



STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

House Committee on Consumer Protection & Commerce

SB 2811, SD 2, HD 1, RELATING TO PHARMACIES

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

**March 24, 2010
2:00pm**

1 **Department's Position:** We respectfully oppose the bill's amendment of HRS Chapter 328.

2 **Fiscal Implications:** The department's administrative costs of enforcement and pharmacies' costs of
3 implementation are as yet unquantified.

4 **Purpose and Justification:** In part, this bill amends HRS Chapter 328 to require that prescription
5 records shall be maintained electronically.

6 We defer to the Department of Commerce and Consumer Affairs' Board of Pharmacy regarding
7 proposed change to HRS Chapter 461, which in part requires pharmacies to have the capacity to receive
8 and transmit electronic prescriptions. There is a difference between recordkeeping and sending and
9 receiving prescriptions.

10 Although we generally support the greater use of electronic records in health care, and while
11 some pharmacies, practitioners and medical oxygen distributors may already have all or part of their
12 records in an electronic form; there are two major issues with the bill.

13 First, mandating electronic recordkeeping will not by itself inherently increase public safety.

14 Prescription records are required to be preserved and legible for at least five years. Both a properly

1 maintained manual system and an electronic recordkeeping system can meet this requirement as long as
2 it meets the requirements of HRS Section 328-17.7.

3 Second, there are major implementation issues. We acknowledge that an electronic
4 recordkeeping system could provide information faster and more efficiently; however smaller
5 pharmacies, practitioners, and medical oxygen distributors without a current electronic recordkeeping
6 system face a financial burden by having to purchase new software/hardware to meet the proposed
7 amendments.

8 As a practical matter, if electronic recordkeeping systems become mandatory, specific
9 information technology formats would need to be selected to ensure compatibility between pharmacies
10 and the physicians submitting, receiving, and storing electronic prescriptions, and to ensure prescription
11 records include prescription information, as well as information required by HRS Section 328-17.7.
12 These formats should be developed collaboratively.

13 Adequate time should be given to allow pharmacies, practitioners and medical oxygen
14 distributors with manual record keeping systems to switch to electronic record keeping, and also comply
15 with the proposed change to be able to receive electronic prescriptions under Chapter 461. The
16 financing, acquisition, implementation of a significant computer system can take time, especially if good
17 planning is used so the user's system can interact with other parties' systems.

18 We acknowledge the effective date of July 1, 2050, and support further discussion on this
19 measure and a delayed effective date.

20 Thank you for the opportunity to testify.

**PRESENTATION OF THE
BOARD OF PHARMACY**

**TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE**

**TWENTY-FIFTH LEGISLATURE
Regular Session of 2010**

Wednesday, March 24, 2010
2:00 p.m.

**TESTIMONY ON SENATE BILL NO. 2811, S.D. 2, H.D. 1, RELATING TO
PHARMACIES.**

**TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND MEMBERS OF THE COMMITTEE:**

My name is Patrick Adams, a member of the Board of Pharmacy ("Board"), and I appreciate the opportunity to testify on behalf of the Board. The Board opposes this bill that would mandate all pharmacies and remote dispensing pharmacies to maintain prescription records electronically and to be able to accept and transmit prescription information electronically or by facsimile in accordance with provisions of Chapter 328, Hawaii Revised Statutes ("HRS").

It is still unclear how maintaining prescription electronic records will improve patient safety as there have been no compelling reasons or incidents to prove otherwise.

Also, to **require** pharmacies to maintain prescription records electronically may impose a financial burden on some pharmacies that may not have the capability and would have to upgrade their current system.

Thank you for the opportunity to testify on Senate Bill No. 2811, S.D.2,
H.D.1.

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MEMORANDUM

TO: Representative Robert N. Herkes
Chair, Committee on Consumer Protection & Commerce
Via Email: CPCtestimony@Capitol.hawaii.gov

FROM: Mihoko E. Ito

DATE: March 23, 2010

RE: **S.B. 2811, SD2, HD1- Relating to Pharmacies**
Hearing: Wednesday, March 24, 2010 at 2:00 p.m.

Dear Chair Herkes and Members of the Committee:

I am Mihoko Ito, an attorney with Goodsill Anderson Quinn & Stifel, testifying on behalf of Walgreen Co. (“Walgreens”). Walgreens operates and offers immunization services in all 50 states, the District of Columbia and Puerto Rico. In Hawai‘i, Walgreens now has 9 stores on the islands of Maui and Oahu.

Walgreens **submits comments** regarding S.B. 2811, SD2, HD1, which requires all pharmacies and remote dispensing pharmacies to have the capacity to accommodate electronic prescriptions, and requires all pharmacies to maintain prescription records electronically.

Walgreens supports the amendment made in Section 1 of the bill, which specifies that for prescriptions, a pharmacy must have the capacity to “accept and transmit prescription information electronically or by facsimile. . .”

Walgreens generally supports the use of technology to improve the safety and well-being of its patients. However, the requirement for providers to transmit prescriptions only by electronic means cannot be accomplished within the present system. Walgreens is capable of transmitting electronic prescriptions within its own system, but to transmit prescription information from a Walgreens pharmacy to a provider outside of

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its system, Walgreens' present practice is to do so by facsimile. This facsimile method is common practice, because different providers have systems that, due to their different technologies, cannot communicate directly with one another and are not capable of handling electronic transmission.

Because there are technological limitations to requiring electronic transmission of prescriptions in the true electronic format in which they are received via physicians' e-prescribing systems, at this time, Walgreens respectfully requests that language relating to the transmission of prescription information by facsimile be retained.

Thank you very much for the opportunity to testify.



Hawaii District Office: 2270 Hoonaa Place, Honolulu, Hawaii 96819

LATE TESTIMONY

Representative Robert Herkes, Chair
House Committee on Consumer Protection & Commerce

Wednesday, March 24, 2010; 2:00 PM
Hawaii State Capitol – Conference Room 325

RE: SB 2811 SD2 HD1 – Relating to Pharmacies

Chair Herkes, Vice-Chair Wakai, and members of the Committee:

My name is Todd Inafuku with CVS Caremark/Longs Drugs (Longs) **testifying in opposition to SB 2811 SD2 HD1 – Relating to Pharmacies** which requires all pharmacies and remote dispensing pharmacies to have the capacity to accommodate electronic prescriptions. The bill also requires all pharmacies, remote dispensing pharmacies, practitioners, and medical oxygen distributors to maintain prescription records electronically.

Longs would like to call attention to the difference between a valid prescription document and a prescription record. A valid prescription may be conveyed to a pharmacy as a written document, orally ordered by the practitioner and reduced to writing by a pharmacist, by facsimile, or transmitted electronically through the Surescripts network. Not all prescriptions are received in an electronic format. The prescription record contains the dispensing information of the valid prescription.

Furthermore, prescriptions are conveyed to pharmacies not only for drugs but also medical supplies and medical devices.

Claims for payments to health plans for medical devices may also be sent utilizing manual forms. Not all claims are adjudicated electronically and these forms are part of the prescription record.

Many pharmacies have or are in the process of modernizing their prescription systems. Due to the issues noted above, Longs must respectfully oppose this bill. Thank you for the opportunity to comment.