

LAE

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March 30, 2010

Committee on Ways and Means  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**Hearing:**

9:30 A.M. Wednesday, March 31, 2010  
Hawaii State Capitol, Room 211

**RE: HB2461, HD2, SD1 – Relating to Insurance**

**Testimony in Support**

Chair Kim, Vice Chair Tsutsui and members of the Committee on Ways and Means. Thank you for the offer this written testify in support of HB2461, HD2, SD1. This bill as amended now requires a moratorium on the existing reference-based pricing program for prescription drug plan members through June 30, 2012. In addition it requires a study on the feasibility and long-term effects of reference-based pricing programs. Further is requires a pilot program to explore the use of mobile health vans. Finally it provides for continuing coverage of prescription medication under any policy entered into by an insured or insurer on or after July 1, 2010.

We would point out that the original intent of this bill and Senate bill SB2494, was to ensure that prescription drug coverage for patients who, through no fault of their own, would experience a change in their health insurance plan and may not be able to obtain the same medications that they were on with their previous health plan provider.


The Cancer Society believes it is crucial that patients, actively undergoing chemotherapy, retain their prescribed treatment regimen, and depending upon the type of cancer, may require a specific cocktail of anticancer drugs consisting of both brand name and generic drugs; as well adjunct medications that treat the uncomfortable side effects of chemotherapy. To change a patient's drug treatment regimen to adhere to the prescription formulary of a new insurance carrier could be life-threatening.

We would also like to point out to the committee members of the possible financial consequence that this may cause by forcing cancer patients the difference in price or the pay full price for critical medications at a time when their financial resources are limited. This situation has occurred for our state EUTF members whose plan recently implemented reference-based pricing for prescription drug. Because of this the current EUTF prescription drug program now limits access to some brand named medications used for treating cancers as well drugs used to treat the side effects of chemotherapy, such a gastric reflux, or depressed appetite.

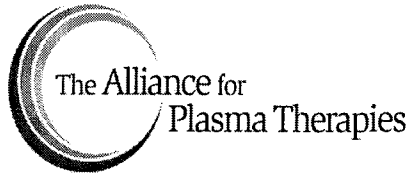
With over 100,000 EUTF insured individuals throughout the state, we believe that the additional amendments made in this bill to not change the insured drug formulary if a physician determines that there is a need to the individuals to continue to take certain prescription medication, is a good amendment and will greatly benefit EUTF members who have been stricken with cancer.

We would urge passage of this measure.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "G. Massengale", written in a cursive style.

George Massengale, J.D.  
Director of Government Relations



1100 New York Avenue, NW Suite 630 Washington, DC 20005 (202) 331-2196

The Honorable Donna Mercado Kim  
Hawaii State Capitol, Room 210  
415 South Beretania Street  
Honolulu, HI 96813

RE: H.B. 2461 - SUPPORT

Dear Senator Kim,

The Alliance for Plasma Therapies, a national non-profit organization established to provide a unified, powerful voice of patient organizations and healthcare providers to educate about the diseases that rely on plasma derived therapies and advocate for fair access to plasma therapies for patients who benefit from their lifesaving effects, supports HB 2461. HB 2461 requires a moratorium on the existing reference-based pricing program for prescription drug plan members, requires a study on the feasibility and long term effects of reference-based pricing programs and most importantly provides for continuing coverage of prescription medications under any policy entered into by an insured on or after July 1, 2010.

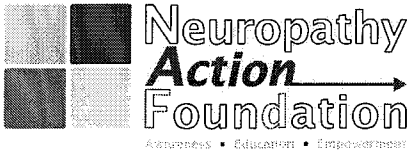
On an annual basis, the Alliance receives approximately 250 insurance cases from patients who have been denied access to their lifesaving therapy intravenous immune globulin therapy (IVIG) throughout the U.S. IVIG is a plasma-derived therapy used to treat patients with autoimmune diseases, cancer, primary immune deficiencies and neuropathies. HB 2461 is very important for the thousands of Hawaiians who suffer from these diseases. Many Hawaiians affected by rare and chronic disorders, when diagnosed and receiving lifesaving therapies such as IVIG are put in danger when they do not receive their therapy on a timely basis. Patients and providers alike expect to be protected by having continuity of medically necessary drugs when they switch from one health plan to another or when they renew plans during open enrollment periods.

