



Hawaii Association of Health Plans

January 26, 2010

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Health

Re: HB 2096 – Relating to Prescription Drugs

Dear Chair Yamane, Vice Chair Nishimoto 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 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.

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 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. Thank you for the opportunity to offer comments today.

Sincerely,

A handwritten signature in black ink that reads "Howard Lee". The signature is written in a cursive, flowing style.

Howard Lee
President



WRITTEN ONLY

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January 26, 2010

To: The Honorable Ryan I. Yamane
Chair, House Committee on Health

From: 'Ohana Health Plan

Re: House Bill 2096-Relating to Prescription Drugs

Hearing: Tuesday, January 26 2010, 9:00 a.m.
Hawai'i State Capitol, Room 329

'Ohana Health Plan (OHP) is a health plan offered by WellCare Health Insurance of Arizona, Inc. WellCare is a leading provider of managed care services dedicated to government-sponsored health care programs, focusing on Medicaid and Medicare. We operate a variety of health plans for families, children, the aged, blind or disabled as well as prescription drug plans and private fee-for-service plans. Our local team of 150 Hawai'i residents have been serving approximately 22,500 low-income, aged, blind, and disabled clients through the QUEST Expanded Access (QExA) program since February 1, 2009.

We appreciate this opportunity to submit our comments regarding House Bill 2096-Relating to Prescription Drugs.

While we support the intent of this measure, to require providers of accident or health and sickness insurance, group and blanket disability insurance, mutual benefit societies, fraternal benefit societies, and health maintenance organization to base prescription drug coverage on a drug formulary or prior authorization requirements established and regularly updated by a drug formulary advisory board whose membership includes practicing physicians, pharmacists, and health care practitioners, we do have concerns regarding the language which requires that the drug formulary boards established pursuant to the section consists of persons licensed by the Hawai'i medical board. It is also unclear as to whether the advanced practice nurse practitioners and pharmacists must also be licensed by their respective Hawai'i boards or if they may be licensed in another state.

One of the unique strengths that OHP brings to the Hawai'i marketplace is the shared corporate resources of our parent company, WellCare, which includes our pharmacy and therapeutics (P&T) committee. Though we share in these corporate resources, OHP does have a Hawai'i-based Medical Director and Pharmacists, both licensed to practice in the State of Hawai'i, who sit on the WellCare P&T Committee.

Should this bill continue to advance, we would respectfully request that you consider the fact that many providers of accident or health and sickness insurance, group and blanket disability insurance, mutual benefit societies, fraternal benefit societies, and health maintenance organization, while having a local office and staff, may also be sharing in other mainland-based corporate resources and legislation like this would hinder our ability to continue doing so. It is in sharing these corporate resources that allows us to bring quality services at a slightly lower price for the taxpayers of the State of Hawai'i.

Thank you for the opportunity to provide these comments on this measure.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

January 26, 2010

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Health

Re: HB 2096 – Relating to Prescription Drugs

Dear Chair Yamane, Vice Chair Nishimoto and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2096 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.

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.

Thank you for the opportunity to testify today.

Sincerely,

Jennifer Diesman
Vice President
Government Relations