for weight loss or muscle
12 building shall:

13 (1) Limit access to these products in a manner that
14 ensures only employees of the retail establishment
15 have direct access to the products; and

16 (2) Request a valid form of government-issued,
17 photographic identification from any person who



1 attempts to purchase these products if the retail
2 establishment cannot reasonably determine that the
3 person is at least eighteen years of age.

4 (c) No delivery seller shall sell, deliver, or cause to be
5 delivered any nonprescription diet pill or dietary supplement
6 for weight loss or muscle building to any person under eighteen
7 years of age. Any delivery seller that sells nonprescription
8 diet pills or dietary supplements for weight loss or muscle
9 building shall use a method of mailing or shipping these
10 products that requires:

11 (1) The purchaser placing the order or an adult who is at
12 least eighteen years of age to sign for acceptance of
13 delivery of the shipping container at the delivery
14 address; and

15 (2) The person who signs to accept delivery of the
16 shipping container at the delivery address to provide
17 a valid form of government-issued, photographic
18 identification to verify the person is at least
19 eighteen years of age.

20 (d) When determining whether a nonprescription diet pill
21 or dietary supplement for weight loss or muscle building is



1 labeled, marketed, or otherwise represented for the purpose of
2 achieving weight loss or muscle building, the following factors
3 shall be considered, at a minimum:

4 (1) Whether the product contains:

5 (A) An ingredient approved by the United States Food
6 and Drug Administration for weight loss or muscle
7 building;

8 (B) A steroid; or

9 (C) Creatine, green tea extract, raspberry ketone,
10 garcinia cambogia, or green coffee bean extract;

11 (2) Whether the product's labeling or marketing bears
12 statements or images that express or imply that the
13 product will help:

14 (A) Modify, maintain, or reduce body weight, fat,
15 appetite, overall metabolism, or the process by
16 which nutrients are metabolized; or

17 (B) Maintain or increase muscle or strength;

18 (3) Whether the product or its ingredients are otherwise
19 represented for the purpose of achieving weight loss
20 or building muscle; and



1 (4) Whether the retail establishment or delivery seller
2 has:

3 (A) Placed signs, or categorized or tagged the
4 product, with statements described in paragraph
5 (2);

6 (B) Grouped the product with other weight loss or
7 muscle building products in a display,
8 advertisement, webpage, or area of the retail
9 establishment; or

10 (C) Otherwise represented that the product is for
11 weight loss or muscle building.

12 (e) As used in this section:

13 "Delivery sale" means the sale of nonprescription diet
14 pills or dietary supplements for weight loss or muscle building
15 to a consumer if:

16 (1) The consumer submits the order for the sale by means
17 of a telephone or other method of voice transaction,
18 deposit in the mails, or the Internet or other online
19 service, or the seller is otherwise not in the
20 physical presence of the consumer when the request for
21 purchase or order is made; or



1 (2) The nonprescription diet pills or dietary supplements
2 for weight loss or muscle building are delivered to
3 the consumer by common carrier, private delivery
4 service, or other method of remote delivery, or the
5 seller is otherwise not in the physical presence of
6 the consumer when the consumer obtains possession of
7 the products.

8 "Delivery seller" means a person, including an online
9 retailer, who makes delivery sales of nonprescription diet pills
10 or dietary supplements for weight loss or muscle building.

11 "Dietary supplement for weight loss or muscle building"
12 means a dietary supplement as defined in title 21 United States
13 Code Section 321(ff) that is labeled, marketed, or otherwise
14 represented for the purpose of achieving weight loss or building
15 muscle.

16 "Nonprescription diet pill" means a nonprescription drug
17 that is labeled, marketed, or otherwise represented for the
18 purpose of achieving weight loss.

19 "Retail establishment" means a vendor that sells
20 nonprescription diet pills or dietary supplements for weight
21 loss or muscle building directly to the public, including but



1 not limited to pharmacies, grocery stores, other retail stores,
2 and vendors that accept orders placed by mail, telephone,
3 electronic mail, internet website, online catalog, or software
4 application."

5 SECTION 2. Section 328-6, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§328-6 Prohibited acts.** The following acts and the
8 causing thereof within the State by any person are prohibited:

- 9 (1) The manufacture, sale, delivery, holding, or offering
10 for sale of any food, drug, device, or cosmetic that
11 is adulterated or misbranded;
- 12 (2) The adulteration or misbranding of any food, drug,
13 device, or cosmetic;
- 14 (3) The receipt in commerce of any food, drug, device, or
15 cosmetic that is adulterated or misbranded, and the
16 delivery or proffered delivery thereof for pay or
17 otherwise;
- 18 (4) The sale, delivery for sale, holding for sale, or
19 offering for sale of any article in violation of
20 section 328-11, 328-12, or 328-17;
- 21 (5) The dissemination of any false advertisement;



- 1 (6) The refusal to permit entry or inspection, or to
2 permit the taking of a sample, as authorized by
3 sections 328-22 and 328-23 to 328-27, or to permit
4 access to or copying of any record as authorized by
5 section 328-23;
- 6 (7) The giving of a guaranty or undertaking which guaranty
7 or undertaking is false, except by a person who relied
8 on a guaranty or undertaking to the same effect signed
9 by, and containing the name and address of the person
10 residing in the State from whom the person received in
11 good faith the food, drug, device, or cosmetic;
- 12 (8) The removal or disposal of a detained or embargoed
13 article in violation of sections 328-25 to 328-27;
- 14 (9) The alteration, mutilation, destruction, obliteration,
15 or removal of the whole or any part of the labeling
16 of, or the doing of any other act with respect to a
17 food, drug, device, or cosmetic, if the act is done
18 while the article is held for sale and results in the
19 article being adulterated or misbranded;
- 20 (10) Forging, counterfeiting, simulating, or falsely
21 representing, or without proper authority using any



- 1 mark, stamp, tag, label, or other identification
2 device authorized or required by rules adopted under
3 this part or regulations adopted under the Federal
4 Act;
- 5 (11) The use, on the labeling of any drug or in any
6 advertisement relating to the drug, of any
7 representation or suggestion that an application with
8 respect to the drug is effective under section 328-17,
9 or that the drug complies with that section;
- 10 (12) The use by any person to the person's own advantage,
11 or revealing other than to the department of health or
12 to the courts when relevant in any judicial proceeding
13 under this part, any information acquired under
14 authority of section 328-11, 328-12, 328-17, or
15 328-23, concerning any method or process which as a
16 trade secret is entitled to protection;
- 17 (13) In the case of a prescription drug distributed or
18 offered for sale in this State, the failure of the
19 manufacturer, packer, or distributor thereof to
20 maintain for transmittal, or to transmit, to any
21 practitioner who makes written request for information



1 as to the drug, true and correct copies of all printed
2 matter [~~which~~] that is required to be included in any
3 package in which that drug is distributed or sold, or
4 [~~such~~] other printed matter as is approved under the
5 Federal Act. Nothing in this paragraph shall be
6 construed to exempt any person from any labeling
7 requirement imposed by or under other provisions of
8 this part;

9 (14) (A) Placing or causing to be placed upon any drug or
10 device or container thereof, with intent to
11 defraud, the trade name or other identifying
12 mark, or imprint of another or any likeness of
13 any of the foregoing; or

14 (B) Selling, dispensing, disposing of, or causing to
15 be sold, dispensed, or disposed of, or concealing
16 or keeping in possession, control, or custody,
17 with intent to sell, dispense, or dispose of, any
18 drug, device, or any container thereof, with
19 knowledge that the trade name or other
20 identifying mark or imprint of another or any
21 likeness of any of the foregoing has been placed



1 thereon in a manner prohibited by subparagraph
2 (A); or
3 (C) Making, selling, disposing of, or causing to be
4 made, sold, or disposed of, or keeping in
5 possession, control, or custody, or concealing,
6 with intent to defraud, any punch, die, plate, or
7 other thing designed to print, imprint, or
8 reproduce that trade name or other identifying
9 mark or imprint of another or any likeness of any
10 of the foregoing upon any drug, device, or
11 container thereof;

12 (15) Except as provided in part VI and section 461-1,
13 dispensing or causing to be dispensed a different drug
14 or brand of drug in place of the drug or brand of drug
15 ordered or prescribed without express permission in
16 each case of the person ordering or prescribing;

17 (16) The distribution in commerce of a consumer commodity
18 as defined in this part, if [~~such~~] the commodity is
19 contained in a package, or if there is affixed to that
20 commodity a label, which does not conform to this part
21 and of rules adopted under authority of this part;



1 provided that this prohibition shall not apply to
2 persons engaged in business as wholesale or retail
3 distributors of consumer commodities except to the
4 extent that [~~such~~] the persons:

5 (A) Are engaged in the packaging or labeling of
6 [~~such~~] the commodities; or

7 (B) Prescribe or specify by any means the manner in
8 which [~~such~~] the commodities are packaged or
9 labeled;

10 (17) The selling or dispensing in restaurants, soda
11 fountains, drive-ins, lunch wagons, or similar public
12 eating establishments of imitation milk and imitation
13 milk products in place of fresh milk and fresh milk
14 products respectively; of liquid or dry products which
15 simulate cream but do not comply with content
16 requirements for cream in place of cream; of non-dairy
17 frozen desserts [~~which~~] that do not comply with
18 content requirements for dairy frozen desserts in
19 place of dairy frozen desserts; and of any other
20 imitation food or one made in semblance of a genuine
21 food in place of such genuine food, unless the



1 consumer is notified by either proper labeling or
2 conspicuous posted signs or conspicuous notices on
3 menu cards and advertisements informing of [~~such~~] the
4 substitution, to include but not limited to the
5 substitution of imitation milk in milk shake and
6 malted milk drinks;

7 (18) Wilfully and falsely representing or using any
8 devices, substances, methods, or treatment as
9 effective in the diagnosis, cure, mitigation,
10 treatment, or alleviation of cancer. This paragraph
11 shall not apply to any person who depends exclusively
12 upon prayer for healing in accordance with teachings
13 of a bona fide religious sect, denomination, or
14 organization, nor to a person who practices such
15 teachings;

16 (19) The selling or offering for sale at any food facility
17 [~~which~~] that serves or sells over the counter directly
18 to the consumer an unlabeled or unpackaged food that
19 is a confectionery [~~which~~] that contains alcohol in
20 excess of [~~one-half-of-one~~] 0.5 per cent by weight
21 unless the consumer is notified of that fact by either



1 proper labeling or conspicuous posted signs or
 2 conspicuous notices on menu cards and advertisements;
 3 (20) The sale to a person [~~below the age of~~] under twenty-
 4 one years of age of any food [~~which~~] that is a
 5 confectionery [~~which~~] that contains alcohol in excess
 6 of [~~one-half of one~~] 0.5 per cent by weight[~~-~~]; and
 7 (21) The sale to a person under eighteen years of age of a
 8 nonprescription diet pill or a dietary supplement for
 9 weight loss or muscle building pursuant to section
 10 328- ."

11 SECTION 3. Statutory material to be repealed is bracketed
 12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval.

14

INTRODUCED BY: *Mike Gabbard*



S.B. NO. 2106

Report Title:

Retail Establishments; Delivery Sellers; Nonprescription Diet Pills; Dietary Supplements; Weight Loss; Muscle Building; Sale or Delivery to Minors; Prohibition

Description:

Prohibits the sale of nonprescription diet pills and dietary supplements for weight loss or muscle building to any person under eighteen years of age. Requires retail establishments and delivery sellers to follow certain protocols regarding certain products to prevent access by minors to the restricted products.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 21 2026

A BILL FOR AN ACT

RELATING TO PHARMACY BENEFIT MANAGERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that prescription drug
2 costs continue to rise in the State and across the nation, in
3 part due to the opaque business practices of pharmacy benefit
4 managers (PBM), which are companies that manage prescription
5 drug benefits on behalf of health insurers and other payors.
6 The legislature further finds that states such as Kentucky and
7 Ohio have implemented substantial reforms by creating a single,
8 state-controlled pharmacy benefit manager. These reforms were
9 designed to replace fragmented PBM contracts with a transparent,
10 accountable model operating under state oversight.

