

# SB1453

**Measure Title:** RELATING TO PRESCRIPTION MEDICATIONS.

**Report Title:** Insurance; Prior Authorization

**Description:** Requires the insurance commissioner to develop a standardized prior authorization request form and process for prescription medications for use by health care providers and insurance carriers.

**Companion:**

**Package:** None

**Current Referral:** CPN/HTH, WAM

NEIL ABERCROMBIE  
GOVERNOR



PATRICIA McMANAMAN,  
INTERIM DIRECTOR

PANKAJ BHANOT  
DEPUTY DIRECTOR

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

February 10, 2011

**MEMORANDUM**

TO: The Honorable Rosalyn H. Baker, Chair  
Senate Committee on Commerce and Consumer Protection  
  
The Honorable Josh Green, M.D., Chair  
Senate Committee on Health

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 1453 – RELATING TO PRESCRIPTION MEDICATIONS**

Hearing: Thursday, February 10, 2011; 8:30 a.m.  
Conference Room 229, Hawaii State Capitol

**PURPOSE:** The purpose of this bill is to require the insurance commissioner to develop a standardized prior authorization form and process to minimize the cost and maximize the efficiency of processing prior authorizations.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports improving efficiency for prescribing health care providers, without the negative consequences that would result from a single statewide formulary. DHS also supports an increased emphasis on electronic prescribing.

Thank you for the opportunity to provide testimony on this bill.



## HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814  
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

**Thursday, February 10, 2011 8:30 a.m. Conference Room 229**

To: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON HEALTH  
Senator Josh Green, M.D., Chair  
Senator Clarence K. Nishihara, Vice Chair

From: Hawaii Medical Association  
Dr. Morris Mitsunaga, MD, President  
Linda Rasmussen, MD, Legislative Co-Chair  
Dr. Joseph Zobian, MD, Legislative Co-Chair  
Dr. Christopher Flanders, DO, Executive Director  
Lauren Zirbel, Community and Government Relations

Re: SB 1453 RELATING TO PRESCRIPTION MEDICATIONS

In Support

Chairs & Committee Members:

Hawaii Medical Association supports SB 1453.

HMA recognizes that standardizing Prior Authorizations reduces some administrative burden for physicians. This is a step in the right direction. **This bill should be passed.** It applies to all health plans, both public and private, and thus covers a wide range of territory that will decrease burdens for health care providers to provide appropriate care to their patients. **Having different prior authorization forms is completely unnecessary and confusing for providers and patients alike.**

**More helpful for access to timely treatment would be SB645, which establishes a statewide Medicaid formulary.** Any Nurse Practitioner or a Physician who deals directly with patients knows that the biggest roadblock to providing patients with timely and effective prescription drug treatment is the wide variety of formularies offered by Managed Care Organizations, some of which are extremely restrictive. It is painful for providers watch their patients suffer and be denied necessary treatment while they are forced to go through 3 different prior authorizations before they can give their patient the drug they knew would be effective in the first place. The goal of any legislation aiming to reduce administrative burden and improve patient care should be to **reduce the number (not the style) of prior authorization** that need to be completed before a patient can receive effective treatment.

Especially in the case of Medicaid, which is now reimbursing at around 60% of Medicare, the bottom line is that providers lose money whenever they see a Medicaid patients. The least that

### OFFICERS

PRESIDENT - MORRIS MITSUNAGA, MD PRESIDENT-ELECT --ROGER KIMURA, MD  
SECRETARY - THOMAS KOSASA, MD IMMEDIATE PAST PRESIDENT -- DR. ROBERT C. MARVIT, MD TREASURER  
-- STEPHEN KEMBLE, MD EXECUTIVE DIRECTOR -- CHRISTOPHER FLANDERS, DO

can be done is to reduce the extra administrative costs associated with treating these patients so that instead of losing money and a lot of extra administrative time for working, providers simply lose money when they see Medicaid patients.

