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**PRESENTATION OF THE
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND AFFORDABLE HOUSING

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Tuesday, February 26, 2008
9:00 a.m.

**TESTIMONY ON SENATE BILL NO. 2459, S.D. 1, RELATING TO REMOTE
DISPENSING.**

TO THE HONORABLE RUSSELL S. KOKUBUN, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Noe Noe Tom, Licensing Administrator of the Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs. Thank you for the opportunity to testify on S.B. 2459, S.D.1, relating to remote dispensing. Our testimony is focused on Section 4, which we oppose. We defer to the Board of Pharmacy on the other substantive issues in the bill.

As Section 4 provides, the Department is to submit an annual study for four (4) years on the use of remote dispensing machines and their financial impact, if any, on local pharmacies within a ten mile radius.

The first concern we have is that there is no requirement in the bill for pharmacies to notify the Board of Pharmacy or the Department that they are utilizing remote dispensing machines. As such, we would not have information to report on who is using this new technology. There is also no mechanism for reporting by a pharmacy utilizing remote dispensing machines or a local pharmacy that they are within a ten mile radius of each other. Thus, we would have no information on who would fall into the affected group to be studied on the financial impact aspect.

The other concern we have with the bill is that it requires the Department to do an analysis on the financial impact between different forms of businesses. Envisioning that the Professional and Vocational Licensing Division will be tasked with this study, we do not have the expertise or know how to do such an analysis. We conjecture that this would be similar to what the Department of Business, Economic Development and Tourism does on gathering financial, geographical, economic, and statistical data and attempting to use that data to determine market and economic forces and consequences. This is something we are not prepared to do.

Should the Committee simply want a report on the use by pharmacies of remote dispensing machines and the bill is amended to include reporting mechanisms by such pharmacies, this is likely something we can do. We see no ability however, to fulfill the other aspect of the study to determine financial impact on local pharmacies.

We ask your consideration in reviewing Section 4 in light of the above and re-define the Department's role to more accurately reflect what it is capable of doing.

Thank you for the opportunity to testify on S. B. 2459, S.D. 1.

**PRESENTATION OF THE
BOARD OF PHARMACY**

TO THE SENATE COMMITTEE ON COMMERCE,
CONSUMER PROTECTION, AND AFFORDABLE HOUSING

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Tuesday, February 26, 2008
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 2459, S.D. 1, RELATING TO REMOTE DISPENSING.

TO THE HONORABLE RUSSELL S. KOKUBUN, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Dr. Elwin Goo, Chair of the Board of Pharmacy ("Board") and I appreciate the opportunity to present testimony on behalf of the Board. Subject to amendments to Senate Bill No. 2459, S.D. 1, which the Board believes would benefit more residents of the State of Hawaii and would allow the Board to keep track of those remote dispensing pharmacies, the Board would support this bill.

The purpose of S.B. No. 2459, S.D. 1, is to permit pharmacists and pharmacies to utilize remote dispensing technology. This bill includes requirements and criteria for the use of such technology to ensure the safe handling and dispensing of prescription medications for patient safety and the restriction that a remote dispensing pharmacy may not be operated in any county with a population greater than one hundred thousand residents or if located within ten miles of an existing pharmacy in a county with a population greater than one hundred thousand.

The Board has concerns with the "ten mile radius of an existing pharmacy" restriction for those populated areas of more than one hundred thousand residents. The Board understands that the reason for the ten mile radius restriction was the Legislators' concerns for the independent pharmacies that may be financially impacted by a nearby remote dispensing pharmacy. Although a reasonable concern, there are no restrictions on opening a pharmacy adjacent to another pharmacy. There are 227 permitted pharmacies in this State with a

population of 1,285,190. Geographically, Hawaii is quite small and ten miles covers a lot of ground for an island state such as ours. Also, inserting a distance restriction would prevent other Hawaii residents from having access to their prescription medications since they live in a populated county, including the under privileged and under served Hawaii residents that, if they qualify, can obtain their prescription drugs for free from participating federally funded health clinics.

Also, in the original S.B. No. 2459, Section 5 included amendments to Chapter 461, HRS that required pharmacies who managed a remote dispensing pharmacy to notify the Board of all locations, however, this section was eliminated in Senate Draft 1. It is imperative that the Board be aware of any pharmacy utilizing the remote dispensing technology. As an extension of the permitted pharmacy, it is important that the Board has information on every location from which drugs are dispensed in this State.

