



NEIL ABERCROMBIE
GOVERNOR

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LT. GOVERNOR

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KEALI'I S. LOPEZ
INTERIM DIRECTOR

EVERETT KANESHIGE
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Friday, February 4, 2011
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 1384 – RELATING TO PRESCRIPTION
MEDICATIONS.**

TO THE HONORABLE RYAN I. YAMANE, CHAIR, AND MEMBERS OF THE
COMMITTEE:

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:
House Committee on Health
The Honorable Ryan I. Yamane, Chair
The Honorable Dee Morikawa, Vice Chair

February 4, 2011
9:00am
Conference Room 329

HB 1384 RELATING TO PERScription MEDICATION

Chair Yamane and committee members, thank you for this opportunity to provide testimony on HB1384 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 has some comments on 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.



AlohaCare

For a healthy Hawaii.

February 4, 2011
9:00am
Conference room 329

To: The Honorable Ryan I. Yamane Chair
The Honorable Dee Morikawa, Vice Chair
House Committee on Health

From: Paula Arcena
Director of Public Policy

Re: HB1384 Relating to Prescription Medications

Thank you for the opportunity to offer our comments on HB1384.

We support the intent of the measure, which is to simplify prescription drug prior authorization process by mandating the creation and use of a universal prescription coverage request form and process.

However, we are concerned the measure does not adequately address a number of issues.

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 plans serves. The standardized form and process would need to meet the needs of commercial, Medicare, Medicaid insurers and integrated systems, such as Kaiser. 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 2, 2011

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

Hearing:

February 4, 2011, 9:30 a.m.
Hawaii State Capitol, Room 329

RE: HB1546 – Relating to Prior Authorizations
HB1384 – Relating to Prior Authorizations

Testimony in Support

Chair Yamane, Vice Chair Morikawa and members of the Committee on Health. Thank you for the opportunity to offer testimony in support of both HB1546 and HB1384 which would require the standardization of prior authorization requests.

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.

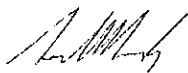
The American Cancer Society routinely takes calls from patients needing assistance in obtaining prescribe medication from their pharmacy provider. We see that many delays are due to communication issues between patient, physician, and pharmacist. The system can be a major burden for patients who must receive their medication in a timely manner. As an alternative, many patients are force to obtain 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 very effective.

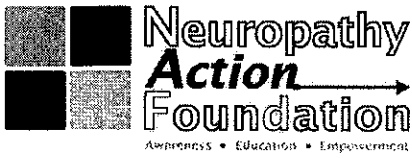
We urge the committee to move this measure forward.

Mahalo for allowing us the opportunity to provide this testimony of bill HB1546 and HB1384.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Massengale". The signature is fluid and cursive, with a large initial "G" and "M".

George S. Massengale, JD
Director of Government Relations



February 1, 2011

The Honorable Blake Oshiro
Hawaii State Capitol - Room 439
Honolulu, HI 96813

RE: HB 1384 – SUPPORT

Dear Representative Oshiro,

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 HB 1384. Thank you for introducing HB 1384, 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.

HB 1384 is important for the thousands of Nebraskans who suffer from neuropathy. The NAF receives calls from Nebraskans 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 physician.

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 physician-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 HB 1384. 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
Public Affairs Chair

cc: Health Committee

morikawa2 - Grant

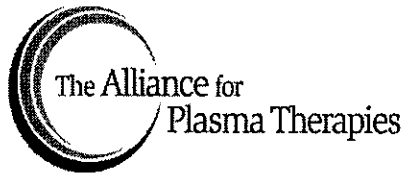
From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 03, 2011 9:39 AM
To: HLTtestimony
Cc: ccypra@phrma.org
Subject: Testimony for HB1384 on 2/4/2011 9:00:00 AM

Testimony for HLT 2/4/2011 9:00:00 AM HB1384

Conference room: 329
Testifier position: support
Testifier will be present: No
Submitted by: Clement Cypra
Organization: PhRMA
Address: 950 F Street, NW Washington DC
Phone: 202-835-3590
E-mail: ccypra@phrma.org
Submitted on: 2/3/2011

Comments:

I will not be attending the hearing but my organization wanted to submit testimony in support of HB 1384.



February 2, 2011

The Honorable Blake Oshiro - District 33
Hawaii State Capitol
Room 439
Honolulu, HI 96813

RE: HB 1384 – SUPPORT

Dear Representative Oshiro,

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 HB 1384. HB 1384 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 patients 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.