**A proven way to accomplish a decrease in the number of prior authorizations and an increase in patient satisfaction is to establish a statewide Medicaid formulary. In Ohio, their statewide Medicaid formulary reduced prior authorizations by 70%. In doing so the state saved \$243.6 million throughout FY 2011. Delaware, Illinois, Iowa, Massachusetts, Nebraska, New York, North Carolina, Utah, West Virginia, Ohio and Montana report carving out all drugs from Medicaid managed care contracts.**

Comparison charts show that Ohio's Medicaid formulary rates compare favorably with managed care plans in access to drugs for several specific health care conditions. These charts rated the ease of access to medications based on the number of restrictions that an insurer places on a patient's ability to obtain a drug prescribed by a physician or advanced practice nurse prescriber.

Total drug prices paid by MCOs are generally higher than those paid by **state Medicaid programs**, largely due to differences in the last component of drug prices (rebate). **Recent changes to CMS interpretation of PPACA ensure that states will not be disadvantaged drug purchasers.**

Thank you for the opportunity to testify.



**UNIVERSITY OF HAWAII SYSTEM**  
Legislative Testimony

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Written Testimony Presented Before the  
Senate Committee on Commerce and Consumer Protection  
and

Senate Committee on Health  
February 10, 2011, 8:30 a.m.

by

Virginia S. Hinshaw, Chancellor  
and

Mary G. Boland, DrPH, RN, FAAN  
Dean and Professor

School of Nursing and Dental Hygiene  
University of Hawai'i at Mānoa

**SB 1453 RELATING TO PRESCRIPTION MEDICATIONS**

Chair Baker, Chair Green, Vice Chair Taniguchi, Vice Chair Nishihara, and members of the Senate Committee on Health and Senate Committee on Commerce and Consumer Protection Health, thank you for this opportunity to provide testimony in support of this bill, SB 1453, requiring the insurance commissioner to develop a standardized prior authorization request form and process for prescription medications for use by health care providers and insurance carriers.

We appreciate your continuing support of nursing and healthcare in Hawai'i. Thank you for the opportunity to testify.



# Hawai'i State Center for Nursing

Written Testimony Presented Before the  
Senate Committees on Consumer Protection & Commerce  
and, Health

February 10, 2011, 8:30 a.m.

by

Gail P. Tiwanak RN, MBA

Director

Hawaii State Center for Nursing

## SB 1453 RELATING TO PRESCRIPTION MEDICATIONS

Chair Baker, Vice Chair Taniguchi, and members of the Senate Committee on Commerce and Consumer Protection. Chair Green, Vice Chair Nishihara, and members of the Senate Committee on Health. Thank you for this opportunity to provide testimony in support of this bill, SB 1453, requiring the insurance commissioner to develop a standardized prior authorization request form and process for prescription medications for use by health care providers and insurance carriers.

The Hawai'i State Center for Nursing appreciates your continuing support of nursing and healthcare in Hawai'i. Thank you for the opportunity to testify.

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# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 10, 2011

The Honorable Rosalyn H. Baker, Chair  
The Honorable Josh Green M.D., Chair  
Senate Committees on Commerce and Consumer Protection and Health

**Re: SB 1453 – Relating to Prescription Medications**

Dear Chair Baker, Chair Green, and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1453 which would mandate the Insurance Commissioner to establish a single, standard prescription coverage request form. While we understand the intent of the Bill, HMSA opposes this measure.

While standardization is an ideal, the form must be structured to provide sufficient information for reasonable and appropriate decisions to be made, and in a timely manner. Sufficiency of information is paramount to avoiding denials. For example, how would a single form be designed to allow us to distinguish between a \$100 per month drug for hypertension, as opposed to a \$20,000 per month drug for a rare condition?

For the provider and patient alike, timeliness is imperative. That is why HMSA has made great strides to have information and processes available electronically. The formularies and application and appeals forms and procedures are available on-line for providers. All of this will be altered with the change proposed in this Bill, and there will be immediate, if not long-term, financial consequences as new programming and staff will be required to execute the change.

Instead of moving this bill forward in its current form we would respectfully suggest that changes be made to focus on a workgroup which would be convened by a more independent body, the John A. Burns School of Medicine. We have attached potential revisions for your review. We would also point out that another measure, SB 1516, previously heard by the Senate Health Committee would give a "safe harbor" for stakeholders to have the important discussions which need to take place. We believe that the language changes we are proposing today along with passage of SB 1516 would allow the health care community to begin discussing standardization.

Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read 'JDiesman', written over a horizontal line.

