

JAN 23 2009

A BILL FOR AN ACT

RELATING TO ELECTRONIC PRESCRIPTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Electronic prescription drug program task
2 force; establishment; membership; compensation; duties. (a)
3 There is established the electronic prescription drug program
4 task force within the department of health for administrative
5 purposes to develop a plan to establish and implement the
6 mandatory use of an electronic prescription drug program by
7 pharmacists, physicians, and others authorized to prescribe or
8 dispense prescription drugs in the State by July 1, 2011.
- 9 (b) Task force members shall be appointed by the governor
10 without regard to section 26-34, Hawaii Revised Statutes.
- 11 (c) The task force shall consist of one representative of
12 each of the following:
- 13 (1) The department of health;
14 (2) The department of commerce and consumer affairs;
15 (3) Pharmacies;
16 (4) Physicians licensed under chapter 453, Hawaii Revised
17 Statutes;



- 1 (5) Dentists;
- 2 (6) Physician assistants and advanced practice registered
- 3 nurses who have prescriptive authority;
- 4 (7) A local representative of the pharmaceutical industry;
- 5 and
- 6 (8) Other state agencies and interested stakeholders, as
- 7 deemed appropriate by the director of health or the
- 8 director's designee.

9 (d) Task force members shall select the chairperson of the
10 task force from among themselves and shall not receive
11 compensation, but may be reimbursed for necessary expenses,
12 including travel expenses, incurred in carrying out their
13 duties.

14 (e) In developing the plan to facilitate the mandatory use
15 of an electronic prescription drug program, the task force shall
16 review:

- 17 (1) Other states' use of electronic prescribing programs,
- 18 including a review of Minnesota's e-prescribing
- 19 mandate effective January 1, 2011;
- 20 (2) Information on e-prescribing from medical associations
- 21 including the American Academy of Family Physicians
- 22 and American Academy of Pediatrics; and



1 (3) Information or guidelines related to electronic
2 prescriptions for medicare patients.

3 (f) The task force shall submit a report, including
4 findings, recommendations, and any necessary proposed
5 legislation, to the legislature no later than twenty days prior
6 to the convening of the regular session of 2010.

7 (g) The task force shall convene its first meeting no
8 later than August 1, 2009, and shall cease to exist on December
9 31, 2010 regular session of the legislature.

10 SECTION 2. This Act shall take effect upon its approval.

11

INTRODUCED BY:

Will Enger

Rosalyn H Baker
J. L. ...



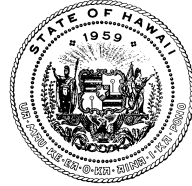
Report Title:

Prescription Drugs; Electronic Prescriptions; Task Force

Description:

Establishes the electronic prescription task force to develop a plan to implement a mandatory electronic prescription drug program not later than 1/1/11. Requires report to legislature by 1/1/11.





STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

Senate Committee on Health
Senate Committee on Commerce and Consumer Protection
SB 568, RELATING TO ELECTRONIC PRESCRIPTIONS

Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health
February 10, 2009
8:30 am

1 **Department's Position:** The Department supports the intent of this measure as long as its
2 implementation does not impact or replace the priorities set forth in the Executive Biennium Budget for
3 Fiscal Years 2009 – 2010.

4 **Fiscal Implications:** As yet unquantified funds to support the proposed task force.

5 **Purpose and Justification:** This bill seeks to create a task force to develop a plan to establish and
6 implement the mandatory use of an electronic prescription drug program by pharmacists, physicians,
7 and others authorized to prescribe or dispense prescription drugs in the State by July 1, 2011.

8 HRS Chapter 489E allows for electronic transactions to occur in the State. Further, HRS
9 Chapter 328 allows for pharmacists to accept electronic prescriptions from prescribing practitioners.
10 However, current law does not require prescribing practitioners to utilize e-prescribing technologies nor
11 does it require pharmacies to accept electronic prescriptions.

12 The use of e-prescribing will continue to grow nationwide, and there is a significant push by
13 Medicare to get physicians to start utilizing e-prescribing technology in their practice. However, there
14 are significant cost issues that physicians, pharmacies and other medical facilities would be required to

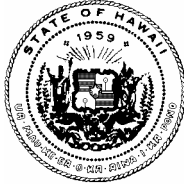
1 commit in order to purchase the needed hardware/software technology to transmit and receive these e-
2 prescriptions in a secure manner.

3 The Department of Health supports the creation of a task force made up of stakeholders (e.g.
4 prescribing practitioners, pharmacies, the public, the Department of Commerce and Consumer Affairs
5 and other agencies) to examine new and existing approaches to e-prescribing and hopefully develop
6 viable solutions and constructive recommendations.

7 We have concerns about what it will cost to support a task force and whether we will have funds
8 to perform all of our current tasks.

9 Thank you for the opportunity to testify.

10



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

February 10, 2009

MEMORANDUM

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

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

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 568 – RELATING TO ELECTRONIC PRESCRIPTIONS**
Hearing: Tuesday, February 10, 2009, 8:30 A.M.
Conference Room 229, State Capitol

PURPOSE: The purpose of this bill is to establish the electronic prescription task force to develop a plan to implement a mandatory electronic prescription drug program not later than 1/1/11.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this bill.

