

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 17, 2010

The Honorable Robert Herkes, Chair
The Honorable Glenn Wakai, Vice Chair
House Committee on Consumer Protection and Commerce

Re: HB 2096 HD1 – Relating to Prescription Drugs

Dear Chair Herkes, Vice Chair Wakai and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2096 HD1 which would create a Drug Formulary Advisory Board (Board) to establish prescription drug formularies and prior authorization requirements. HMSA has concerns with this measure.

The requirements relating to the Board's functions, as outlined within HB 2096, are actually quite similar to processes currently in place at HMSA. Our organization facilitates many committees which are frequently engaged in an advisory capacity. Members of these committees typically consist of practicing physicians, much like the Board membership outlined HB 2096 HD1.

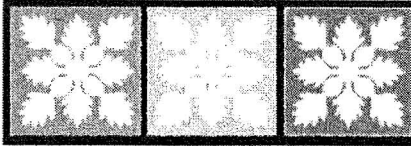
As an example, HMSA's Pharmacy and Therapeutic (P&T) Committee consists of physicians, pharmacists, and other health care providers from different specialties who advise HMSA regarding safe and effective use of medications. The principles that HMSA's P&T Committee employ include determining if a drug is safe, effective (evidenced-based), convenient (high likelihood of compliance) and, if there is an equally effective, less costly alternative.

We believe that the creation of the Board will be administratively expensive, potentially cumbersome and will overlap many of the processes already in place. As such, we respectfully request the Committee hold HB 2096 HD1.

Thank you for the opportunity to testify today.

Sincerely,

Jennifer Diesman
Vice President
Government Relations



Hawaii Association of Health Plans

February 17, 2010

The Honorable Robert N. Herkes, Chair
The Honorable Glenn Wakai, Vice Chair
House Committee on Consumer Protection and Commerce

Re: HB 2096 HD1 – Relating to Prescription Drugs

Dear Chair Herkes, Vice Chair Wakai and Members of the Committee:

My name is Howard Lee and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare
Hawaii Medical Assurance Association
HMSA
Hawaii-Western Management Group, Inc.

MDX Hawai‘i
University Health Alliance
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

HAHP appreciates the opportunity to testify on HB 2096 HD1 which would require health plans to make decisions on their drug formularies and prior authorization requirements based on decisions made by a drug formulary board (Board) consisting of health care providers. HAHP has concerns about HB 2096 HD1.

All health plans in the state currently maintain standards regarding drug formularies and benefits requiring prior authorizations. The protocol and processes behind these decisions are not made frivolously or arbitrarily. Most plans employ the use of health care providers in the community to provide input and assist with the framework and maintenance of these important health plan components.

We believe that the language contained in HB 2096 HD1 is duplicative, will lead to increased cost and will remove the ability of a health plan to manage and react quickly to changes which need to be made. While the measure does give health plans the ability to provide governance and create rules pertaining to the Board, we do not feel that the

creation of the Board will provide value to our members or additional insight into these matters that is not already being taken into account.

For the reason above, we respectfully oppose passage of HB 2096 HD1. Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in cursive script that reads "Howard Lee".

Howard Lee
President



HAWAII MEDICAL ASSOCIATION

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Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

Wednesday, February 17, 2010, 2:00 pm, Conference Room 325

To: COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Rep. Robert N. Herkes, Chair
Rep. Glenn Wakai, Vice Chair

From: Hawaii Medical Association
Gary A. Okamoto, MD, Legislative Co-Chair
Linda Rasmussen, MD, Legislative Co-Chair
April Donahue, Executive Director
Lauren Zirbel, Government Affairs
Dick Botti, Government Affairs

Re: HB2096 RELATING TO PRESCRIPTION DRUGS

In Strong Support

Chairs & Committee Members:

Hawaii Medical Association strongly supports the practice of utilizing locally-based drug formulary advisory boards to determine drug formularies and drug prior authorization policies, a practice that has been used by some of Hawaii's health insurers. Requiring health insurers to use their own, local formulary boards will improve the efficiency and quality of health care in Hawaii.

Outsourcing the determination of drug formularies and drug prior authorization policies to out-of-state pharmacy benefit managers (PBMs) has had negative effects on quality of care and the practice of medicine in Hawaii. Some of the policies set by non-local PBMs are overly burdensome administratively for providers and pharmacists, and are detrimental to patients; and out-of-state pharmacy benefits managers have little accountability to these stakeholders for the adverse effects of their policies.

Local drug formulary advisory boards that are well-aware of the needs of Hawaii patients would help alleviate the severe administrative burdens of unreasonable pharmacy policies and improve quality, efficiency, and access to care. It is worth noting that these boards should not merely be advisory in nature, but have actual authority. Unreasonable pharmacy policies created by outsourced entities can lead to Hawaii providers limiting their participation in health insurance plans with such policies, which can decrease patient access to care and choice of provider.

