

1 **§346-B Calculation.** The calculation of the average
2 wholesale price and the wholesale acquisition cost shall be net
3 of all volume discounts, prompt payment discounts, charge-backs,
4 short-dated product discounts, cash discounts, free goods,
5 rebates, and all other price concessions or incentives provided
6 to a purchaser that result in a reduction in the ultimate cost
7 to the purchaser.

8 **§346-C Description of methodology.** When reporting the
9 average wholesale price, wholesale acquisition cost, average
10 manufacturer price, and best price, a manufacturer of
11 prescription drugs dispensed in this State shall also include a
12 detailed description of the methodologies by which the prices
13 were calculated.

14 **§346-D Certification.** When a manufacturer of prescription
15 drugs dispensed in this State reports the average wholesale
16 price, wholesale acquisition cost, average manufacturer price,
17 or best price, the president or chief executive officer of the
18 manufacturer shall certify to the director, on a form provided
19 by the director, that the reported prices are accurate.

20 **§346-E Confidentiality.** Except as provided in this part,
21 all information provided to the director by a manufacturer of
22 prescription drugs under this part is confidential and shall not



1 be disclosed by any person or by the department to any person
2 without the consent of the manufacturer; provided that
3 disclosure may be:

- 4 (1) Made by the department to an entity providing services
5 to the department under this part; or
- 6 (2) Ordered by a court for good cause shown or made in a
7 court filing under seal or until otherwise ordered by
8 a court.

9 **§346-F Violation.** (a) A violation of this part shall be
10 deemed an unfair or deceptive act or practice under section 480-
11 2. This section shall be enforced by the attorney general.

12 (b) Nothing in this part limits the attorney general's use
13 of civil investigative demand authority under chapter 480 to
14 investigate violations of this part.

15 **§346-G Funding restriction.** The department's costs for
16 implementing this part shall be funded by revenues that the
17 attorney general has received as a result of consumer protection
18 litigation involving pharmaceutical pricing or practices.
19 General funds may not be expended for the purposes of this part.

20 **§346-H Reporting.** Manufacturers of prescription drugs
21 subject to section 346-A shall begin the submission of quarterly



1 reports at the end of the first full calendar quarter after the
2 effective date of this part."

3 SECTION 2. Section 28-13, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There is established in the state treasury the
6 antitrust trust fund, into which shall be deposited:

- 7 (1) Ten per cent of any antitrust judgment or settlement
8 received by the State except where the deposit is
9 inconsistent with the court order or settlement
10 agreement relating to the amount; provided that
11 amounts received due to litigation involving
12 pharmaceutical pricing or practices shall be expended
13 as provided in part of chapter 346; and
14 (2) Appropriations made by the legislature."

15 SECTION 3. When the attorney general receives revenues
16 based upon consumer protection litigation involving
17 pharmaceutical pricing or practices and the attorney general
18 designates these revenues as available to implement this Act,
19 the attorney general shall submit a letter to the director of
20 human services that informs the director of these facts.
21 Section 1 of this Act shall take effect thirty days after the
22 director receives the letter from the attorney general.



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

5 SECTION 5. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval;
 7 provided that this Act shall be repealed if the attorney general
 8 has not received by June 30, 2012 any revenues from consumer
 9 protection litigation involving pharmaceutical pricing or
 10 practices.

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Report Title:

Prescription Drugs; Manufacturer Disclosure

Description:

Requires quarterly reports that disclose the average wholesale price, wholesale acquisition cost, average manufacturer price, and best price for each of the manufacturer's drugs from manufacturers of certain prescription drugs dispensed in this State.