11 The legislature also finds that Kentucky and Ohio both
12 initiated their statewide transition by adopting a
13 state-contracted PBM model that limited the responsibility of
14 the state PBM to administering the pharmacy benefits for
15 medicaid recipients enrolled with a managed care organization
16 contracted by the state. In both states, these reforms served
17 as pilot frameworks that exposed spread-pricing, improved



1 pharmacy reimbursements, and returned savings to medicaid
2 programs. Over time, the transparency and data gained through
3 these models informed broader legislative reforms applicable to
4 commercial PBMs and strengthened overall consumer protection.

5 The legislature additionally finds that establishing a
6 state PBM in the State similar to Kentucky and Ohio's initial
7 model will promote transparency, consistent drug pricing, and
8 fair pharmacy reimbursement within the State's medicaid
9 programs. This structure will also create a regulatory
10 foundation to guide future statewide PBM oversight for
11 commercial markets.

12 Accordingly, the purpose of this Act is to:

- 13 (1) Require the department of human services to establish
14 or select and contract with a third-party
15 administrator to serve as the state PBM who shall be
16 responsible for administering all pharmacy benefits
17 for medicaid beneficiaries enrolled with a medicaid
18 managed care organization;
- 19 (2) Require all medicaid managed care organizations to
20 contract with and utilize the state PBM;



1 "Medicaid managed care organization" means an entity with
2 which the department has contracted to serve as a managed care
3 organization as defined in title 42 Code of Federal Regulations
4 section 438.2.

5 "Pharmacy benefit manager" has the same meaning as defined
6 in section 431S-1.

7 "Spread pricing" means any technique by which a pharmacy
8 benefit manager or other administrator of pharmacy benefits
9 charges or claims an amount from an insurer or managed care
10 organization for pharmacy or pharmacist services, including
11 payment for a prescription drug, that is different than the
12 amount the pharmacy benefit manager or other administrator pays
13 to the pharmacy or pharmacist that provided the services.

14 "State pharmacy benefit manager" means the pharmacy benefit
15 manager established or contracted by the department pursuant to
16 section -2 to administer pharmacy benefits for all medicaid
17 beneficiaries in the State.

18 § -2 **State pharmacy benefit manager; procurement; master**
19 **contract.** (a) No later than December 31, , the department
20 shall establish or select and contract with a third-party
21 administrator pursuant to chapter 103F, to serve as the state



1 pharmacy benefit manager for every medicaid managed care
2 organization.

3 (b) The state pharmacy benefit manager shall be
4 responsible for administering all pharmacy benefits for medicaid
5 beneficiaries enrolled with a medicaid managed care
6 organization.

7 (c) Each contract entered into or renewed by the
8 department with a managed care organization to deliver medicaid
9 services after the department has established or selected and
10 contracted with a third-party administrator to serve as the
11 state pharmacy benefit manager shall require the managed care
12 organization to contract with and utilize the state pharmacy
13 benefit manager for the purpose of administering all pharmacy
14 benefits for medicaid beneficiaries enrolled with the managed
15 care organization.

16 (d) In coordination with the attorney general, the
17 department shall establish a standard contract form to be used
18 when contracting with the state pharmacy benefit manager. In
19 addition to the contract provisions required pursuant to
20 chapter 103F, the standard contract form shall include
21 provisions that:



- 1 (1) Establish the state pharmacy benefit manager's
- 2 fiduciary duty owed to the department;
- 3 (2) Require the state pharmacy benefit manager to comply
- 4 with the provisions of section -3, as applicable;
- 5 (3) Require:
- 6 (A) The use of pass-through pricing; and
- 7 (B) The state pharmacy benefit manager to use the
- 8 preferred drug list, reimbursement methodologies,
- 9 and dispensing fees established by the department
- 10 pursuant to section -3; and
- 11 (4) Prohibit:
- 12 (A) The use of spread pricing; and
- 13 (B) The state pharmacy benefit manager from:
- 14 (i) Reducing payment for pharmacy or pharmacist
- 15 services, directly or indirectly, under a
- 16 reconciliation process to an effective rate
- 17 of reimbursement. This prohibition shall
- 18 include without limitation, creating,
- 19 imposing, or establishing direct or indirect
- 20 remuneration fees, generic effective rates,
- 21 dispensing effective rates, brand effective



S.B. NO. 2208

- 1 rates, any other effective rates, in-network
2 fees, performance fees, pre-adjudication
3 fees, post-adjudication fees, or any other
4 mechanism that reduces, or aggregately
5 reduces, payment for pharmacy or pharmacist
6 services;
- 7 (ii) Creating, modifying, implementing, or
8 indirectly establishing any fee on a
9 pharmacy, pharmacist, or a medicaid
10 beneficiary without first seeking and
11 obtaining written approval from the
12 department to do so;
- 13 (iii) Requiring a medicaid beneficiary to obtain a
14 specialty drug from a specialty pharmacy
15 owned by or otherwise associated with the
16 state pharmacy benefit manager;
- 17 (iv) Requiring or incentivizing a medicaid
18 beneficiary to use a pharmacy owned by or
19 otherwise associated with the state pharmacy
20 benefit manager; and



1 (v) Requiring a medicaid beneficiary to use a
2 mail-order pharmaceutical distributor or
3 mail-order pharmacy.

