

SB2882

Measure Title:
RELATING TO CONTROLLED SUBSTANCES.

Report Title:
Mail Service Pharmacies; ID For Dispensing Controlled Substances

Description:
Authorizes the use of a payor provided identification number in mail-order prescriptions.

Introducer(s):
BAKER, IGE

Current Referral:
HTH



To: Chair David Ige, Members of the Senate Committee on Health
From: Cynthia Laubacher, Senior Director, State Government Affairs
Medco Health Solutions, Inc.
Hearing Date: February 25, 2008
Re: SB 2882, Relating to Controlled Substances: Valid Identification

Medco Health Solutions supports SB 2882 to address a problem in existing law that impacts our ability to dispense controlled substances by mail. Medco is the nation's largest pharmacy benefits manager and mail order pharmacy administering the prescription drug benefit to over 65 million Americans including more than 150,000 residents of Hawaii.

For many years Medco has dispensed controlled substances by mail to our patients in Hawaii. In doing so, we report various information to the state as required by law, including the unique patient identifier either assigned by us or provided to us by our clients for identification and verification of eligibility. The state notified us that this unique identifier is unacceptable and that they will prohibit us from dispensing by mail unless we obtain one of several forms of identification required under current law. We are working with the state to comply with the law, but doing so at the expense of the residents. We are forced to reject prescriptions when we can't reach the patient's by phone to obtain their driver's license or other approved government identification number.

Existing law requires pharmacies to report specified information to the state when dispensing a controlled substance, including a patient's "identification number." This is defined in Section 329-1 as a driver's license, state or military identification number, passport number if from a foreign country, Social Security Number if none of the others is available, or a parent's identification number if under the age of 18. SB 2882 proposes to amend the definition of identification number to include "a unique identifier assigned to the individual by the payor or pharmacy benefit manager." We would like to propose an additional amendment to include "insurer" because some insurers also own and operate a mail pharmacy and assign a unique identifier to their members.

Our clients - health plans, unions, employers, public agencies - are prohibited from using a Social Security Numbers as a patient identifier in most, if not all, states. As a result, they have created unique patient identifiers which they provide to us to positively identify a member and verify eligibility. We do not dispense drugs to the general public. We only dispense to patients who come to us based on our relationship with our clients. Eligibility of members is verified by Medco's clients through eligibility data transferred to Medco. As such, we know who we are dealing with when we receive a prescription to process. Additionally, we have in place a number of programs geared to detecting prescription fraud and abuse. For example, we have programs that detect if a patient is attempting to fill multiple scripts for a controlled substance in an inappropriate time-frame.

Mail service pharmacies do not ever physically see a patient, therefore a photo ID serves no value in verifying identification. The law must be balanced against the interruption or delay in therapy that will result from enforcement of existing requirements in the case of mail. The health and safety of patients must take precedence over an ineffective law as legitimate mail order pharmacies have numerous other mechanisms in place to verify identity and guard against fraud and abuse.

The integrity of the state's electronic controlled substances tracking system will remain intact if not, in fact, strengthened for purposes of preventing fraud and abuse, and patients will retain an effective tool for controlling their prescription drug costs through the use of mail.

For these reasons, Medco respectfully requests your support for SB 2882.

Thank you.

HMSA



An Independent Division of the Blue Cross and Blue Shield Association

February 25, 2008

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair
Senate Committee on Health

Re: SB 2882 – Relating to Controlled Substances

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2882 which would authorize the use of a payor provided identification number in mail-order prescriptions. HMSA has concerns with this measure.

The language in this measure regulates the dispensation of controlled substances and the types of identification which must be presented by an individual to receive these medications. Under current statute an individual is required to present a photo identification such as a driver's license, state ID card or military ID to receive a controlled substance from a pharmacist. This ensures that the medication is being given to the person to whom it was prescribed.

The changes in SB 2882 would allow for someone to present an identification card issued by a health plan in lieu of photo identification. We believe that this change weakens the current statute by potentially allowing someone other than the person for whom the medication was intended to receive a controlled substance. Additionally, allowing a health plan's identification card to be used for this purpose could expose a health plan to unintended liabilities.

HMSA's membership cards are not intended to be used for any official identification purpose. Statutorily allowing for these cards to be utilized in this fashion could expose HMSA to unwarranted risk if a pharmacist uses this to verify an individual's identification and it turns out that the person presenting the card was using someone else's card in a fraudulent fashion.

We believe that requiring a photo ID is the proper method to ascertain an individual's identity when controlled substances are being provided. Thank you for the opportunity to provide testimony on SB 2882.

Sincerely,

Jennifer Diesman
Director, Government Relations

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WRITTEN



February, 22, 2008

SENATE COMMITTEE ON HEALTH

Sen. David Ige, Chair

Sen. Carol Fukunaga, Vice Chair

Re: TESTIMONY ON Senate Bill 2882, A BILL RELATING TO CONTROLLED SUBSTANCES

Monday, February 25, 2008, 1:15 p.m.

State Capitol, Conference Room 016

Dear Chair Ige and Members of the Committee:

I am submitting written testimony on behalf of Express Scripts, Inc. (ESI) in strong support of Senate Bill 2882. Express Scripts provides the pharmacy benefit for millions of Americans through employers, managed-care plans, unions and governmental entities.

Current Hawaii law requires a patient who might choose to save money on a prescribed controlled substance by using a mail service pharmacy to first provide to that pharmacy a copy of some form of government-issued identification or their social security number.

This is problematic for several reasons. First, health plans and other payers are prohibited from using a social security number as a patient identifier. Moreover, many people who would like to have the option to save money and control their prescription drug costs are uncomfortable with sharing either their social security number or government-issued identification card.

It is almost universal in the administration of prescription drug benefit plans to identify a beneficiary and verify that beneficiaries eligibility through the use of a unique patient identifier number created by a plan sponsor or pharmacy benefit manager. Senate Bill 2882 would allow mail service pharmacies to rely upon that unique patient identifier number, which will both ease the potential means and expand the choices available to patients when they're deciding how they'd like to receive a prescribed drug and manage their prescription drug costs.

Express Scripts strongly supports SB 2882 and appreciates the committee considering our testimony.

Sincerely,

Michael Harrold
Senior Director, State Government Affairs
Express Scripts