Regards,

Michelle Vogel
Executive Director

morikawa2 - Grant

From: dennis alvaro [dennis@johnjcogan.com]
Sent: Wednesday, February 02, 2011 3:02 PM
To: HLTtestimony
Subject: HB 1384

Please consider standardizing the prior authorization forms for prescription drugs. Time saved would be tremendous considering the limited time we have for each patient. Thank you, Dennis Alvaro PA-C

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 02, 2011 7:44 PM
To: HLTtestimony
Cc: denmeelee@aol.com
Subject: Testimony for HB1384 on 2/4/2011 9:00:00 AM

Testimony for HLT 2/4/2011 9:00:00 AM HB1384

Conference room: 329
Testifier position: support
Testifier will be present: No
Submitted by: Denis Mee-Lee, MD
Organization: Individual
Address: 1286 Queen Emma Street Honolulu, Hawaii
Phone: 808-864-3214
E-mail: denmeelee@aol.com
Submitted on: 2/2/2011

Comments:

I support HB 1384 as the current prior authorization requirements of the multiple payers are confusing, onerous, and illogical causing unreasonable demands on, and frustration to, providers, poor or delayed treatment to patients in need, and unnecessary costs and procedures to payers and pharmaceutical providers.

This Bill is an important first step but it should be expanded from the outset to include vital components of the Minnesota statute to at least cover "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";

I strongly recommend passage of this important bill.

Thanks,
Denis Mee-Lee, MD
Psychiatrist

morikawa2 - Grant

From: Jeffrey Akaka [jakaka@gmail.com]
Sent: Wednesday, February 02, 2011 7:49 PM
To: HLTtestimony
Cc: Jeffrey Akaka
Subject: HB 1384 HLT Feb 4_2011 9am Rm 329

COMMITTEE ON HEALTH

Rep. Ryan I. Yamane, Chair
Rep. Dee Morikawa, Vice Chair

Rep. Della Au Belatti	Rep. John M. Mizuno
Rep. Faye P. Hanohano	Rep. Jessica Wooley
Rep. Jo Jordan	Rep. Corinne W.L. Ching
Rep. Chris Lee	Rep. Kymberly Marcos Pine

NOTICE OF HEARING

DATE: Friday, February 04, 2011
TIME: 9:00am
PLACE: Conference Room 329
State Capitol
415 South Beretania Street

RE:
HB 1384 RELATING TO PRESCRIPTION MEDICATIONS
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

Dear Chair Yamane et al,

I am a physician specializing in psychiatry, the Medical Director of a Community Mental Health Center, and the President of the Hawaii Psychiatric Medical Association. Although speaking for myself as an individual, I suspect that many of my colleagues share my views IN SUPPORT of HB 1384.

On February 1, 2011, while taking care of a patient who is so ill that treatment is court ordered, the patient handed me a letter from Ohanacare telling me that they would not pay for the patients antipsychotic medication because it appeared to be a duplication. I called the number, and spent about 5 minutes trying to explain to a pharmacy tech in Georgia why the medication was medically necessary, that after 3 involuntary psychiatric hospitalizations, 2 of them lasting 3 months, that the medication I was prescribing was what was required to get the patient out of the hospital, and had kept the patient out for several months. I pointed out that if they denied paying for the medication that was certainly their prerogative, but that if so, then they (though more likely the Hawaii State Taxpayers since the patient would likely wind up back in the Hawaii State Hospital) would then likely pay a three month hospital bill instead of a three month pill bill.

This gentlemen then told me he could not make the approval, and transferred me to his supervisor, another pharmacy technician. This person then informed me, now after about 15 minutes on the phone having gone by, that the information in the letter the patient handed me was not correct, and that in fact approval for the medication through July 2011 had been given on a date prior to the date of the denial decision on the letter!

Prior Authorizations are a great way for insurance or Pharmacy Benefit Management companies to increase profit margins. But as in my patients case on Feb 1, they robbed the patient of more meaningful time with their doctor. What's a Hawaii doctor going to do? Fight a bureacracy in Georgia for 15 minutes (if lucky enough to catch them in their office given the 5 hour time difference) instead of using that time to take care of people?

HB 1384, is a step in the right direction. Please consider amending it to specify that whatever form is created, it shall be no longer than one page or less, and that the entire process, including filling out any form or making any phone call, is one that any reasonable person could complete in one minute or less, and expect approval in 5 minutes or less. Please also consider amending it such that, if there is no one on the other end of the line to approve within 5 minutes of being called by a physician who has a patient in the office, then the company must automatically pay for the medication. Every 15 minutes on the phone due to Prior Authorizations, and robbed from real patient care, is 15 minutes wasted.

Thank you for considering my testimony.

Aloha and mahalo,

Jeffrey Akaka, MD

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 HB 1384.

Signed,

Thomas Pollard