At a minimum, it should be required of all health plans doing business in Hawaii that a majority of their formulary boards consist of Hawaii-licensed physicians, as well as have representation from Hawaii-licensed pharmacists and non-physician practitioners, and in that way be more responsive to the needs of Hawaii's patients.

It may also be helpful to combine some of the language from HB2461 with this legislation, creating one effective measure that can improve the quality and efficiency of health care delivery in Hawaii and the health of Hawaii's citizens.

Thank you for the opportunity to testify.

OFFICERS

President - Robert Marvit, MD President-Elect - Morris Mitsunaga, MD Secretary - Thomas Kosasa, MD
Immediate Past President - Gary Okamoto, MD Treasurer - Stephen Kemble, MD Executive Director - April Donahue

To: COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Rep. Robert N. Herkes, Chair
Rep. Glenn Wakai, Vice Chair

From: Vince Yamashiroya, MD

Re: HB2096 RELATING TO PRESCRIPTION DRUGS

In Strong Support

Chairs and Committee Members:

I strongly support HB2096 Relating to Prescription Drugs.

Requiring health insurers to use their own, local formulary boards that have the authority to determine formularies and drug prior authorization policies will improve the efficiency and quality of health care in Hawaii.

Outsourcing the determination of drug formularies and drug prior authorization policies to out-of-state pharmacy benefit managers (PBMs) has had negative effects on quality of care and the practice of medicine in Hawaii. Some of the policies set by non-local PBMs are overly burdensome administratively for providers and pharmacists, and are detrimental to patients.

Out-of-state pharmacy benefits managers have little accountability to these stakeholders for the adverse effects of their policies. Local drug formulary advisory boards that are well-aware of the needs of Hawaii patients would help alleviate the severe administrative burdens of unreasonable pharmacy policies and improve quality, efficiency, and access to care.

Unreasonable pharmacy policies created by outsourced entities can lead to Hawaii providers limiting their participation in health insurance plans with such policies, which can decrease patient access to care and choice of provider.

At a minimum, it should be required of all health plans doing business in Hawaii that a majority of their formulary boards consist of Hawaii-licensed physicians, as well as have representation from Hawaii-licensed pharmacists and non-physician practitioners, and in that way be more responsive to the needs of Hawaii's patients.

Thank you for the opportunity to testify.

Vince Yamashiroya, M.D., FAAP

General Pediatrics in Private Practice and Clinical Associate Professor of Pediatrics at the University of Hawaii

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wakai2-Daniel

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 14, 2010 11:32 PM
To: CPCtestimony
Cc: wailua@aya.yale.edu
Subject: Testimony for HB2096 on 2/17/2010 2:00:00 PM

Testimony for CPC 2/17/2010 2:00:00 PM HB2096

Conference room: 325
Testifier position: support
Testifier will be present: No
Submitted by: Wailua Brandman APRN-Rx BC
Organization: Individual
Address: 615 Piikoi Street, #1509 Honolulu, HI
Phone: 8082554442
E-mail: wailua@aya.yale.edu
Submitted on: 2/14/2010

Comments:

It seems it would be more efficient to have one Board to make recommendations to all the Plans. That would minimize confusion and standardize the policies that determine which medications patients are eligible to receive under the Plans. APRNs deserve a fair representations on this Board. Only one APRN cannot represent all the specialties of practice present in Hawai'i. Why are three pharmacists needed? Rather have two pharmacists and one Family NP and one Psychiatric NP. That would give fairer coverage on the Board. And shouldn't a Board have an odd number to preclude tie votes? We don't need stalemates in the process of deciding on patients' medications. Thank you for the opportunity to offer sound clinical advise to the Committee. I respectfully request that you consider my suggestions and amend this bill to that end. Warmest Aloha, Wailua Brandman APRN-Rx BC President, Hawai'i Association of Professional Nurses Member, APRN Advisory Committee to the Hawai'i Board of Nursing O'ahu Director-at-Large, American Psychiatric Nurses Association Hawai'i

wakai2-Daniel

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 14, 2010 9:00 PM
To: CPCtestimony
Cc: cristinaprokop@gmail.com
Subject: Testimony for HB2096 on 2/17/2010 2:00:00 PM

Testimony for CPC 2/17/2010 2:00:00 PM HB2096

Conference room: 325
Testifier position: support
Testifier will be present: No
Submitted by: cristina e prokop
Organization: Individual
Address: 95-786 Wikao St. # M202 Mililani
Phone: 808-744-2493
E-mail: cristinaprokop@gmail.com
Submitted on: 2/14/2010

Comments: