

SB 429

LINDA LINGLE
GOVERNOR



LILLIAN B. KOLLER, ESQ.
DIRECTOR

HENRY OLIVA
DEPUTY DIRECTOR

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

February 9, 2009

MEMORANDUM

TO: Honorable David Y. Ige, Chair
Senate Committee on Health

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 429 – RELATING TO REMOTE DISPENSING PHARMACIES**

Hearing: Monday, February 9, 2009, 2:45 PM
Conference Room 016, 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
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No. _____

TESTIMONY ON SENATE BILL 429
A BILL FOR AN ACT RELATING TO
RELATING TO REMOTE DISPENSING PHARMACIES
Clayton A. Frank, Director
Department of Public Safety

Committee on Health
Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair

Tuesday, February 9, 2009, 2:45 pm
State Capitol, Room 016

Senator Ige and Members of the Committee:

The Department of Public Safety acknowledges that there may be a need for a remote dispensing pharmacy that has the ability to dispense controlled substances to be utilized on an island that does not have a pharmacy. However the Department has concerns regarding the lack of language restricting remote dispensing pharmacy units in close proximity to each other and would also like to suggest the following amendments to Senate Bill 429 to read as follows:

"§461- Remote dispensing pharmacy; islands without a pharmacy.

(a) Notwithstanding section 461-10.5, a remote dispensing pharmacy may be established on an island without a pharmacy and may:

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

and

(2) Dispense controlled substances after complying with registration and security requirements set forth by the Department of Public Safety.

(b) A remote dispensing pharmacy shall not be located within 5 miles of another remote dispensing pharmacy.

(c) A remote dispensing pharmacy established under subsection (a) may continue to operate in the same location if a pharmacy is subsequently established on the same island as the remote dispensing pharmacy, however it will no longer be authorized to dispense controlled substances."

Thank you for the opportunity to testify on this matter.

Testimony of
Phyllis Dendle
Director, Government Relation

Senate Committee on Health
The Honorable David Y. Ige, Chair
The Honorable Josh Green M.D., Vice Chair

February 9, 2009
2:45pm
Conference Room 016

SB 492 RELATING TO REMOTE DISPENSING PHARMACIES

Chair Ige 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.

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. The we proposed to add an addition section to section 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

(2) 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."

[Make 3 Copies]

Monday, February 9, 2009
Conference Room 016
2:45pm

The Senate Committee on Health

To: Senator David Y. Ige, - Chair
Senator Josh Green, MD - Vice Chair

From: Shirley Samonte
Manger, Clinical Operations
Straub Clinic & Hospital, Lanai Clinic

RE: Testimony in Strong Support of SB 429

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.

For more than 17 years, 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 Lanai Family Health Center provides care to more than 12,000 patient 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 Family Health Center.

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 Center operates a *dispensary* – which means that it is only authorized to provide pharmaceuticals prescribed by Straub Lanai Family Center physicians. Therefore, Lanai residents traveling to Oahu or any of the other neighbor islands with prescriptions filled by non-Lanai Family Center physicians are unable to receive their prescriptions on Lanai. As you can imagine, this creates unnecessary hardship for not only medical patients, but residents requiring pharmaceuticals from non-medical related purposes such as dental and psychiatric patients. The Straub Lanai Family Center receives more than 50 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.

SB 429 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 SB 429 from this committee.

**PRESENTATION OF THE
BOARD OF PHARMACY**

TO THE SENATE COMMITTEE ON HEALTH

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Monday, February 9, 2009
2:45 p.m.

**TESTIMONY ON SENATE BILL NO. 429, RELATING TO REMOTE
DISPENSING PHARMACIES.**

TO THE HONORABLE DAVID Y. IGE, 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 the proposal 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 ("NED") on the matter of dispensing of controlled substances from a remote dispensing pharmacy, as NED is the appropriate state agency to comment.

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. This bill will broaden the law to allow the placement of a remote dispensing pharmacy on an island that does not have a permitted pharmacy, allow the remote dispensing pharmacy to

Testimony on Senate Bill No. 429

Monday, February 9, 2009

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dispense medications to patients with health insurance, and authorize a remote dispensing pharmacy operation even if a pharmacy is established on the same island.

Thank you for the opportunity to testify on Senate Bill No. 429.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 9, 2009

The Honorable David Ige, Chair
The Honorable Josh Green M.D., Vice Chair

Senate Committee on Health

Re: SB 429 – Relating to Remote Dispensing Pharmacies

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 429 which expands the scope and use of remote pharmacies in Hawaii.

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 testify today.

Sincerely,

A handwritten signature in cursive script that reads 'Jennifer Diesman'.

Jennifer Diesman
Assistant Vice President
Government Relations

State of Hawaii

Department of Health

Adult Mental Health Division

LANA'I COUNSELING SERVICES**P.O. Box 630086****Lana'i City, HI 96763-0086****(808) 565-6189****Fax (808) 565-7426**

Monday, February 9, 2009
Conference Room 016
2:45pm

The Senate Committee on Health

To: The Honorable Senator David Y. Ige, Chair and
The Honorable Senator Josh Green, M.D., Vice Chair

From: Butch Gima, Social Worker
DOH-Adult Mental Health Division



**RE: Testimony in Strong Support of SB 429
Relating to Remote Dispensing Pharmacies**

My name is Butch Gima and I'm asking that you support SB 429. I am a Social Worker for Lanai Counseling Services (LCS), a satellite office of the Maul Community Mental Health Center of the Adult Mental Health Division of the Department of Health. I have been serving the community I grew up in since 1990.

LCS serves approximately 25-30 registered patients. I provide case management and therapy services while psychiatric evaluations and medication management services are provided once a month by our psychiatrist

Some contextual history. Straub Lanai Family Health Center, affectionately called the "Clinic" by residents of Lanai has been serving our community long before I was born in 1954. In addition to providing primary care services, the Clinic dispensed medications to our residents as there has been no other pharmacy related service on the island. Our community has been served well all these years, without incident I might add.

To my knowledge, "no harm was done" to patients or other businesses as a result of the dispensing services the Clinic provided. The Clinic made it easy for residents to receive their care and medication treatment.

For approximately the last year, the Clinic has not been able to dispense medications to the residents of Lanai as they have done for 50+ years, for reasons I am not privy to. This has impacted several segments of our community-our elderly, our immigrants whose primary language is not English, our visitors and lastly, my patients. We all are impacted because the Clinic can only dispense medications to patients treated by Straub Lanai Family Health Center physicians. Consequently, patients being treated by non-Straub physicians or non-Lanai Straub physicians must get their medications filled on Oahu, Maui and/or through mail order.

For many this is not a problem if the medication is a short term medication or only one medication is needed. However, for many of those impacted, they are in need of lifelong medication treatment and/or take 3-10 medications daily. Therefore, switching to an off island pharmacy has created huge coordination and logistical problems. For those whose primary language is not English you already can surmise how this situation is compounded by utilizing unfamiliar, and usually, monolingual off-island services.

Many of my patients are diagnosed with a SMI, Severe Mental Illness. Their overall functioning improves with structure, consistency, clarity and simplicity. For some the change in obtaining their medications was a hardship; for others it was upsetting and an inconvenience. The added stress did not help in the management of their illness and symptoms. Most importantly, it took away their opportunity to be responsible for their care, treatment and recovery. They no longer called the Clinic to refill their medications and they no longer went to the Clinic to pick up their refills. They basically were at the mercy of others coordinating their medication refills and/or had to incur traveling expenses to Oahu or Maui to fill their prescriptions.

Eighty percent of my patients have private insurance so the current Act 212 would not meet their needs. SB 429 would enable Remote Dispensing services to serve all residents of, and visitors to Lanai.

Passage of this bill would give many of our impacted residents peace of mind. They will again have easy access to having their prescriptions filled. They will again have face-to-face contact with staff that is bi-lingual. They will not have to incur added costs to receive care and treatment. And they will again be able to take full responsibility for their care and treatment of their illness.

I trust that you will see the merits of this bill and the benefits it will provide to the residents of our island. Therefore, please pass SB 429 from this committee. Thank you for considering my testimony.



February 7, 2009

Senator David Ige
Chair, Senate Committee on Health

Re: S.B. 429 – Relating to Remote Dispensing Pharmacies
Hearing on Monday, February 9, 2009 at 2:45 am, Room 016

Dear Chair Ige and Members of the Committee on Health:

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 Senate Bill 429** as 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 S.B. 429 is to allow remote dispensing pharmacies to operate on islands without a pharmacy. S.B. 429 also allows for these remote dispensing pharmacies to provide medication to patients with health insurance coverage and to dispense controlled substances.

Walgreens supports the intent of S.B. 429 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.

Walgreen Co. Government and Community Relations 104 Wilmot Road, MS 1444 Deerfield, IL 60015
847-315-4653 FAX 847-315-4417 www.walgreens.com

LĀNA'Ī WOMEN'S CENTER DBA LĀNA'Ī COMMUNITY HEALTH CENTER

P. O. Box 630142
Lāna'ī City, HI 96763-0142



Phone: 808-565-9196
Fax: 808-565-6229
E-mail: dshaw@wave.hicv.net

Monday February 9, 2009
Conference Room 329
8:30am

To: The Senate Committee on Health

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

RE: Testimony in Strong Support of SB429
Relating to Remote Dispensing Pharmacies

LĀNA'Ī WOMEN'S CENTER DBA LĀNA'Ī COMMUNITY HEALTH CENTER (LCHC) strongly urges the passing of SB429. A common challenge faced by all healthcare providers is providing timely and quality healthcare to communities facing geographic barriers to access. Lāna'ī 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'ī 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'ī. In instances when non-LCHC providers visit the islands - (dentist, psychiatrist, podiatrist, etc.) to provide care to Lāna'ī 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'ī 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.

SB429 will allow Lāna'ī 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 SB429 from this committee.

E Ola nō Lāna'ī

LIFE, HEALTH, and WELL-BEING FOR LĀNA'Ī