Jennifer Diesman  
Vice President  
Government Relations

SECTION 1. The legislature finds that prior authorization for prescription medications requires that physicians obtain approval from a health insurance carrier to prescribe a specific medication for their patients. Without this prior authorization, a health insurance carrier may not provide coverage, or pay for, patient medication. Despite its growing visibility and importance, the prior authorization process is often manual and non-standard, creating administrative burdens and costs to health care providers and health insurance carriers. It also may result in patients experiencing delays in getting prescriptions filled, leading to potentially adverse health impacts.

While prescription drugs requiring prior authorization consists of only a small fraction of all prescribed medications, the number of drugs requiring prior authorization and the number of prior authorizations have grown rapidly in recent years. Hence, prior authorization has become a widely adopted method of drug utilization management.

In February 2010, the Minnesota department of health, in its report entitled "Electronic Drug Prior Authorization Standardization and Transmission", suggested the following best approaches to standardize prior authorization requests, including:

(1) Extensive use of direct, computer-to-computer, automated electronic data interchange, based on well-established, widely-used national standards that are well suited to the drug prior authorization transaction;

(2) A single, standard list of drugs requiring prior authorizations, and a standard set of questions used by payers to gather supplemental information needed to process prior authorization requests, that are the same across all payers; and

(3) Full and effective integration with other health care electronic data exchange, especially electronic prescribing and electronic health records.

~~[The purpose of this Act is to require the insurance commissioner to develop a standardized prior authorization form and process to minimize the cost and maximize the efficiency of processing prior authorizations.]~~

The purpose of this Act is to convene a workgroup to discuss improvements to the existing prior authorization process for prescription medications.

~~[SECTION 2. Not later than December 31, 2011, in accordance with the general powers afforded by section 431:2-201, Hawaii Revised Statutes, the~~



~~insurance commissioner shall develop a standardized prior authorization request form and process for prescription medications that can be used between health care providers and insurance carriers with the goal of minimizing costs and maximizing administrative simplification and efficiency. The prior authorization form and process shall be accessible and available for submission electronically through secure electronic transmissions. For the purposes of this Act, the term "electronic transmission" shall not be deemed to include facsimile.]~~

SECTION [3] 2. The [~~insurance commissioner~~] John A. Burns School of Medicine shall convene a working group comprised of health care providers, pharmacists, insurance carriers, health maintenance organizations, governmental agencies, and other key stakeholders to [~~assist in the development of a standardized prior authorization form and process~~]discuss potential improvements to the current prior authorization process for prescription medications.

SECTION 3. The [~~insurance commissioner~~] working group shall provide a report of its proceedings, recommendations, and results on implementing this Act not later than thirty days prior to the convening of the regular session of 2012.

SECTION 4. This Act shall take effect upon its approval.



94-450 Mokuola Street, Suite 106, Waipahu, HI 96767  
808.675.7300 | www.ohanahealthplan.com

Thursday, February 10, 2011

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

The Honorable Joshua B. Green, M.D.  
Chair, Senate Committee on Health

From: 'Ohana Health Plan

Re: Senate Bill 1453-Relating to Prescription Medication

Hearing: Thursday, February 10, 2011, 8:30 a.m.  
Hawai'i State Capitol, Room 229

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Since February 2009, 'Ohana Health Plan has provided services under the Hawai'i QUEST Expanded Access (QExA) program. 'Ohana is managed by a local team of experienced health care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.3 million Medicaid and Medicare members nationwide. 'Ohana has been able to take the national experience and develop an 'Ohana care model that addresses local members' healthcare and health coordination needs.

We appreciate this opportunity to testify in **strong support** of Senate Bill 1453-Relating to Prescription Medications, as it is similar to our bill, Senate Bill 619-Relating to Prior Authorizations and seeks to achieve the same result of a standardized process and form for prescription drug prior authorizations.

The purpose of this bill is to establish a statewide prior authorization (PA) process for all health care plans to minimize the cumbersome administrative burden on physicians that contributes to delays in patients getting their medications in a timely manner. This bill requires the Insurance Commissioner, with the input of health care plans, prescribing providers and pharmacists, to establish a statewide standardized PA process and universal PA form. While it is not necessary to have the language in the bill specifically, we would also suggest that this work group use the already existing Medicare processes and forms as a baseline.