The Alliance receives a lot of calls from Hawaii residents informing us that they are not allowed to continue to use their prescribed medications after they switch or re-enroll in their health plans. Oftentimes these treatments are lifesaving from severe and chronic infections for primary immune deficient patients to paralysis for autoimmune and neuropathy patients when relying on therapies such as IVIG. Many patients have been successfully taking these drugs and/or treatments for years and depend on them to function and take care of their families. HB 2461 would allow Hawaiians to continue using medically necessary medications and treatments prescribed prior to enrollment in their plan.

Please help all patients who suffer from chronic and rare disorders by supporting this patient protection bill that directly strengthens the doctor patient relationship. Should you have any questions please contact me at 888-331-2196.

Regards,

Michelle Vogel  
Executive Director



March 29, 2010

The Honorable Donna Mercado Kim  
14th Senatorial District  
Hawaii State Capitol, Room 210  
415 South Beretania Street  
Honolulu, HI 96813

RE: H.B. 2461 - SUPPORT

Dear Senator,

The Neuropathy Action Foundation (NAF), which is dedicated to ensuring neuropathy patients obtain the necessary resources and tools to access individualized treatment to improve their quality of life, strongly supports HB 2461. HB 2461 requires a moratorium on the existing reference-based pricing program for prescription drug plan members through June 30, 2012, requires a study on the feasibility and long term effects of reference-based pricing programs and most importantly provides for continuing coverage of prescription medications under any policy entered into by an insured on or after July 1, 2010.

HB 2461 is very important for the thousands of Hawaiians who suffer from neuropathy. Many Hawaiians affected by neuropathic pain are oftentimes high users of the health care system as they search for relief from persistent pain. However, once a medication or treatment that actually works is discovered many patients are able to live normal lives. Patients and providers alike expect to be protected by having continuity of medically necessary drugs when they switch from one health plan to another or when they renew plans during open enrollment periods.

The NAF receives a lot of calls from Hawaiians informing us that they are not allowed to continue to use their prescribed medications after they switch or re-enroll in their health plans. Oftentimes these treatments are limb saving like plasma derived IVIG. Many patients have been successfully taking these drugs and/or treatments for years and depend on them to function and take care of their families. HB 2461 would allow Hawaiians to continue using medically necessary medications and treatments prescribed prior to enrollment in their plan, whether or not the drug is covered by the plan, until the prescribed therapy is no longer prescribed by the patient's provider.

Please help neuropathy patients and others who suffer from chronic illnesses by supporting this patient protection bill that directly strengthens the doctor patient relationship. Should you have any questions please contact me at 877-512-7262.

Regards,

A handwritten signature in black ink, appearing to read "James D. Lee".

James D. Lee  
Treasurer and Public Affairs Chair

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 2461, H.D. 2, S.D. 1

March 31, 2010

RELATING TO INSURANCE

House Bill No. 2461, H.D. 2, S.D. 1: 1) requires the Employer-Union Health Benefits Trust Fund to place a moratorium on the existing reference-based pricing program for prescription drug plan members through June 30, 2012; 2) requires the Employer-Union Health Benefits Trust Fund to conduct a study on the feasibility and long-term effects of reference-based pricing programs; 3) requires the Department of Health to execute a budget-neutral pilot program to explore the use of mobile health vans; and 4) provides for the continuing coverage of prescription medication under any policy entered into by an insured or insurer on or after July 1, 2010.

We oppose the bill as placing a moratorium on reference-based pricing, which was recently implemented, will allow the costs of the prescription drug plans to spiral out of control again.

While curtailing costs is a major concern of the Employer-Union Health Benefits Trust Fund, implementing a plan that will place a member's and/or beneficiary's health in jeopardy is never a satisfactory outcome. Should a participant choose to switch to the

“Preferred Drug” within the category, the plan benefits allow them to acquire up to three 30-day fills at a local retail pharmacy prior to receiving a mail order. This three month grace period should allow the participant and physician sufficient time to determine if the newly prescribed alternative product is medically correct for them and addresses the possibility of wastage should a participant and physician determine the particular medications is not providing the desired benefit or outcome. We also defer to testimony provided by InformedRx, the Employer-Union Health Benefits Trust Fund prescription plan provider, for further explanation of the referenced-based pricing program.