4 (e) The solicitation of proposals to serve as the state
5 pharmacy benefit manager shall include, in addition to the
6 requirements pursuant to chapter 103F, a requirement that all
7 applicants disclose the following information as part of their
8 proposal:

9 (1) Any activity, policy, practice, contract including any
10 national pharmacy contract, or agreement of the
11 applicant that may directly or indirectly present a
12 conflict of interest in the applicant's relationship
13 with the department or a medicaid managed care
14 organization;

15 (2) If the applicant is conducting business as a pharmacy
16 benefit manager:

17 (A) Any direct or indirect fees, charges, or any kind
18 of assessments imposed by the applicant on
19 pharmacies licensed in the State:

20 (i) With which the applicant shares common
21 ownership, management, or control;



- 1 (ii) Which are owned, managed, or controlled by
- 2 any of the applicant's management companies,
- 3 parent companies, subsidiary companies,
- 4 jointly held companies, or companies
- 5 otherwise affiliated by a common owner,
- 6 manager, or holding company;
- 7 (iii) Which share any common members on the board
- 8 of directors; or
- 9 (iv) Which share managers in common;
- 10 (B) Any direct or indirect fees, charges, or any kind
- 11 of assessments imposed by the applicant on
- 12 pharmacies licensed in the State that operate:
- 13 (i) More than ten locations in the State; or
- 14 (ii) Ten or fewer locations in the State; and
- 15 (C) All common ownership, management, common members
- 16 of a board of directors, shared managers, or
- 17 control of a pharmacy benefit manager, or any of
- 18 the applicant's management companies, parent
- 19 companies, subsidiary companies, jointly held
- 20 companies, or companies otherwise affiliated by a
- 21 common owner, manager, or holding company with:



- 1 (i) A managed care organization and its
 - 2 affiliated companies;
 - 3 (ii) An entity that contracts on behalf of a
 - 4 pharmacy or any pharmacy services
 - 5 administration organization and its
 - 6 affiliated companies;
 - 7 (iii) A drug wholesaler or distributor and its
 - 8 affiliated companies;
 - 9 (iv) A third-party payor and its affiliated
 - 10 companies; and
 - 11 (v) A pharmacy and its affiliated companies.
- 12 (f) Before entering into a state pharmacy benefit manager
- 13 contract with a third-party administrator, the department shall
- 14 submit a copy of the contract to the chief procurement officer,
- 15 attorney general, director of health, and insurance commissioner
- 16 for review and comment.
- 17 § -3 **Single preferred drug list; rules.** (a) The state
- 18 pharmacy benefit manager shall use a single preferred drug list
- 19 established by the department for each medicaid managed care
- 20 organization.



1 (b) The department shall adopt rules pursuant to
2 chapter 91 for the purposes of this chapter. The rules shall
3 establish at minimum:

4 (1) Reimbursement methodologies; provided that the
5 methodologies shall not discriminate against
6 pharmacies owned or contracted by a health care
7 facility that is registered as a covered entity
8 pursuant to title 42 United States Code section 256b,
9 to the extent allowable by the Centers for Medicare
10 and Medicaid Services; and

11 (2) Dispensing fees that may take into account applicable
12 guidance by the Centers for Medicare and Medicaid
13 Services and that may, to the extent permitted under
14 federal law, vary by pharmacy type, including rural
15 and independently owned pharmacies, chain pharmacies,
16 and pharmacies owned or contracted by a health care
17 facility that is registered as a covered entity
18 pursuant to title 42 United States Code section 256b.

19 (c) The state pharmacy benefit manager shall use the
20 reimbursement methodologies and dispensing fees established by



1 the department pursuant to subsection (b) for each medicaid
2 managed care organization.

3 (d) The state pharmacy benefit manager shall administer,
4 adjudicate, and reimburse pharmacy benefit claims submitted by
5 pharmacies to the state pharmacy benefit manager in accordance
6 with:

7 (1) The terms of any contract between a health care
8 facility that is registered as a covered entity
9 pursuant to title 42 United States Code section 256b
10 and a medicaid managed care organization;

11 (2) The terms and conditions of the contract between the
12 state pharmacy benefit manager and the State; and

13 (3) The reimbursement methodologies and dispensing fees
14 established by the department pursuant to subsection
15 (b).

16 (e) The following shall apply to the state pharmacy
17 benefit manager, the contract between the state pharmacy benefit
18 manager and the department, and, where applicable, any contract
19 between the state pharmacy benefit manager and a pharmacy:

20 (1) The department shall review and shall approve or deny
21 any contract, any change in the terms of a contract,



- 1 or suspension or termination of a contract between the
2 state pharmacy benefit manager and:
- 3 (A) A pharmacy licensed under chapter 461; or
4 (B) An entity that contacts on behalf of a pharmacy
5 licensed under chapter 461;
- 6 (2) The state pharmacy benefit manager shall comply with
7 sections 431S-3 and 431S-4;
- 8 (3) Upon the establishment of or awarding of the contract
9 to a third-party administrator to serve as, the state
10 pharmacy benefit manager, the state pharmacy benefit
11 manager shall not enter into, renew, extend, or amend
12 a national contract with any pharmacy that is
13 inconsistent with:
- 14 (A) The terms and conditions of the contract between
15 the state pharmacy benefit manager and the State;
16 or
17 (B) The reimbursement methodologies and dispensing
18 fees established by the department pursuant to
19 subsection (b);
- 20 (4) When creating or establishing a pharmacy network for a
21 managed care organization with whom the department



1 contracts for the delivery of medicaid services, the
2 state pharmacy benefit manager shall not discriminate
3 against any pharmacy or pharmacist that is:

4 (A) Located within the geographic coverage area of
5 the managed care organization; and

6 (B) Willing to agree to or accept reasonable terms
7 and conditions established by the state pharmacy
8 benefit manager, or other administrator for
9 network participation, including obtaining
10 preferred participation status;

11 Provided that discrimination prohibited by this
12 paragraph shall include denying a pharmacy the
13 opportunity to participate in a pharmacy network at
14 preferred participation status; and

15 (5) A contract between the state pharmacy benefit manager
16 and a pharmacy shall not release the state pharmacy
17 benefit manager from the obligation to make any
18 payments owed to the pharmacy for services rendered
19 before the termination of the contract between the
20 state pharmacy benefit manager and the pharmacy or
21 removal of the pharmacy from the pharmacy network.



1 § **-4 Payment arrangements.** (a) All payment
2 arrangements between the department, a medicaid managed care
3 organization, and the state pharmacy benefit manager shall
4 comply with state and federal laws, regulations adopted by the
5 Centers for Medicare and Medicaid Services, and any other
6 agreement between the department and the Centers for Medicare
7 and Medicaid Services.

8 (b) The department may change a payment arrangement to
9 comply with state and federal laws, regulations adopted by the
10 Centers for Medicare and Medicaid Services, or any other
11 agreement between the department and the Centers for Medicare
12 and Medicaid Services.