Understandably, there will be advocates who believe that the drug formulary itself is the problem. However, establishing a single, statewide drug formulary will not eliminate the need for prior authorizations, the most effective means of clinical oversight for patient safety and cost-effectiveness. This bill will streamline the PA process that protects patients and assures responsible drug therapy.

The State of Minnesota encountered similar complaints from advocates regarding timely access to prescription drugs. The Minnesota State Legislature passed the "Prescription Drug Prior Authorization (PA) Standardization and Transmission Project" under the Administrative Simplification Act of 2009 in order "to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency".

Since its passage and implementation, the number of provider and advocate complaints regarding timely access to prescriptions drugs have dropped significantly according to an official from the Minnesota Department of Health.

The National Council of Prescription Drugs Plans (NCPDP) also acknowledges that the issue is not the drug formulary, but rather the PA process and forms that is the root cause of a lack of timely access.

We respectfully request that you pass Senate Bill 1453-Relating to Prescription Medications. Thank you for the opportunity to provide these comments on this measure.



**AlohaCare**

For a healthy Hawaii.

February 10, 2011  
8:30am  
Conference room 229

To: The Honorable Rosalyn H. Baker, Chair  
The Honorable Brian T. Taniguchi, Vice Chair  
Senate Committee on Commerce and Consumer Protection

The Honorable Josh Green, M.D., Chair  
The Honorable Clarence K. Nishihara, Vice Chair  
Senate Committee on Health

From: Paula Arcena  
Director of Public Policy

Re: SB1453 Relating to Prescription Medications

Thank you for the opportunity to testify.

AlohaCare is **opposed** to SB1453 which would require the insurance commissioner to develop a standardized prior authorization request form and process for prescription medications for use by health care providers and insurance carriers.

We believe it will be difficult to develop a universal prior authorization request form and process that accommodates the wide range of health plan formularies and the diversity of memberships each health plan serves. A standardized form and process would need to meet the needs of commercial, Medicare, Medicaid insurers and integrated systems, such as Kaiser. Additionally, specialty non-formulary prescription drugs, which are the most costly, require unique clinical information for medical review.

AlohaCare's prior authorization process for non-formulary prescription drugs is designed to provide quick a turn-around. For prior authorization requests received after-hours or in emergency situations, AlohaCare members receive a three-day emergency supply of non-formulary medications or a ten-day supply for antibiotics and providers are asked to follow up with a prior authorization request to continue the non-formulary prescription. Expedited requests are processed within 72-hours. We review prior authorizations for medical necessity and verify the member's eligibility and benefits.

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

AlohaCare has been contracted by the Hawaii Department of Human Services since the QUEST program started in 1994 to provide insurance coverage for Medicaid eligible beneficiaries through the QUEST program. We serve approximately 75,000 QUEST enrollees statewide.

Thank you for this opportunity to testify.



*The Official Sponsor of Birthdays*

February 8, 2011

Committee on Commerce and Consumer Protection  
Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

Committee on Health  
Representative Ryan Yamane, Chair  
Representative Dee Morikawa, Vice Chair

**Hearing:**

February 10, 2011, 8:30 a.m.  
Hawaii State Capitol, Room 229

**RE: SB1453 – Relating to Prescription Medications**

**Testimony in Support**

Chair Baker and Chair Green, and members of the Committee on Commerce and Consumer Protection, and the Committee on Health. Thank you for the opportunity to offer testimony in support of both SB1453 which would require the insurance commissioner to develop a standardized prior authorization request form and process for prescription medications to be used by health care providers and insurance carriers.

I'm sure that the committee are aware that the American Cancer Society Hawaii Pacific Inc. has been dedicated to eliminating cancer as a major health problem by strongly advocating for the removal of barriers and obstacles to better cancer treatments and follow-up care.

Once cancer treatment has been undertaken, many patients are required to maintain a medication regime which has been specifically tailored for them. Adherence to the schedule is critically important in order to insure that medications taken do not interfere with other cancer therapies. In addition, patients with other chronic conditions such as heart disease, high blood pressure and diabetes need to be extra vigilant to protect against drug interactions.

