



HAWAII MEDICAL ASSOCIATION

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Tuesday, March 16, 2010, 9:30 a.m., Conference Room 329

To: COMMITTEE ON HEALTH
Rep. Ryan I. Yamane, Chair
Rep. Scott Y. Nishimoto, 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: SB2102 RELATING TO PRESCRIPTION DRUGS

In Strong Support

Chairs & Committee Members:

Hawaii Medical Association strongly supports SB2102 and 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 to manage drug benefits 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.

For example, shifting state employees to InformedMail, a mainland PBM, has been disastrous for many of those employees. It has resulted in delays receiving mail order drugs, losing prescriptions, and burdening healthcare providers and their staff with the task of re-faxing prescriptions multiple times, duplicate requests for refills, and other administrative inefficiencies. Their policy of requiring 90-day mail order prescriptions for "maintenance" drugs interferes with patient health. Mainland companies are not responsive to local doctors and patients, and complaints fall into a black hole.

It is important to note that this issue is bigger than just EUTF. Summerlin/HMA, and the Evercare and Ohana QExA plans use full fledged corporate mainland PBMs to manage all formulary policies. At the other extreme, UHA has an entirely local pharmacy management system, with members of the committee being mostly local doctors. We are working with HMSA on issues that have resulted from some of their plans switching to mainland PBMs; however, we still feel that legislation needs to move forward on this subject to truly address patient safety concerns.

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 not only lead to health complications, but also to Hawaii providers limiting their participation in health insurance plans with such policies, which decreases patient access to care and choice of provider.

This measure will encourage health plans doing business in Hawaii to be more responsive to the needs of Hawaii's patients. Thank you for the opportunity to provide this testimony.

OFFICERS

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March 16, 2010

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

From: 'Ohana Health Plan

Re: Senate Bill 2102, Senate Draft 21-Relating to Prescription Drugs

Hearing: Tuesday, March 16, 2010, 9:30 a.m.
Hawai'i State Capitol, Room 329

Since February 2009, 'Ohana Health Plan has provided services under the Hawai'i QUEST Expanded Access (QExA) program. 'Ohana is managed by a local team of experienced care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.3 million Medicaid and Medicare members nationwide. 'Ohana is able to take the national experience in providing an 'Ohana care model that addresses local members' healthcare and health coordination needs.

We appreciate this opportunity to submit testimony in opposition to Senate Bill 2102, Senate Draft 2-Relating to Prescription Drugs.

Requiring health maintenance organizations to base prescription drug coverage approved by a drug formulary advisory board whose membership excludes mainland based physicians, nurses and pharmacist would be cumbersome and result in unnecessary costs. 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. This committee brings expert providers together with leading nationwide knowledge in efficacy and safety.

In addition, OHP has Hawai'i-based and licensed Medical and Pharmacy Directors with many years of practice experience in Hawai'i. They are voting members of the WellCare P&T Committee and are responsible for decisions that effect the people of Hawai'i. Creating a redundant system would likely result in the same decisions at additional costs and waste state funds on administrative costs instead of patient care. Sharing corporate resources buttressed by local medical staff allow us to bring quality services at lower prices for the taxpayers of the State of Hawai'i.

We respectfully request that this measure be held. Thank you for the opportunity to testify in opposition to Senate Bill 2102, Senate Draft 2.