

LATE



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TO THE SENATE COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION
AND HEALTH

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

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

**TESTIMONY ON SENATE BILL NO. 1453 – RELATING TO PRESCRIPTION
MEDICATIONS.**

TO THE HONORABLE ROSAYLN H. BAKER AND JOSH GREEN, M.D., CHAIRS,
AND MEMBERS OF THE COMMITTEES:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department opposes this bill which requires the Insurance Commissioner to develop a standardized form and process for handling prior authorizations for prescription drugs in the health insurance area. We do not object to the concept, but we do object to the Insurance Commissioner being placed in the role of handling the intervention.

The Insurance Division does not regulate or oversee the contractual provisions or requirements between health insurers and medical providers.

We thank this Committee for the opportunity to present testimony on this matter and ask that this bill be held.

Testimony of
Phyllis Dendle
Director of Government Relations

Before:

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

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

February 10, 2011
8:30 AM
Conference Room 229

SB 1453 RELATING TO PERScription MEDICATION

Chair Baker, Chair Green and committee members, thank you for this opportunity to provide testimony on SB 1453 which would require the insurance commissioner to convene a working group to create a standard form for requests for prior authorization for prescription drugs.

Kaiser Permanente Hawaii supports the intent of this bill.

In reviewing this measure we can appreciate the desire to standardize this process across health plans in the hope of simplifying it. We would be happy to participate with the insurance commissioner in looking at standardizing prior authorizations forms. Though we may request that Kaiser Permanente be exempted from this requirement due to the complication it could create for our internal processes.

Our care is integrated and our electronic health information system spans our program. Because of this it is possible for a physician to request an exception to the formulary by direct contact with the pharmacy through our electronic system. This does not require any interaction with our health plan and therefore does not need a prior authorization form as described in the bill.

Thank you for your consideration.

LATE

To the Hawaii State Senate;

I have been running an extremely busy solo practice as a rheumatologist for 29 years. I have seen my share of challenges with various insurance companies many of which are their mandates as to which form should be filled out for a specific order.

Bill number SB1453 is a concept that will greatly benefit my office. To have a standardize form removes any guess work in figuring out which form to use. In addition, this will also expedite the process of completion and submission of those prior authorization forms and everyone wins!

My entire and I are in support of Bill SB1453!

Julita Lim
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AlohaCare

For a healthy Hawaii.

LATE

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.

LATE

WORKSTAR INJURY RECOVERY CENTER

91-2135 Fort Weaver Road Suite #170
Ewa Beach, Hawaii 96797

February 10, 2011

The Senate

Committee on Commerce and Consumer Protection
And
Committee on Health

Senate Bill 1453 RELATING TO PRESCRIPTION MEDICATIONS

Dear Honorable Chair and Committee Members:

I am writing in opposition to the measure before you this morning. I speak today as a member of the medical profession with over 35 years clinical experience and address as well on behalf of the eleven doctors and physician assistants with whom I work daily.

SB 1453 should be killed because, rather than add to the efficiency of care delivery, contributes further to the managed care burden which is already strangling my profession. This "cost control" measure will possibly line the pockets of the money handlers (i.e. third party payers) whom, as you know have already become famous for exorbitant executive bonuses and care denial maneuvering. Experience has already proven that burdening clinicians and their staffs with draconian clinical care permission requirements drives patient satisfaction southward. To impose such requirements on doctors already hampered by restrictive formularies, asked them to fight disease and injury with not just one, but two hands tied behind their back.

It is already community common knowledge and has been proven through extensive study that what is needed in Hawaii is a more doctor-friendly environment with which to attract providers. SB 1453 does just the opposite.

Respectfully submitted,

Scott McCaffrey, MD
Emergency and Occupational Medicine



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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 Zodian, MD, Legislative Co-Chair
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: SB 1348 RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE

In Support

Chairs & Committee Members:

Hawaii Medical Association supports SB 1434.

HMA recognizes that it is vitally important to create a well functioning "health connector" to create a health insurance exchange pursuant to the federal Patient Protection and Affordable Care Act.

We hope that the provider community will have a meaningful place in the discussion about which benefits are necessary for patients to lead healthy and productive lives and how we can improve access to affordable health insurance for self employed and part-time workers.

Thank you for the opportunity to testify.

OFFICERS

**PRESIDENT - MORRIS MITSUNAGA, MD PRESIDENT-ELECT - ROGER KIMURA, MD
SECRETARY - THOMAS KOSASA, MD IMMEDIATE PAST PRESIDENT - DR. ROBERT C. MARVIT, MD TREASURER
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