Electronic prescribing is an excellent first step, but implementing an informatics infrastructure will require widespread adoption of electronic health records (EHR), health information exchange and master patient identifiers for inter-connectedness, and incentives to share clinical information. Because the Federal stimulus package is expected to include billions of dollars for health information technology (HIT), moving quickly and broadly while this funding is available may be useful.

HIT is the essential component for improving quality of care while also making it more affordable. Quality of care is improved by the use of registries for proactive care for prevention and chronic disease management and by decision support and reminders. Patient safety is improved by checking for adverse reactions and drug-drug interactions through electronic prescribing, as well as avoiding the incorrect filling of a nearly ineligible hand-written prescription. And efficiency is improved by not needing to spend time locating or filing paper charts, and by decreasing duplication of imaging, laboratory, or other testing since the original results would be readily available.

DHS fully supports HIT as the future way to pay for health outcomes rather than process of care. HIT allows the sharing of meaningful clinical information instead of the crude administrative data of claims that are designed for payment. For example, it's much more important to know if a diabetic's blood sugar is under control rather than knowing that you paid for the test. Reforming payment methodology to reimburse based on patient-oriented outcomes will allow value-based purchasing, reduce waste, and likely allow for increased payment rates.

DHS is currently promoting HIT through two transformation grants it has received. The first is developing a web-based registry of EPSDT data so any provider can view what services are due for the children they see. The second is with the University of Hawaii to develop a low-cost open source EHR that includes an e-prescribing module. We would appreciate consideration of adding representation from the University of Hawaii Social Science Research Institute Telecommunications and Information Policy Group to the task force proposed by this bill.

Thank you for the opportunity to testify on this bill.



February 9, 2009

Senator David Ige
Chair, Senate Committee on Health

Senator Roz Baker
Chair, Senate Committee on Commerce and Consumer Protection

Re: S.B. 568 – Relating to Electronic Prescriptions
Hearing on Tuesday, February 10 at 8:30 a.m., Room 325

Dear Chair Ige, Chair Baker and Members of the Committees on Health and Consumer Protection and Commerce:

I am Mihoko Ito, an attorney with Goodwill Anderson Quinn & Stifel, testifying on behalf of Walgreen Co. ("Walgreens"). Walgreens operates more than 6,600 locations in 49 states the District of Columbia and Puerto Rico and utilizes leading-edge technology to ensure the safety and well-being of its patients.

Walgreens **supports** S.B. 568, which establishes an electronic prescription task force to develop a plan to implement a mandatory electronic prescription drug program not later than 2011.

Electronic Prescribing ("e-Prescribing") is the use of a secure automated data entry system to generate a prescription, rather than writing it on paper. The benefits of e-Prescribing include the following:

- Improved patient safety through the generation of legible prescriptions that have been checked for drug-drug interactions, drug-allergy interactions and drug-disease interactions;
- Benefits to pharmacy benefit managers and employers through better adherence to the plan formulary; and
- Streamlined communication between the pharmacist and the prescriber that reduces calls for clarifications and improved pharmacy performance through streamlined prescription dispensing and fewer errors.

These benefits have been realized within the pharmacy industry, with over 70% of community pharmacies adopting e-prescribing protocols (Source: National Association of Chain Drug Stores or "NACDS").

e-Prescribing technology has been made easy to use, through user-friendly interfaces and handheld wireless devices. This technology can also hold information on medical records and third party transactions.

e-Prescribing Benefits Patients

Of the 1.5 million Americans that are injured by medical errors each year, 25% of these are considered preventable. For this reason, the Institute of Safe Medication Practices calls for universal adoption of e-prescribing practices to reduce medical errors and adverse drug events (2006). In addition, e-prescribing may reduce the cost of patient medications as prescribers are able to check their drug choices against the pharmacy benefit manager's or insurer's formulary, which can ensure reduced drug costs for both the employer and the patient.

e-Prescribing Benefits Prescribers

Only 6% of office based physicians are e-prescribers today. However, the benefits of e-prescribing will ultimately outweigh the cost of fully implementing an e-prescribing system. Increased accuracy and safeguards can lead to increased safety within established prescribing practices. One industry estimate suggests that pharmacies make more than 150 million calls each year to prescribers to clarify hand-written prescriptions, reducing the number of call-backs can lead to less inefficiencies in the prescriber work-flow. As the number of prescribing errors decreases, prescribers may find financial benefits due to reduced malpractice claims. Indeed, insurers may well offer benefits to prescribers such as discounted premiums for implementation of e-prescribing systems.

Payers Should Incentivize e-Prescribing

Payors are a major beneficiary of e-prescribing practices, as patients are better able to adhere to the plan formularies. Payors will also benefit from the ability to track patient compliance to physician orders through medication orders. The federal Centers for Medicare and Medicaid Services or "CMS" has seen these benefits and has provided over \$100 million to state Medicaid programs to encourage e-prescribing.

For the foregoing reasons, Walgreens supports this bill and asks for your favorable consideration.

Thank you very much for the opportunity to testify.