13 § **-5 Consultation.** The department shall consult with
14 the med-QUEST healthcare advisory committee, established
15 pursuant to title 42 Code of Federal Regulations section 431.12,
16 in the development, implementation, and oversight of the state
17 pharmacy benefit manager program established pursuant to this
18 chapter.

19 § **-6 Annual Report.** The department shall submit a
20 report on the pharmacy benefit manager program established
21 pursuant to this chapter and its findings and recommendations,



1 including any proposed legislation, to the legislature no later
2 than twenty days prior to the convening of each regular session,
3 beginning with the regular session of ."

4 SECTION 3. Chapter 431S, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 "§431S- Medicaid managed care organization; medicaid
8 benefits; administration; penalty. (a) Notwithstanding any law
9 to the contrary, a pharmacy benefit manager contracted with a
10 medicaid managed care organization to administer medicaid
11 benefits shall not:

- 12 (1) Adjust, modify, change, or amend reimbursement
13 methodologies, dispensing fees, and any other fees
14 paid by the pharmacy benefit manager to pharmacies
15 licensed in the State;
- 16 (2) Create, modify, implement, or indirectly establish any
17 fee on a pharmacy, pharmacist, or a medicaid
18 beneficiary in the State; or
- 19 (3) Make any adjustments, modifications, or changes to a
20 pharmacy network for the managed care organization



1 with whom the pharmacy benefit manager has contracted
2 to administer medicaid benefits.

3 (b) Notwithstanding any other law to the contrary, a
4 pharmacy benefit manager contracted with a medicaid managed care
5 organization to administer medicaid benefits shall:

6 (1) Administer, adjudicate, and, when appropriate,
7 reimburse any pharmacy benefit claim submitted to the
8 managed care organization before the termination of
9 the contract between the pharmacy benefit manager and
10 the managed care organization in accordance with the
11 terms of the contract between the pharmacy benefit
12 manager and the managed care organization; and

13 (2) Not be released from its obligation to make any
14 payments owed to a pharmacy licensed in the State for
15 pharmacy services rendered before the termination of
16 the contract between the pharmacy benefit manager and
17 the managed care organization.

18 (c) Any pharmacy benefit manager who violates this section
19 shall be fined not more than \$25,000 for each separate offense.
20 Each date of violation shall constitute a separate offense. Any



1 action taken to impose or collect the penalty provided for in
2 this subsection shall be considered a civil action.

3 (d) For the purposes of this section, "medicaid managed
4 care organization" means an entity with which the department of
5 human services has contracted to serve as a managed care
6 organization as defined in title 42 Code of Federal Regulations
7 section 438.2."

8 SECTION 4. The department of human services shall submit a
9 report relating to the status of the establishment of or
10 selection of and contracting with a third-party administrator to
11 serve as the state pharmacy benefit manager pursuant to this Act
12 and its findings and recommendations, including any proposed
13 legislation, to the legislature no later than twenty days prior
14 to the convening of the regular session of 2027.

15 SECTION 5. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for fiscal year 2026-2027 for
18 the department of human services to establish or select and
19 contract with a third-party administrator to serve as the state
20 pharmacy benefit manager pursuant to this Act.



1 The sum appropriated shall be expended by the department of
2 human services for the purposes of this Act.

3 SECTION 6. The department of human services shall notify
4 the legislature and the revisor of statutes immediately upon:

- 5 (1) The establishment of the state pharmacy benefit
6 manager pursuant to this Act; or
7 (2) The awarding of a contract to a third-party
8 administrator to serve as the state pharmacy benefit
9 manager and the execution of a contract with a
10 third-party administrator to serve as the state
11 pharmacy benefit manager pursuant to this Act.

12 SECTION 7. New statutory material is underscored.

13 SECTION 8. This Act shall take effect on July 1, 2050;
14 provided that:

- 15 (1) Sections 2 and 3 shall take effect upon approval of
16 the Hawaii Medicaid state plan by the Centers of
17 Medicare and Medicaid Services; and
18 (2) Section 3 shall be repealed upon the expiration
19 of days after the establishment of, or execution
20 of a contract with a third-party administrator to



S.B. NO. 2208

1 serve as, the state pharmacy benefit manager pursuant
2 to this Act.

3

INTRODUCED BY:

 _____



S.B. NO. 2208

Report Title:

DHS; Med-QUEST Division; State Pharmacy Benefit Manager Program; Medicaid Managed Care Organization; Standard Contract Form; Spread-Pricing; Rules; Reports; Appropriation

Description:

Requires the Department of Human Services to establish or select and contract with a third-party administrator to serve as the State Pharmacy Benefit Manager (PBM) who shall be responsible for administering all pharmacy benefits for medicaid beneficiaries enrolled with medicaid managed care organization. Requires medicaid managed care organizations to contract with and utilize the State PBM. Establishes requirements to procure the State PBM in addition to the requirements under state law governing purchases of health and human services. Establishes requirements and prohibitions for the contract to be used by the DHS when contracting with the state PBM. Requires the DHS to establish a single-preferred drug list to be used by the State PBM. Requires the DHS to consult with the Med-QUEST Healthcare Advisory Committee on the development, implementation, and oversight of the State PBM program. Requires reports to the Legislature. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 21 2026

A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that allowing for
2 meaningful choice in how consumers access prescription
3 medication has numerous benefits, including cost savings,
4 convenience, and improved medication adherence.

5 As Hawaii residents continue to face economic hardship, the
6 legislature finds that there is an obligation to explore all
7 opportunities for cost savings, especially those that do not
8 compromise quality or access to care. Mail-order pharmacies can
9 reduce copayments by thirty-three per cent, improve adherence to
10 maintenance medications, and help address retail shortages that
11 often force patients to pay for higher-cost brand-name drugs or
12 visit multiple locations. These savings also extend to employer
13 groups that pay a significant share of health plan premiums
14 under the Prepaid Health Care Act.

15 With evolving technology, these potential cost savings and
16 conveniences can be passed on to consumers while preserving
17 their ability to choose how they receive their medications. By



1 expanding access to use of mail order pharmacies, the State will
2 be better able to improve access, lower prescription drug costs,
3 and support better health outcomes.

4 Accordingly, the purpose of this Act is to repeal certain
5 prohibitions on the imposition of fees, conditions, or
6 requirements on community retail pharmacies that are not imposed
7 on mail order pharmacies.