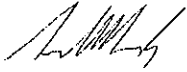
The American Cancer Society routinely takes calls from patients needing assistance in obtaining prescribe medication from their pharmacy provider. We see that many delays are due to prior authorization communication problems between patient, physician, and pharmacist. The system can be a major burden for patients who must receive their medication in a timely manner. As an alternative, many patients are forced to purchase their medication from a local pharmacy, often at a much higher cost.

We believe that standardizing the prior authorization process will have a positive impact on many of our rural patients, and would help them receive their medications in a timely manner. In implementing this process, we would strongly recommend that the Insurance Commissioner adopt the Minnesota model which has shown to be most effective.

We urge the committee to move this measure forward.

Mahalo for allowing us the opportunity to provide this testimony on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Massengale".

George S. Massengale, JD  
Director of Government Relations



THE AMERICAN CONGRESS  
OF OBSTETRICIANS  
AND GYNECOLOGISTS

February 10, 2011  
Thursday  
8:30 AM  
Conference Room 229

**To:** Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair  
Senate Committee on Commerce and Consumer Protection  
Senator Josh Green, MD, Chair  
Senator Clarence K. Nishihara, Vice Chair  
Senate Committee on Health

**From:** Raydeen Busse, MD, Chair  
Lori Kamemoto, MD, MPH, Vice Chair  
American Congress of Obstetricians and Gynecologists, Hawaii Section

**Re:** SB 1453: RELATING TO PRESCRIPTION MEDICATIONS

**Position:** SUPPORT

Dear Chairs Baker and Green, Vice Chairs Taniguchi and Nishihara, and Commerce and Consumer Protection and Health Committee Members:

The American Congress of Obstetricians and Gynecologists (ACOG), Hawaii Section, strongly supports SB 1453, standardizing and streamlining the prescription drug pre-authorization process.

For certain prescription drugs, procedures and patient visits, insurance companies require pre-authorization prior to the patient obtaining this medication or seeing a physician or having the procedure done. If prior authorization is not obtained, the insurance company will refuse payment for such services. Each insurance company has their own list of drugs or visits or procedures that require pre-authorization and this varies from insurance company to insurance company. In addition, the items requiring pre-authorization by a particular insurance company also change over time and often procedures, visits or medications that did not previously require this step, now require the additional paperwork and phone calls, further adding to the confusion. Therefore, it is very time-consuming for medical staff to determine what drug, visit or procedure requires pre-authorization and this time would be better spent taking care of patients.

ACOG Hawaii Section supports SB 1453 and any other efforts to standardize and streamline the medical insurance pre-authorization process.

Thank you for the opportunity to submit this testimony.

# POWER OF PAIN FOUNDATION

~ Motivation For A Cure ~

February 7, 2011

**The Honorable Roz Baker**  
Hawaii State Capitol - Room 230  
Honolulu, HI 96813

**RE: SB 1453 – SUPPORT**

Dear Senator Baker,

The Power of Pain Foundation (POPF), which provides community based support services that address the immediate need of pain patients, supports SB 1453. Our beneficiaries include patients who are economically and socially affected by invisible diseases of Neuropathy. The Power of Pain Foundation's ultimate goal is to allow chronic pain patients the ability to perform their regular activities in the community and to bolster society's ability to provide full opportunities and appropriate supports for its pain citizens. Thank you for introducing SB 1453, which protects provider autonomy and preserves patient access to life and limb saving treatments by attempting to create a standardized/universal prior authorization form and process.

SB 1453 is important for the thousands of Hawaiians who suffer from neuropathy. The POPF receives calls from Hawaii patients quite often informing us that their health plan suddenly forced them to go through a prior authorization process forcing them to go days and sometimes weeks before they obtain or continue treatments deemed necessary by their provider.

Widespread adoption and effective implementation of health information technology (HIT) such as standardized and electronic prior authorizations carries with it the promise of improved patient care, increased cooperation and coordination among health care professionals and reduced health care costs by making patient care more efficient. However, without proper oversight from Hawaii legislators and implementation standards there is a significant opportunity for HIT abuse. Health insurers already use protocols such as prior authorization to delay care and those protocols are having a significant impact on patients and physicians.

We humbly request that you institute patient privacy protections and set standards for e-prescribing that will preserve the provider-patient relationship and prevent insurers from exploiting HIT to further deny or delay patient access to care. This bill is a definite step in the right direction.

