



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 18, 2009

MEMORANDUM

TO: Honorable Robert N. Herkes, Chair
House Committee on Consumer Protection and Commerce

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 655, HD 1 – RELATING TO REMOTE DISPENSING
PHARMACIES**

Hearing: Wednesday, February 18, 2009, 2:00 PM.
Conference Room 325, State Capitol

PURPOSE: The purpose of this bill is to allow remote dispensing pharmacies to operate on islands without a pharmacy, provide medications to patients with health insurance, and dispense controlled substances.

DEPARTMENT'S POSITION: The Department of Human Services supports this bill to enhance access to prescription medications on Neighbor Islands.

Because of Hawaii's unique geography and population distribution, certain areas have limited access to prescription medications. Every Island has at least one pharmacy but, unfortunately, individuals living in underserved or remote areas have limited access to medications and pharmacy services. Beginning a remote dispensing pilot for areas

with limited pharmacy access seems in the interest of patients with potential benefits exceeding potential harms. Increasing access to prescription medications is an important step to improving health outcomes.

All persons should have access to the remote dispensing pharmacy, understanding that their cost-share may vary based on their health insurer's contractual relationship with the pharmacy responsible for overseeing the remote dispensing pharmacy, or they may pay out-of-pocket if not insured.

A remote dispensing pharmacy should have all protections to ensure patients receive the appropriate medication, dose, and supply. Patients should also have the ability to receive counseling, which should be offered at the time of dispensing. In addition, the medications, particularly narcotics, should be secured and monitored.

Remote dispensing pharmacy policy should not negatively impact a provider's ability to dispense medications in underserved areas, and mail order pharmacy should be available and perhaps encouraged for medications for chronic conditions.

Thank you for the opportunity to comment on this bill.

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
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CLAYTON A. FRANK
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JAMES L. PROPOTNICK
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON HOUSE BILL 655 HD1
A BILL FOR AN ACT RELATING TO
RELATING TO REMOTE DISPENSING PHARMACIES

by
Clayton A. Frank, Director
Department of Public Safety

Committee on Consumer Protection and Commerce
Representative Robert N. Herkes, Chair
Representative Glenn Wakai, Vice Chair

Wednesday, February 18, 2008, 2:00 pm
State Capitol, Room 325

Representative Herkes and Members of the Committee:

The Department of Public Safety supports House Bill 655 HD1 that attempts to address the need for a means to dispense pharmaceutical drugs, including controlled substances prescribed by a physician on an island that does not have a pharmacy. The use of remote dispensing machines that are controlled, maintained, secured and monitored by an off site pharmacy would greatly improve the ability of patients to obtain their prescribed medication without traveling off island. The Department would like to suggest the following amendments to House Bill 655 HD1 on page 2 line 5:

"(2) Dispense controlled substances after complying with registration and security requirements set forth by the department of public safety."

Thank you for the opportunity to testify on this matter.

**PRESENTATION OF THE
BOARD OF PHARMACY**

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Wednesday, February 18, 2009
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 655, H.D. 1, RELATING TO REMOTE
DISPENSING PHARMACIES.**

TO THE HONORABLE ROBERT N. HERKES, 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. The Board supports this bill that would allow the utilization of a remote dispensing pharmacy on an island that does not have a permitted pharmacy. However, we defer to the Department of Public Safety, Narcotics Enforcement Division on the dispensing of controlled substances from a remote dispensing pharmacy as they are the appropriate state agency that has the authority over Chapter 329, Hawaii Revised Statutes ("HRS"), the Uniform Controlled Substances Act.

The language in the new section would allow the placement of a remote dispensing pharmacy on an island that does not have a permitted pharmacy and would allow the remote dispensing pharmacy to dispense medications to patients with health insurance, to dispense controlled substances, and to maintain its continued operation even if a pharmacy is established on the same island, all of which are excluded in the current language of Chapter 461, HRS.

Testimony on House Bill No. 655, H.D. 1
Wednesday, February 18, 2009
Page 2

The Board supports the practice of remote dispensing and believes it is a technology that should be available throughout the State so that all residents of this State can be afforded improved access to prescription medications and pharmacy services to meet their healthcare needs.