In closing, the Board supports the practice of remote dispensing but believes it is a technology that should be afforded to all pharmacies so that residents of a county with a population greater than one hundred thousand will also be afforded easier access to prescription medications to meet their healthcare needs and that the notification requirement of the location of all remote dispensing pharmacies be required to be reported to the Board.

Thank you for the opportunity to testify on Senate Bill No. 2459, S.D. 1, and we ask for your consideration to eliminate the ten mile radius restriction for counties with a population of more than one hundred thousand residents and to reinsert the language from Section 5 of the original S.B. No. 2459.



HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY
Kauai County Subarea Health Planning Council

Senator Russell S. Kokubun, Chair

Senator David Y. Ige, Vice Chair

Senate Committee on Commerce, Consumer Protection, and Affordable Housing

Kauai County Subarea Health Planning Council: Alan Kimura, Chair, Lili-Bryan Conant,
Zachary Octavio, Elizabeth Ubay

February 26, 2008

Subject: Testimony in Strong Support – SB2459, SD1 Relating to Remote Dispensing

Until recently, many underserved, rural Kauai County patients received discounted essential medications via telepharmacy at two federally qualified health centers (Hoola Lahui Hoola) in Waimea and Kapaa. Affordability of and accessibility to essential medications are long-standing barriers to good health for the underserved.

We, therefore, **STRONGLY SUPPORT SB2459, SD1**.

Telepharmacy may also have the potential to assist many insured patients statewide who are struggling with the high cost of drugs and its accessibility during evenings/weekends and from outlying areas.

Thank you for the opportunity to testify.

cc: Senator Gary Hooser, 7th Senatorial District
Representative Hermina Morita, 14th Representative District
Representative James Tokioka, 15th Representative District
Representative Roland Sagum, 16th Representative District

Testimony of
Phyllis Dendle
Director of Government Affairs

Senate Committee on Commerce, Consumer Protection, and Affordable Housing
The Honorable Russell S. Kokubun, Chair
The Honorable David Y. Ige, Vice Chair

February 26, 2008
9:00 am
Conference Room 229

SB 2459 SD1 RELATING TO REMOTE DISPENSING

Chair Kokubun and committee members, thank you for this opportunity to provide testimony on SB 2459 SD1 permitting the remote dispensing of pharmaceuticals.

Kaiser Permanente Hawaii supports the intent of this bill.

We support legislating remote dispensing because we think we will see improved compliance with drug therapy if patients have immediate access to their prescriptions and this will offer access to medication in places where a pharmacist is unavailable onsite. With a nationwide shortage of pharmacists it is not just geographically isolated locations that would not have a pharmacist or a pharmacy available. We think that the benefits of remote dispensing should be available throughout the state and not just in smaller counties. Rural areas of Oahu would benefit from the use of remote dispensing.

For this reason we request the following amendments:

1. Deletion of Lines 14-16 on page one and lines 1-2 on page two. This would delete the geographical limitations on remote dispensing.
2. With the first amendment, section 4 of the bill (line 13-20 on page 9) becomes unnecessary.
3. With no report required, a sunset date is not need so we request deletion of line 2 on page 10.

Thank you for your consideration.

HMSA



Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

February 25, 2008

The Honorable Russell Kokubun, Chair
The Honorable David Ige, Vice Chair

Senate Committee on Commerce, Consumer Protection and Affordable Housing

Re: SB 2459 SD1 – Relating to Remote Dispensing

Dear Chair Kokubun, Vice Chair Ige and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2459 SD1 which would permit the operation of remote dispensing pharmacies. HMSA supports this measure.

This measure would give individuals in rural areas of the state the ability to gain access to their prescription medications in their own community. Through the use of state-of-the-art telecommunications technology, pharmacists are able to dispense medications to patients at a distance. Telepharmacy will help expand access to quality health care to primarily rural and medically underserved areas.

Thank you for the opportunity to testify on SB 2459 SD1.