8 SECTION 2. Section 431R-3, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) A prescription drug benefit plan, health benefits
11 plan under chapter 87A, or pharmacy benefit manager who has
12 entered into a contractual retail pharmacy network agreement
13 with a retail community pharmacy shall not:

14 (1) Require a beneficiary to exclusively obtain any
15 prescription from a mail order pharmacy;

16 ~~[(2) Impose upon a beneficiary utilizing the retail~~
17 ~~community pharmacy a copayment, fee, or other~~
18 ~~condition not imposed upon beneficiaries electing to~~
19 ~~utilize a mail order pharmacy;~~

20 ~~(3) Subject any prescription dispensed by a retail~~
21 ~~community pharmacy to a beneficiary to a minimum or~~



1 ~~maximum quantity limit, length of script, restriction~~
2 ~~on refills, or requirement to obtain refills not~~
3 ~~imposed upon a mail order pharmacy;~~

4 ~~(4) Require a beneficiary in whole or in part to pay for~~
5 ~~any prescription dispensed by a retail community~~
6 ~~pharmacy and seek reimbursement if the beneficiary is~~
7 ~~not required to pay for and seek reimbursement in the~~
8 ~~same manner for a prescription dispensed by a mail~~
9 ~~order pharmacy;~~

10 ~~(5)]~~ (2) Subject a beneficiary to any administrative
11 requirement to use a retail community pharmacy that is
12 not imposed upon the use of a mail order pharmacy; or

13 ~~[(6)]~~ (3) Impose any other term, condition, or requirement
14 pertaining to the use of the services of a retail
15 community pharmacy that materially and unreasonably
16 interferes with or impairs the right of a beneficiary
17 to obtain prescriptions from a retail community
18 pharmacy of the beneficiary's choice."

19 SECTION 3. This Act does not affect rights and duties that
20 matured, penalties that were incurred, and proceedings that were
21 begun before its effective date.

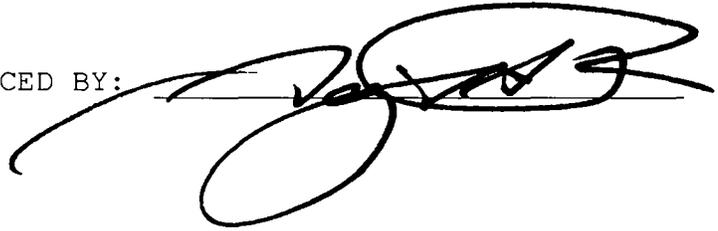


1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

4

INTRODUCED BY:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and difficult to decipher.

S.B. NO. 2283

Report Title:

Mail Order Pharmacies; Community Retail Pharmacies; Prohibitions

Description:

Repeals certain prohibitions on the imposition of fees, conditions, or requirements on community retail pharmacies that are not imposed on mail order pharmacies.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



JAN 23 2026

A BILL FOR AN ACT

RELATING TO EMERGENCY MEDICATION IN SCHOOLS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that asthma is a leading
2 chronic condition in school-aged children, affecting
3 approximately ten per cent of school-aged children in the United
4 States and afflicting Native Hawaiian children at a
5 higher-than-average rate in the State. Additionally, food
6 allergies and anaphylaxis are increasing in prevalence. As many
7 as one-quarter of school-aged children in the United States are
8 impacted by allergies, while more than forty per cent of
9 children with food allergies suffer a severe allergic reaction
10 before turning eighteen-years-old. Furthermore, an estimated
11 460,000 school-aged children in the United States have epilepsy
12 or other seizure disorders, representing approximately 0.6 per
13 cent of the student population.

14 The legislature therefore finds that access to emergency
15 medications for students with chronic health conditions is
16 essential to school safety and equity in student success.
17 Epinephrine is the first-line, life-saving treatment for



1 anaphylaxis and must be administered immediately upon
2 recognition of symptoms. Delays in administration can result in
3 severe complications or death. Similarly, timely administration
4 of asthma rescue medications can prevent respiratory distress
5 from escalating to a life-threatening emergency, and seizure
6 rescue medications administered within appropriate timeframes
7 can prevent status epilepticus, a prolonged seizure state that
8 can cause permanent neurological damage or death. As these
9 medical emergencies may occur in the classroom, cafeteria, or
10 playground, rapid response school personnel properly trained and
11 authorized to administer emergency medications serve a critical
12 role in protecting student health and safety.

13 Accordingly, the purpose of this Act is to:

- 14 (1) Establish provisions for emergency medication
15 administration by trained school personnel separately
16 from regulations for student self-administration of
17 medications;
- 18 (2) Update the terminology for anaphylaxis emergency
19 rescue medication to encompass epinephrine in all
20 forms approved by the United States Food and Drug
21 Administration, including but not limited to



1 auto-injectors, pre-filled syringes, and nasal sprays,
2 ensuring that new technologies and easy-to-use devices
3 are included by applicable state laws;

4 (3) Expand the scope of covered emergency medications to
5 include asthma rescue inhalers and seizure rescue
6 medications, recognizing that these interventions are
7 medically necessary, life-saving, and appropriate for
8 administration by trained school personnel in
9 emergency situations; and

10 (4) Extend liability protections for public schools,
11 school personnel, and medical providers acting in good
12 faith to save lives, while maintaining essential
13 safeguards including requirements for parent or
14 guardian authorization, prescriptions from licensed
15 medical practitioners, and training by qualified
16 health care providers.

17 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
18 amended by adding a new section to subpart F of part III to be
19 appropriately designated and to read as follows:

20 "§302A- Emergency administration of medication by
21 volunteer; assistance with diabetes testing, blood glucose



1 monitoring, and inhalers; permitted. (a) Employees and agents
2 of a public school, including school health assistants, who
3 volunteer, may administer epinephrine, glucagon, seizure rescue
4 medication, and inhalers to a student in emergency situations;
5 provided that the administration of medication meets the
6 requirements of this section.