Thank you for the opportunity to testify on House Bill No. 655, H.D. 1.

Testimony of
Phyllis Dendle
Director Government Relations

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

February 18, 2009
2:00 pm
Conference Room 325

HB 655 HD1 RELATING TO REMOTE DISPENSING PHARMACIES

Chair Herkes and committee members, thank you for this opportunity to provide testimony on this bill which would provide greater access to medications and pharmacy services through remote dispensing.

Kaiser Permanente Hawaii supports this bill.

We support remote dispensing because we think we will see improved compliance with drug therapy if patients have immediate access to their prescriptions. This secure technology will offer access to medication when a pharmacy is unavailable on island or is not open. It will be particularly helpful for our members on Lanai where there is no pharmacy. Currently many have to travel to Maui to get their prescriptions filled.

With a nationwide shortage of pharmacists, it is not just geographically isolated locations that would not have a pharmacist or a pharmacy available. Sometimes it is time rather than location that makes it difficult for patients to get their prescriptions.

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For example, increasingly Kaiser Permanente Hawaii is expanding the access to care for patients by extending the hours that clinics are open. In our smaller, more rural clinics such as those in Kahuku, Waimea, and Kapolei, we do not have a pharmacy located at the clinic. As a convenience for our members we have arranged for them to get their medication from local pharmacies. These pharmacies are not open the same hours as the clinic. However, we always have pharmacist at the hospital who could supervise the remote dispensing in these clinics.

With that in mind we request that you permit health maintenance organizations regulated under chapter 432D HRS to have remote dispensing in our facilities. This would be used exclusively for our patients getting treatment at our facilities. We propose you add an additional section to chapter 461 similar to what is already being proposed in this bill..

We believe this will permit better service and access for KP members that we hope will translate into better medication compliance by patients and ultimately to their improved health.

We urge you to pass this bill with the suggested amendment and thank you for your consideration.

"§461- Remote dispensing pharmacy; operated by a health maintenance organization (a) Notwithstanding section 461-10.5, a remote dispensing pharmacy may be established in a facility operated by a health maintenance organization regulated under article 432D for the exclusive use of patients served at that facility and may:

(1) Provide medications to patients with health insurance coverage;

and

(c) Dispense controlled substances.

(b) A remote dispensing pharmacy established under subsection (a) shall be permitted to operate in that location without regard to the location of any other pharmacy as defined under section 461-1."

Wednesday - February 18, 2009
Conference Room 325
2:00pm

The House Committee on Consumer Protection & Commerce

To: Representative Robert N. Herkes, Chair
Representative Glenn Wakai, Vice Chair

From: Shirley Samonte
Manger, Clinical Operations
Straub Lanai Family Health Center

RE: Testimony in Strong Support of HB 655 HD1
Relating to Remote Dispensing Pharmacies

My name is Shirley Samonte, Manager of Clinical Operations for Straub Lanai Family Health Center. The Straub Lanai Family Health Center is an affiliate of Hawaii Pacific Health (HPH), which is the four-hospital system of Kapi'olani Medical Center for Women & Children, Kapi'olani Medical Center at Pali Momi, Straub Clinic & Hospital, and Wilcox Hospital/Kauai Medical Clinic.

Since December 1991, the Straub Lanai Family Health Center has been providing both primary and access to specialized care for the entire Lanai community. The services provided by the Center include the treatment of illness and injury for infants, children, adolescents and adults; periodic physical examinations and preventive health maintenance; Pre-marital and gynecological examinations; Minor surgical procedure; Well-baby and well-child services; and selected specialty consultations available in: cardiology, dermatology, obstetrics/gynecology, ophthalmology, orthopedics, pediatrics, physical therapy, and nephrology. The Straub Lanai Family Health Center provides care to more than 12,000 visits annually.

A common challenge faced by all healthcare providers is providing timely and quality healthcare to communities facing geographic barriers to access. Lanai is a community particularly affected by the inherent diseconomies involved with delivering healthcare to remote areas. With a population base of approximately 3,500 located on an island geography, ensuring that Lanai residents receive timely and adequate care has been the mission of the Straub Lanai Family Health Center.