Please help neuropathy patients and others by supporting SB 1453. Should you have any questions please contact me at 804-657-PAIN (7246)

Sincerely,



Barby Ingle, Executive Director  
Power of Pain Foundation  
Author: RSD in Me! and ReMission Possible  
P: 480-882-1342  
F: 480-502-5818  
[barby@powerofpain.com](mailto:barby@powerofpain.com)



February 7, 2011

The Honorable Roz Baker  
Hawaii State Capitol - Room 230  
Honolulu, HI 96813

RE: SB 1453 – SUPPORT

Dear Senator Baker,

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, supports SB 1453. Thank you for introducing SB 1453, which protects provider autonomy and preserves patient access to life and limb saving treatments by attempting to create a standardized/universal prior authorization form and process.

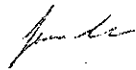
SB 1453 is important for the thousands of Hawaiians who suffer from neuropathy. The NAF receives calls from Hawaii patients quite often informing us that their health plan suddenly forced them to go through a prior authorization process forcing them to go days and sometimes weeks before they obtain or continue treatments deemed necessary by their provider.

Widespread adoption and effective implementation of health information technology (HIT) such as standardized and electronic prior authorizations carries with it the promise of improved patient care, increased cooperation and coordination among health care professionals and reduced health care costs by making patient care more efficient. However, without proper oversight from Hawaii legislators and implementation standards there is a significant opportunity for HIT abuse. Health insurers already use protocols such as prior authorization to delay care and those protocols are having a significant impact on patients and physicians.

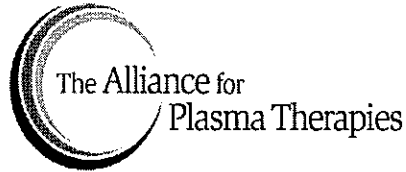
We humbly request that you institute patient privacy protections and set standards for e-prescribing that will preserve the provider-patient relationship and prevent insurers from exploiting HIT to further deny or delay patient access to care. This bill is a definite step in the right direction.

Please help neuropathy patients and others by supporting SB 1453. Should you have any questions please contact me at 877-512-7262.

Regards,



James D. Lee  
Public Affairs Chair



February 8, 2011

The Honorable Roz Baker  
Hawaii State Capitol  
Room 230  
Honolulu, HI 96813

RE: SB 1453 – SUPPORT

Dear Senator Baker,

The Alliance for Plasma Therapies, a 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 SB 1453. SB 1453 increases patient access to life and limb saving treatments by creating a standardized/universal prior authorization (PA) form and process. Patients in Hawaii deserve this patient access and protection.

PA is often a non-automated and non-standardized process, creating a significant administrative burden on providers and patients. Providers often do not know if a drug will need PA until the patient takes the script to the pharmacy. Providers then have to fill out PA forms by hand and fax them to the payer. After it is reviewed, the application is often followed by requests for additional information before it can be approved; the process can take several days. To complicate the situation, insurers typically maintain their own lists of medications that require PA and specific information that providers must supply for approval. As a result, the patient may experience delays in filling prescriptions or forgo medications that require PA.

A standardized prior authorization process would mean prescribers can use the same form for all payers. Using a standardized form and authorization process would save prescribers and patient's time and money. A standardized PA form will also increase continuity and quality of care for our patients in Hawaii.

Please help all patients in Hawaii who suffer from chronic and rare disorders by supporting this patient protection bill that directly strengthens the doctor patient relationship.

Sincerely,

Michelle Vogel  
Executive Director

# Statement



Supporting Hawaii Senate Bill 1453  
Requiring Creation of a Standardized Prior Authorization Form for Prescription Drugs  
February 9, 2011

**Position: PhRMA supports efforts to streamline the delivery of needed medicines to patients. SB 1453 would require all prescription drug prior authorization requests to be made on a standardized form and through a standardized statewide process. These efforts will both minimize costs to the state and insurers and maximize the efficiency of the prior approval process.**

The Pharmaceutical Research and Manufacturers of America (PhRMA) supports efforts by Hawaii's legislature to streamline the prescription drug prior approval process throughout the state. Monetary savings is just one benefit to be gained by administrative simplification. In addition, streamlining of prior authorization processes will have a direct positive impact on patient health by allowing patients to get the medicines they need in a timely manner.