Sincerely,

Jennifer Diesman
Director, Government Relations

February 25, 2008

SUBMITTED BY: RICHARD BETTINI
CHIEF EXECUTIVE OFFICER
WAIANAEO COAST COMPREHENSIVE HEALTH CENTER

TESTIMONY TO: COMMITTEE ON COMMERCE, CONSUMER
PROTECTION, AND AFFORDABLE HOUSING

BILL NUMBER: SB 2459 SD 1; REMOTE DISPENSING PHARMACY

The Health Center **supports** SB 2459 SD 1 **EXCEPT** for the following limitation:

A remote dispensing pharmacy shall not be operated in any county with a population greater than one hundred thousand residents or within a ten mile radius of an existing pharmacy if the population is greater than one hundred thousand residents, which means that only the County of Kauai would qualify.

Limiting Remote Dispensing to a county with less than 100,000 residents is not acceptable.

We would like to recommend the following amendment:

A remote dispensing pharmacy shall be allowed at 340B pharmacies operated by Federally Qualified Health Centers.

Federally Qualified Health Centers in several remote areas on several islands, including the Waianae Coast Comprehensive Health Center on Oahu, already have Remote Dispensing equipment and systems ready to serve patients. We understand the needs of our communities, are prepared to meet the needs of our patients, and are responsible for addressing barriers that impact the health of our patients.

For the Waianae Coast Comprehensive Health Center, that provides over \$100,000 in free medicines to patients each year, remote dispensing is part of the answer to help get much needed medicines to the homeless and those with limited transportation options, the majority who are faced with multiple chronic conditions.

We strongly ask that the bill be amended with the recommended language.

Thank you.

testimony

From: David Peters [dpkauai@hawaii.rr.com]
Sent: Friday, February 22, 2008 8:31 PM
To: testimony
Subject: Support of SB 2459, SD1

Date: January 23, 2008

To: COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND AFFORDABLE HOUSING

Senator Russell S. Kokubun, Chair
Senator David Y. Ige, Vice Chair

From: David Peters
Chief Executive Officer
Ho`ola Lahui Hawai`i

TESTIMONY IN SUPPORT

SB 2459, SD1 Relating to Remote Dispensing

*Tuesday, February 26, 2008
9:00 AM Conference Room 229*

We strongly **SUPPORT** this bill which will restore telepharmacy services at Ho`ola Lahui Hawai`i, a federally qualified health center and a Native Hawaiian Health Care System. This critical service provides acute medications to patients directly at each of the two clinic sites operated by HLH. This is especially important for uninsured patients who would not otherwise obtain the drugs they need to improve their immediate health. HLH provides these medications at a reduced cost to those who otherwise would not be able to afford these medications. The technology allows HLH to reduce costs further by having a central pharmacy location dispense using the machines to dispense acute medications at each clinic.

The telepharmacy service was stopped in April of 2007 due to a change in clarification made by the Hawaii Board of Pharmacy which stated that a pharmacist must be onsite to dispense medications from the machines negating the need for the technology, increasing the costs to dispense the necessary medications, and decreasing the patient's access to the medications.

This bill is necessary for Ho`ola Lahui Hawai`i to resume this needed service in our health centers.

Thank you for the opportunity to testify in strong support of this bill.

2/22/2008

February 26, 2008

To: **The Senate Committee on Commerce, Consumer Protection, and Affordable Housing**
The Honorable Russell S. Kokubun, Chair
The Honorable David Y. Ige, Vice Chair

Testimony in SUPPORT of Senate Bill 2459
Relating to Remote Dispensing

Submitted by Grace Kamai, Ho`ola Lahui Hawai`i, Board Director
February 26, 2008, 9:00 a.m. agenda, Room 229

I strongly **support** this bill which will restore telepharmacy services at Ho`ola Lahui Hawai`i (HLH), a Federally Qualified Health Center and a Native Hawaiian Health Care System. This critical service provides acute medication to patients directly at each of the two clinic sties operated by HLH. This is especially important for uninsured patients who would not otherwise obtain the drugs they need to improve their immediate health. HLH provides these medications at a reduced cost to those who otherwise would not be able to afford these medications. The technology allows HLH to reduce costs further by having a central pharmacy location dispense using the machines to dispense acute medications at each clinic.

The telepharmacy service was stopped in April of 2007 due to a change in clarification made by the Hawaii Board of Pharmacy which stated that a pharmacist must be onsite to dispense medications from the machines negating the need for the technology, increasing the costs to dispense the necessary medications, and decreasing the patients' access to the medications.

This bill is necessary for Ho`ola Lahui Hawai`i to resume this needed service in our health centers.

Thank you for the opportunity to testify in strong support of this bill.