Straub

CLINIC & HOSPITAL

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Meeting the pharmaceutical needs of the Lanai community is no exception to these challenges. There are currently no pharmacies located on the island of Lanai. The Straub Lanai Family Health Center operates a *dispensary* – which means that it is only authorized to provide pharmaceuticals prescribed by Straub Lanai Family Health Center physicians. Therefore, Lanai residents traveling to Oahu or any of the other neighbor islands with prescriptions ordered by non-Lanai Family Health Center physicians are unable to have their prescriptions filled on Lanai. In instances when non-Straub physicians visit the islands - (dentist, psychiatrist, podiatrist, etc.) to provide care to Lanai residents, their patients are also not able to receive their medications prescribed by these healthcare professionals. In these instances, Straub Lanai Family Health Center staff must assist patients with setting up pharmaceutical accounts with their insurance company's mail order pharmacy. As you can imagine, this creates unnecessary hardship and inconvenience for many Lanai residents. The Straub Lanai Family Health Center receives more than 1,000 of these types of requests every month.

One of the strategies to overcome the challenge of delivering pharmaceuticals to remote areas is to utilize existing technologies such as *remote dispensing*. Remote dispensing allows a licensed pharmacist from another location the ability to dispense pharmaceuticals prescribed by a physician at another location. Last year Act 212 was signed into law with the purpose to improve access to medications and pharmacy services by authorizing the operation of remote pharmaceutical drug dispensing machines in the state. While this bill was a helpful step to address providing pharmaceutical access to many remote populations – by limiting access to remote dispensing only to patients enrolled in Quest and Medicaid – the statute as currently written denies Lanai patients the right to participate since approximately 90% of all Lanai residents are *not* enrolled in either Quest or Medicaid.

HB 655 HD1 will allow Lanai residents, and residents of any other islands that do not have a pharmacy, to participate in Act 212. Thank you for the opportunity to provide this testimony. We ask that you pass HB 655 HD1 from this committee.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 18, 2009

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

Re: HB 655 HD1 – Relating to Remote Dispensing Pharmacies

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 655 HD1.

This measure would expand the ability of individuals in rural areas of the state 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 provide testimony today.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal stroke extending to the right.

Jennifer Diesman
Assistant Vice President
Government Relations



February 17, 2009

Representative Robert Herkes
Chair, Committee on Consumer Protection & Commerce
Hawaii State Capitol, Room 320

Re: H.B. 655, HD1 – Relating to Remote Dispensing Pharmacies
Hearing Date: Wednesday, February 18, 2009 at 2:00 p.m., Room 325

Dear Chair Herkes and Members of the Committee on Consumer Protection & Commerce:

I am Mihoko Ito, an attorney with Goodwill Anderson Quinn & Stifel, testifying on behalf of Walgreens. Walgreens operates more than 6,000 locations in 49 states including Puerto Rico and utilizes leading-edge technology to ensure the safety and well-being of its patients. The use of technology not only enhances safety, but also provides access to necessary medications for patients living in remote areas. Walgreens is in agreement with the mission statement of the National Association of Boards of Pharmacy which states the purpose of their work is “protecting the public health”.

Walgreens **supports the intent of H.B. 655, HD1**. It expands access for Hawaii residents to necessary medications, but proposes such access should be expanded to apply equally to residents of all islands. The purpose of H.B. 655, HD1 is to allow persons in remote areas that have no pharmacy to obtain prescription drugs through at a remote dispensing pharmacy, even if they have health insurance.

Walgreens supports the intent H.B. 655, HD1 because it expands access to medications for those living on the remote neighbor islands, and allows those with health insurance to utilize this technology. However, Walgreens believes that the allowance of remote dispensing without geographical and socioeconomic restrictions on these islands should also be expanded to apply to all islands. Under the present law, Hawai‘i Revised Statutes (“HRS”) § 461-10.5, remote dispensing pharmacies are not permitted within a five mile radius of another pharmacy, with certain exceptions, and can only provide medications to patients covered by QUEST medical coverage.