PhRMA and its members oppose the use of prior authorizations. However, if prior authorization is to be used, it is prudent that the number of delays and impediments for patients trying to obtain a prescribed medicine be minimized. There is a wealth of data that supports limiting any such restrictions. For examples, some states that used prior authorization restrictions for antidepressants in Medicaid saw a dramatic decrease in adherence rates (i.e. from 53% to 20%). Unintended effects on treatment initiation and switching among patients already taking the drug were also observed, lending support to the state's previous decisions to discontinue prior approval for antidepressants<sup>1</sup>. Furthermore, in Maine, Medicaid patients who started antipsychotic therapy with such restrictions experienced a 29 percent greater risk of treatment discontinuity than patients who took the medications before the policy took effect.<sup>2</sup>

For these reasons, PhRMA urges Hawaii legislators to support streamlining and standardization of the state's prior authorization processes so that Hawaii patients can have improved and more timely access to prescribed medicines.

*The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country's leading pharmaceutical research and biotechnology companies, which are devoted to inventing medicines. PhRMA members alone invested an estimated \$45.8 billion in 2009 in discovering and developing new medicines. Industry-wide research and investment reached a record \$65.3 billion in 2009.*

<sup>1</sup> Adams SA, Zhang F, LeCates RF, Graves AJ, Ross-Degnan DR, et al. Prior Authorization for Antidepressants in Medicaid: Effects Among Disabled Dual Eligibles. *Archives of Internal Medicine*. 2009; 169(8); 750-756.

<sup>2</sup> Soumerai, SB, Zhang F, Ross-Degnan D, Ball, DE, LeCates, RF, et al. Use of Atypical Antipsychotic Drugs for Schizophrenia in Maine Medicaid Following a Policy change. Health Affairs Web Exclusive. 2008.

To: Committee On Commerce and Consumer Protection  
Committee On Health

2/8/11

From: Patrick Adams, Rph

Re: SB 1453 Prior Authorization Standardization

Honorable Chair Baker and members to the committee,

In support of SB 1453.

Prior Authorizations in prescription service has delayed medications and resulted in aggravated conditions. The process is cumbersome at best and usually involves the doctor's office, the pharmacy and the patient. There should be reasonable requirements and timely limits in this process to insure the people of Hawaii receive proper care. As a pharmacist I have seen the frustration and suffering patients go through while trying to navigate the prior authorization system. The pharmacist needs to be an experts at many systems to help their patients obtain the medications they require. In many cases the delays appear to be for no medical. Patients and pharmacist would be better served by one system to navigate with similar rules in place to get patients to an end point as soon as possible. This would be a step in improving healthcare and reducing the cost to administer the medications patients require.

Sincerely,

Patrick L Adams, Rph



Director of Pharmacy

Foodland Supermarkets Ltd

808-640-1848

Faith Action for



Community Equity

Gamaliel Foundation Affiliate

1352 Liliha Street, Room 2  
Honolulu, HI 96817

Phone (808) 522-1304  
Fax (512) 532-7448  
[face.office@facehawaii.org](mailto:face.office@facehawaii.org)  
[www.facehawaii.org](http://www.facehawaii.org)

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Statewide President

The Rev. Sam Domingo  
Oahu President

The Rt. Rev. Monsignor  
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Mr. Rosario Baniaga  
Statewide Treasurer

Ms. Judy Ott  
Statewide Secretary

Mr. Drew Astolfi  
Executive Director

Mr. Patrick Zukemura  
Oahu Lead Organizer

Ms. Terri Erwin  
Maui Lead Organizer

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON HEALTH

Senator Josh Green, M.D., Chair  
Senator Clarence K. Nishihara, Vice Chair

AMENDED NOTICE OF HEARING

DATE: Thursday, February 10, 2011  
TIME: 8:30 a.m.  
PLACE: Conference Room 229  
State Capitol  
415 South Beretania Street

**RELATING TO PRESCRIPTION MEDICATIONS  
SB 1453**

Good morning Chairs Baker and Green and committee members:

I am Rev. Bob Nakata and I am the Chair of the FACE Health Care Committee and its past President. FACE is the largest State inter-faith and community organizing non-profit. We have 24 institutions on Maui, 27 on Oahu and one statewide. There are 38 churches, a Buddhist Temple, 2 Jewish congregations, 10 community groups and non-profit organizations and one labor union. FACE has a statewide participating membership base in excess of 40,000.