7 (b) Employees and agents of a public school who volunteer
8 may administer:

9 (1) Insulin or assist a student in administering insulin
10 via the insulin delivery system that the student uses;
11 and

12 (2) Blood glucose monitoring or assist a student with
13 blood glucose monitoring;

14 provided that the administration of insulin or blood glucose
15 monitoring meets the requirements of this section.

16 (c) In the case of the administration of emergency
17 medication prescribed to a specific student, including
18 epinephrine, glucagon, seizure rescue medication, and inhalers:

19 (1) The student's parent or guardian shall provide the
20 public school with:



1 administration of epinephrine, glucagon, seizure
2 rescue medication, or inhalers by a licensed
3 physician, physician assistant, registered nurse,
4 advanced practice registered nurse, or other qualified
5 licensed health care professional.

6 (d) In the case of the administration of, or assistance in
7 the administration of, insulin or blood glucose monitoring to a
8 student:

9 (1) The student's parent or guardian shall provide the
10 public school with:

11 (A) A written request and authorization from the
12 parent or guardian for the administration of
13 insulin or blood glucose monitoring;

14 (B) Written medical orders for the administration of
15 insulin or blood glucose monitoring from the
16 student's physician, advanced practice registered
17 nurse, physician assistant, or other practitioner
18 with prescriptive authority; and

19 (C) The supply of insulin prescribed to the student
20 and any supplies necessary to administer insulin



1 or blood glucose monitoring, as required for the
2 requested administration or assistance;

3 (2) The permission shall be effective for the school year
4 for which the permission is granted and shall be
5 renewed for each subsequent school year upon the
6 fulfillment of the requirements pursuant to this
7 section;

8 (3) The public school may store the student's medication
9 and related supplies in a secure but accessible
10 location; and

11 (4) Any employee or agent who volunteers to administer
12 insulin or blood glucose monitoring shall receive
13 instruction in the proper administration of insulin or
14 blood glucose monitoring by a licensed physician,
15 physician assistant, registered nurse, advanced
16 practice registered nurse, or certified diabetes
17 educator.

18 (e) The department shall permit its employees and agents
19 to volunteer to administer:

20 (1) Insulin, or assist a student in administering insulin,
21 via the insulin delivery system that the student uses;



1 (2) Glucagon in an emergency situation to students with
2 diabetes;

3 (3) Epinephrine in an emergency situation to students with
4 anaphylaxis;

5 (4) Blood glucose monitoring, or assist a student with
6 blood glucose monitoring;

7 (5) Seizure rescue medication in an emergency situation to
8 students with epilepsy or other seizure disorders; or

9 (6) An inhaler in an emergency situation to students with
10 asthma or other chronic lung diseases.

11 (f) The department or public school shall inform the
12 student's parent or guardian in writing that the department or
13 public school and its employees and agents shall not incur any
14 liability as a result of any injury arising from compliance with
15 this section.

16 (g) The student's parent or guardian shall sign a
17 statement acknowledging that:

18 (1) The department or public school and its employees and
19 agents shall not incur any liability as a result of
20 any injury arising from compliance with this section;
21 and



1 (2) The parent or guardian shall indemnify and hold
2 harmless the department or public school and its
3 employees and agents against any claims arising out of
4 compliance with this section.

5 (h) Any public school or person, including the health
6 professionals providing training to persons who volunteer
7 subject to this section, the prescribing physician, physician
8 assistant, advanced practice registered nurse, or other
9 practitioner with prescriptive authority, and the pharmacist or
10 pharmacy dispensing the prescription, who acts in accordance
11 with the requirements of this section, shall be immune from any
12 civil or criminal liability arising from these acts, except
13 where the person's conduct would constitute gross negligence,
14 wilful and wanton misconduct, or intentional misconduct.

15 (i) As used in this section:

16 "Bronchodilators" includes any medication used for the
17 quick relief of asthma symptoms that dilates the airways and is
18 recommended by the National Heart, Lung, and Blood Institute's
19 National Asthma Education and Prevention Program guidelines for
20 the treatment of asthma. "Bronchodilators" may include an
21 orally inhaled medication that contains a premeasured single



1 dose of albuterol or albuterol sulfate delivered by a nebulizer
2 (compressor device) or by a metered dose inhaler used to treat
3 respiratory distress, including wheezing, shortness of breath,
4 and difficulty breathing, or another dosage of a bronchodilator
5 recommended in the guidelines for the treatment of asthma.

6 "Epinephrine" includes any device available by prescription
7 that is designed to deliver a premeasured dose of epinephrine,
8 including auto-injection devices, nasal spray devices, or oral
9 formulation.

10 "Glucagon" includes any device available by prescription
11 that is designed to deliver a premeasured dose of glucagon or
12 dasiglucagon, including injection kits, auto-injection devices,
13 or nasal spray devices.

14 "Inhaler" includes:

- 15 (1) Metered-dose, breath-actuated, and dry powder
16 inhalers;
17 (2) Spacers and holding chambers; and
18 (3) Bronchodilators.

19 "Seizure rescue medication" includes any medication or
20 device prescribed for use in an emergency situation to stop a



1 seizure or prevent a seizure from becoming more severe, which is
2 delivered as a premeasured dose."

3 SECTION 3. Section 302A-1164, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§302A-1164 **Self-administration of medication by student**
6 **[and emergency administration]; self-testing and self-management**
7 **of diabetes by student; [assistance with diabetes testing,]**
8 **blood glucose monitoring by student; [assistance with blood**
9 **glucose monitoring,] permitted.** (a) The department shall
10 permit[÷

11 ~~(1) The]~~ the self-administration of[÷

12 ~~(A) Medication]~~ medication by a student for asthma,
13 anaphylaxis, diabetes, or other potentially
14 life-threatening illnesses[÷] and

15 [~~(B) Blood]~~ blood glucose monitoring by a student[÷
16 and

17 ~~(2) Department employees and agents to volunteer to~~
18 ~~administer:~~

19 ~~(A) Insulin or assist a student in administering~~
20 ~~insulin via the insulin delivery system that the~~
21 ~~student uses;~~



- 1 ~~(B) Glucagon in an emergency situation to students~~
- 2 ~~with diabetes;~~
- 3 ~~(C) Auto-injectable epinephrine in an emergency~~
- 4 ~~situation to students with anaphylaxis; or~~
- 5 ~~(D) Blood glucose monitoring or assist a student with~~
- 6 ~~blood glucose monitoring].~~