Walgreens believes that geographical and socioeconomic restrictions for remote dispensing systems hinder access to prescription drugs for Hawai‘i residents, and do nothing to ensure patient safety. HRS § 461-10.5 already contains patient safety provisions so that users will receive access to prescription drugs via a method that is safe and secure, in consultation with a pharmacist. Accordingly, Walgreens respectfully requests that the geographic and socioeconomic restrictions in HRS § 461-10.5 be removed to allow not only remote neighbor island residents, but all Hawai‘i residents the ability to obtain their prescription drugs in a safe, efficient and convenient manner.

Thank you very much for the opportunity to submit testimony on this measure.

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Hawai'i Primary Care Association

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To: **The House Committee on Consumer Protection & Commerce**
The Hon. Robert N. Herkes, Chair
The Hon. Glenn Wakai, Vice Chair

Testimony in Support of House Bill 655, HD 1
Relating to Remote Dispensing Pharmacies
Submitted by Beth Giesting, CEO
February 18, 2009, 2:00 p.m. agenda, Room 325

The Hawaii Primary Care Association asks your support for this measure, which will be a great service to the people of the island of Lanai. This measure will allow much better access to prescription drugs there, thus contributing to timely health interventions and increasing compliance with doctors' orders. We hope this change will further add to a movement to allow greater use of remote dispensing in all culturally, economically, and geographically isolated places in our state.

We believe this measure deserves your thoughtful consideration and appreciate the opportunity to provide this testimony.

LĀNA`I WOMEN'S CENTER DBA LĀNA`I COMMUNITY HEALTH CENTER

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Wednesday, February 18 2009
Conference Room 325
2:00 pm

The House Committee on Consumer Protection & Commerce

To: The Honorable Representative Robert N. Herkes, Chair and
The Honorable Representative Glenn Wakai, Vice Chair

From: Diana V. Shaw, PhD, MPH, MBA, FACMPE
Executive Director

RE: Testimony in Strong Support of HB 655
Relating to Remote Dispensing Pharmacies

LĀNA`I WOMEN'S CENTER DBA LĀNA`I COMMUNITY HEALTH CENTER (LCHC) strongly urges the passing of HB 655. A common challenge faced by all healthcare providers is providing timely and quality healthcare to communities facing geographic barriers to access. Lāna`i is a community particularly affected by its remoteness and is an underserved population. There are no pharmacies on island. While we have the ability to dispense medicines to our patients, Lāna`i residents traveling to Oahu or any of the other neighbor islands with prescriptions ordered by non-LCHC providers are unable to have their prescriptions filled on Lāna`i. In instances when non-LCHC providers visit the islands - (dentist, psychiatrist, podiatrist, etc.) to provide care to Lāna`i residents, their patients are also not able to receive their medications prescribed by these healthcare professionals. In these instances, LCHC staff assist patients with setting up pharmaceutical accounts with their insurance company's mail order pharmacy. As you can imagine, this creates unnecessary hardship and inconvenience for many Lāna`i residents.

LCHC is working with a neighbor island pharmacy to install a remote dispensing pharmacy kiosk. Currently, this will allow a licensed pharmacist from another location the ability to dispense pharmaceuticals prescribed by a physician at another location – made possible by last year's Act 212 signed into law with the purpose to improve access to medications and pharmacy services by authorizing the operation of remote pharmaceutical drug dispensing machines in the state. As the law currently stands, the remote kiosk will be helpful in addressing the pharmaceutical needs patients enrolled in Quest and Medicaid – a help approximately 90% of all Lanai residents are *not* enrolled in either Quest or Medicaid! Additionally, the current law does not allow for the dispensing of narcotics.

HB 655 will allow Lāna`i residents, and residents of any other islands that do not have a pharmacy, to participate in Act 212. Thank you for the opportunity to provide this testimony. I strongly urge you to pass HB 655 from this committee.

E Ola nō Lāna`i

LIFE, HEALTH, and WELL-BEING FOR LĀNA`I