



## Hawaii Association of Health Plans

February 19, 2010

The Honorable Rosalyn Baker, Chair  
The Honorable David Ige, Vice Chair  
Senate Committee on Commerce and Consumer Protection

Re: SB 2102 SD1 – Relating to Prescription Drugs

Dear Chair Baker, Vice Chair Ige 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	MDX Hawai‘i
Hawaii Medical Assurance Association	University Health Alliance
HMSA	UnitedHealthcare
Hawaii-Western Management Group, Inc.	

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 SB 2102 SD1 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 SB 2102 SD1.

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 SB 2102 SD1 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 legislating how the Board operates will provide value to our members or additional insight into these matters that is not already being taken into account. Thank you for the opportunity to provide testimony today.

Sincerely,

Howard Lee  
President

# HMSA

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The Honorable David Ige, Vice Chair  
Senate Committee on Commerce and Consumer Protection

**Re: SB 2102 SD1 – Relating to Prescription Drugs**

Dear Chair Baker, Vice Chair Ige and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2102 SD1 which would legislate the makeup of a plan's Drug Formulary Advisory Board (Board) if a plan utilizes the services of such a Board.

We do appreciate the amendments made to this measure by the previous Committee and believe that the language has improved from its original version. Under the requirements of the Board's membership as outlined within SB 2102 SD1, HMSA's Pharmacy and Therapeutic Committee (P&T Committee) would already be in compliance since members are made up of practicing physicians and pharmacists from the community. Despite this, there are still some concerns which remain regarding the language that mandates the Board to develop a drug formulary and prior authorization requirements. We believe that these requirements should be left to the discretion of the health plans and their current P&T Committees.

Thank you for the opportunity to provide testimony today.

Sincerely,

Jennifer Diesman  
Vice President  
Government Relations