

SB 2102



HAWAII MEDICAL ASSOCIATION

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Friday, February 19, 2010, 9:15 a.m., Conference Room 229

To: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
 Senator Rosalyn H. Baker, Chair
 Senator David Y. Ige, 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.

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.

Another example of the validity and need for legislation requiring local formulary boards is that the state's largest health plan, HMSA, has shifted to using Medco as their mail order pharmacy. Through 2009 HMSA had continued to control their own formulary and prior authorization policies for drug benefits. Many of our doctors have complained of a shift in the past month, in which many patients whose prescriptions, formerly authorized by HMSA, were denied by Medco in the form of a denial fax with instructions on obtaining prior authorizations from Medco; rather than from HMSA. Many of the authorizations have been subsequently denied based on "policy", instead of patient health and clinical information. This has resulted in an unacceptable level of hassle and setbacks for all parties.

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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.

We do recommend, for clarification purposes, that in the legislation the words "a majority of the members of the drug formulary board shall be Hawaii residents or shall currently be practicing in this State" be changed to "shall be licensed health care practitioners residing and practicing in Hawaii".

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 our comments in support.



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February 19, 2010

To: The Honorable Rosalyn H. Baker
Chair, Senate Committee on Commerce and Consumer Protection

From: 'Ohana Health Plan

Re: Senate Bill 2102, Senate Draft 1-Relating to Prescription Drugs

Hearing: Friday, February 19, 2010, 9:15 a.m.
Hawai'i State Capitol, Room 229

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 1-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 1.

baker5 - Leo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 9:44 PM
To: CPN Testimony
Cc: wailua@aya.yale.edu
Subject: Testimony for SB2102 on 2/19/2010 9:15:00 AM

Testimony for CPN 2/19/2010 9:15:00 AM SB2102

Conference room: 229
Testifier position: support
Testifier will be present: No
Submitted by: Wailua Brandman APRN-Rx BC
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E-mail: wailua@aya.yale.edu
Submitted on: 2/16/2010

Comments:

Aloha Committee, Thank you for this opportunity. What we providers need in order to provide consistent quality care to our patients is consistency in formularies across insurance plans. That goal can better be met by having only one formulary board for any and all medicines covered by insurance in the State of Hawai'i. If all the plans pooled resources to support only one formulary board their operating costs would reduce and there would be less confusion and no concern for which plan a patient has and will it cover the medicine the provider feels is best for the patient. All the stakeholders would know the same formulary. I support the intent of this bill as I see it - to provide safe care to our patients in a cost effective way (though a medicine may cost more it may also prevent costs down the line because it works safely). I feel the bill still needs more work to make it effective towards the goal of reduced costs and safe, quality care for all. Isn't that what Health Care Reform is supposed to be about, after all? In it's present form I can see nothing but headaches ahead if it passes like this. Keep the effective date at 2050 and let's keep working this one; it's got lots of potential.

Mahalo, again, for this opportunity to contribute my expertise to such a noble cause.

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