**We SUPPORT this measure.** All too often the patient suffers the consequences of a delay in the ability of their physician to prescribe the right medications. Physicians should be able to promptly provide their patients the medications they need to take right away that will help with pain management and chronic diseases. The administrative requirements for physicians to locate the correct prior authorization form do follow up phone calls with patients, pharmacies, and the requirement of faxing the document, is time consuming and creates unnecessary delays for patients. FACE recommends that a standardized prior authorization process would not only benefit the people of Hawaii but save time and money for payers and providers.

Please pass this measure.

Rev. Bob Nakata  
Chair  
FACE Health Care Committee

Thomas W.Pollard, DO  
98-1079 Moanalua Rd Suite 570  
Aiea, HI 96701  
(808)486-0600 F(808)486-0633

To whom it may concern,

We would absolutely support the idea of a standardized prior authorization request form for medications, We spend approximately 3 - 5 hours a week on prior authorizations that we could more reasonably spend on patient care. We would look forward to the passage of bill SB 1453.

Signed,

Thomas Pollard

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**From:** DOUGLAS H YAMASHITA [dougashyamashitamdinc@hotmail.com]  
**Sent:** Tuesday, February 08, 2011 3:59 PM  
**To:** CPN Testimony  
**Cc:** angela.kwong@pfizer.com  
**Subject:** Health Care Bill SB 1453

A standardized prior authorization form would be very helpful and convenient as each insurer requires different information in obtaining prior authorization for prescription medications.

Sincerely,

Douglas H. Yamashita, M.D.  
Internal Medicine  
1276 Kinoole St.  
Hilo, Hawaii 96720  
Ph# 808-935-7181

DHY:idg

February 8, 2011

**Commerce and Consumer Protection Committee**

Senator Rosalyn H. Baker, Chair

Senator Brian T. Taniguchi, Vice Chair

**Health Committee**

Senator Josh Green, Chair

Clarence K. Nishihara, Vice Chair

RE: SB 1453 – SUPPORT

Honorable Chairpersons and Committee Members:

The Hawaii Academy of Physician Assistants supports passage of SB 1453 and recognizes that standardizing Prior Authorizations reduces the administrative burden for health care providers in the State of Hawaii. This will directly benefit patient care.

Thank you for the opportunity to provide testimony.

Fielding Mercer, PA-C

President-Elect

Hawaii Academy of Physician Assistants



SB1453

I am in support of this bill. This will save time and money for the patient (our clients) with only 1 form to use. If it is available on our electronic records, it will save even more time and money for both the doctor, their staff and the patient. I have experience with MVA, workers' comp and private insurance companies. So much time is used filling out different forms. Please approve this bill.

Dennis Alvaro, PA-C

Dear Sirs:

I am writing on behalf of my patients in support of HB 1384 and SB1453. I believe a uniform prior authorization form for all insurance companies operating in the state of Hawaii will expedite the process of obtaining the best and safest medications for my patients.

Along the same lines I would like to express my concerns regarding the demand by insurance companies for "mail away" prescriptions.

Many locally based pharmacies, although owned by mainland firms, offer 90 day plans that are cost competitive. Yet we are giving the jobs to fill these prescriptions away to the mainland. It takes away local jobs (even though they are big box stores like Costco, Walmart, Sam's, CVS) and potential tax revenues for the state. Why are we letting this happen? Case in point is the State and County EUTF plan where prescriptions MUST be mailed to Florida to be filled. Why? This has resulted in layoffs at some local pharmacies and the closer of some smaller privately owned ones that simply cannot cost compete. Even Safeway and Times offer 90 day cost competitive plans. Having patients fill all their prescriptions locally offers benefits for everyone: patients have a pharmacist they can talk to in person, increase tax revenue for the State through sales and employment, and faster delivery of medications to patients when they need them.

It seems there is a lack of coordination of efforts to improve our economy as well as the health of Hawaii.

Mahalo for your time,

Gary S. Inamine, MD  
Internal Medicine