7 (b) The student's parent or guardian shall provide the
8 department with:

- 9 (1) Written authorization from the parent or guardian for
- 10 the self-administration of medication [~~or the~~
- 11 ~~emergency administration of glucagon or auto-~~
- 12 ~~injectable epinephrine;~~] by the student;
- 13 (2) In the case of self-administration of medication[~~+~~
- 14 ~~(A) written~~] or blood glucose monitoring by a student
- 15 with diabetes, written certification from the
- 16 student's physician, advanced practice registered
- 17 nurse, [~~or~~] physician assistant, or other
- 18 qualified health care provider stating that the
- 19 student with diabetes may perform the student's
- 20 own blood glucose checks, administer insulin
- 21 through the student's insulin delivery system,



1 and otherwise attend to the care and management
2 of the student's diabetes during any
3 school-related activity, and that the student may
4 possess on the student's person all necessary
5 supplies and equipment to perform the diabetes
6 monitoring and treatment activities, if
7 applicable; and

8 ~~[(B)]~~ (3) Written certification from the student's
9 physician, advanced practice registered nurse, ~~[or]~~
10 physician assistant, or other qualified health care
11 provider stating that the student:

12 ~~[(i)]~~ (A) Has asthma, anaphylaxis, diabetes, or
13 another potentially life-threatening illness; and

14 ~~[(ii)]~~ (B) Is capable of, and has been instructed
15 in, the proper method of self-administration of
16 medication or blood glucose monitoring ~~[, and~~

17 ~~(3) In the case of administration of insulin or emergency~~
18 ~~administration of glucagon to a student with diabetes,~~
19 ~~blood glucose monitoring of a student, or auto-~~
20 ~~injectable epinephrine to a student with anaphylaxis,~~
21 ~~written certification from the student's physician,~~



1 ~~advanced practice registered nurse, or physician~~
2 ~~assistant stating that the student has medical orders~~
3 ~~that insulin, glucagon, blood glucose monitoring, or~~
4 ~~auto-injectable epinephrine may be administered by a~~
5 ~~volunteer].~~

6 (c) The department shall inform the student's parent or
7 guardian in writing that the department and its employees or
8 agents shall not incur any liability as a result of any injury
9 arising from compliance with this section.

10 (d) The student's parent or guardian shall sign a
11 statement acknowledging that:

12 (1) The department and its employees or agents shall not
13 incur any liability as a result of any injury arising
14 from compliance with this section; and

15 (2) The parent or guardian shall indemnify and hold
16 harmless the department and its employees or agents
17 against any claims arising out of compliance with this
18 section.

19 (e) The permission shall be effective for the school year
20 for which it is granted and shall be renewed for each subsequent



1 school year upon the fulfillment of the requirements in this
2 section.

3 (f) Notwithstanding any other law to the contrary, a
4 student who is permitted to self-administer medication under
5 this section shall be permitted to carry ~~[an inhaler or~~
6 ~~auto-injectable epinephrine, or both,]~~ the medication, and any
7 devices necessary to perform the permitted self-administration
8 of medication, at all times if the student does not endanger the
9 student's person or other persons through the misuse of the
10 ~~[inhaler,]~~ permitted medication or devices; provided that the
11 department~~[,]~~ or its employees or agents may confiscate a
12 student's medication~~[, inhaler, or auto-injectable epinephrine]~~
13 or devices if the student's self-administration of the
14 medication exceeds the student's prescribed dosage, or if the
15 student endangers others with the student's medication~~[,~~
16 ~~inhaler, or auto-injectable epinephrine.]~~ or device.

17 ~~[For the purposes of this section, the term "inhaler"~~
18 ~~includes:~~

- 19 ~~(1) Metered dose, breath-actuated, and dry powder~~
20 ~~inhalers; and~~
- 21 ~~(2) Spacers and holding chambers.~~



1 ~~(g) Any employee or agent who volunteers to administer~~
2 ~~insulin or glucagon in an emergency situation to a student with~~
3 ~~diabetes or auto-injectable epinephrine to a student with~~
4 ~~anaphylaxis or who volunteers to administer or assist a student~~
5 ~~with blood glucose monitoring shall receive instruction in the~~
6 ~~proper administration of insulin, glucagon, auto-injectable~~
7 ~~epinephrine, or blood glucose monitoring by a qualified health~~
8 ~~care professional. A "qualified health care professional" means~~
9 ~~a licensed physician, physician assistant, advanced practice~~
10 ~~registered nurse or registered nurse, or certified diabetes~~
11 ~~educator. The student's parent or guardian shall supply the~~
12 ~~school with the glucagon kit required to administer the~~
13 ~~glucagon, any supplies necessary to administer insulin, blood~~
14 ~~glucose monitoring, or with auto-injectable epinephrine supplies~~
15 ~~to administer epinephrine. The school shall store the glucagon~~
16 ~~kit, insulin supplies, blood glucose monitoring supplies, or~~
17 ~~auto-injectable epinephrine supplies in a secure but accessible~~
18 ~~location.~~

19 ~~(h)]~~ (g) Any person~~[, except for a qualified health care~~
20 ~~professional providing the training required in subsection (g),]~~
21 who acts in accordance with the requirements of this section



1 shall be immune from any civil or criminal liability arising
2 from these acts, except where the person's conduct would
3 constitute gross negligence, wilful and wanton misconduct, or
4 intentional misconduct."

5 SECTION 4. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect upon its approval.
8

INTRODUCED BY:

Michelle A. Stelone



S.B. NO. 2610

Report Title:

Department of Education; Public Schools; Emergency Medication Administration and Assistance; Protocol; Blood Glucose Monitoring; Diabetes Testing; Seizure Rescue Medication; Inhalers; School Health Assistants; Prescriptions; Indemnification

Description:

Establishes provisions regarding the volunteered administration of certain medications by authorized persons at public schools, including requirements for parent authorization, administration instruction, and liability protections. Expands permitted emergency treatments to include epinephrine, inhalers, seizure rescue medication, glucagon, insulin, and blood-glucose monitoring.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

