

LATE TESTIMONY



UNIVERSITY OF HAWAII SYSTEM Legislative Testimony

Written Testimony Presented Before the
House Committee on Health
January 24, 2012, 10:00 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

HB 1741 RELATING TO PRESCRIPTION MEDICATIONS

Chair Yamane, Vice Chair Morikawa, and members of the House Committee on Health, thank you for this opportunity to provide testimony on this bill, HB 1741, 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 UHM Nursing believes the mandating of a uniform waiver process for prescription authorizations and standardizing the criteria for such waivers would be effective. Further, we support HB 1741 and request that page 3, line 10 be amended by adding "APRN" to the definition of "Prescriber" as APRNs are authorized to prescribe OTC, legend and controlled drugs (Schedule II-V)..

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

LATE TESTIMONY



Government Relations

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

January 24, 2012
10:00am
Conference Room 329

HB 1741 RELATING TO PRESCRIPTION DRUGS

Chair Yamane and committee members, thank you for this opportunity to provide testimony on HB 1741 which would create a standard form for requests for prior authorization for prescription drugs.

Kaiser Permanente Hawaii has some concerns about this bill and requests an amendment.

In reviewing this measure we can appreciate the desire to standardize this process across health plans in the hope of simplifying it. However, as written, this bill would significantly complicate the internal processes for Kaiser Permanente. 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. This measure requiring the proposed form and process would significantly complicate our functional internal system.

For this reason we request that the bill be amended to exempt Kaiser Permanente. Making this process more complicated appears the opposite of the bill's intent.

Thank you for your consideration.

711 Kapiolani Blvd
Honolulu, Hawaii 96813
Telephone: 808-432-5210
Facsimile: 808-432-5906
Mobile: 808-754-7007
E-mail: phyllis.dendle@kp.org



AlohaCare
For a healthy Hawaii.

LATE TESTIMONY

January 24, 2012
10:00am
Conference Room 329

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

From: Paula Arcena, Director of Public Policy
Robert Toyofuku, Government Affairs

Re: HB1741 Relating to Prescription Drug

Thank you for the opportunity to testify.

AlohaCare opposes HB1741.

While we appreciate and support the need to decrease the administrative burden on healthcare providers, this measure does not adequately balance of the needs of providers, insurers and payers of healthcare.

The purpose of the prior authorization is to prevent avoidable prescription drug costs, ensure medical necessity and verify member eligibility and benefits. In its current form, HB1741 does not ensure these needs will be satisfied. In the case of AlohaCare and other State of Hawaii contracted Medicaid health plans, the cost of prescription drugs has a direct impact on the State of Hawaii's fiscal bottom line.

The majority of AlohaCare's prescription drug formulary is made up of generic drugs, which can be prescribed with no prior authorization requirement. Prior authorizations are required largely for non-formulary brand name drugs, which are more costly.

AlohaCare's prior authorization process for non-formulary prescription drugs is designed to provide a quick 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 to continue the non-formulary prescription. Expedited requests are processed within 72 hours.

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.

Thank you for this opportunity to testify.



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

Tuesday, January 24, 2012

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

From: 'Ohana Health Plan

Re: House Bill 1741-Relating to Prescription Drug

Hearing: Tuesday, January 24, 2012, 10:00 a.m.
Hawai'i State Capitol, Room 329

Ohana Health Plan 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 2.4 million Medicaid and Medicare members nationwide. 'Ohana has been able to take WellCare's national experience and that of our local team to develop an 'Ohana care model that addresses local members' health care, long-term care and care coordination needs.

We appreciate this opportunity to testify supporting the intent of House Bill 1741-Relating to Prescription Drug, as it seeks to achieve a standardized process and form for prescription drug prior authorizations.

The purpose of this bill directs the Insurance Commissioner to develop a uniform prior authorization form for prescription drugs, with consultation from the health care insurance providers, prescribers, and the pharmacy association. Development and utilization of such a form is aimed at addressing the cumbersome administrative burden on physicians that can contribute to delays in patients getting timely access to their prescription medication.

'Ohana Health Plan
House Bill 1741 Testimony
Page 2

We would, however, like to point out two things: 1) The National Coalition of Prescription Drug Plans (NCPDP) has been working on developing a uniform prior authorization form that will be recommended for national use upon the mandatory adoption of e-prescribing in 2014; and 2) The standard time period, as set by the federal government under Medicare Part D, for a health insurance provider is currently seventy-two hours, whereas this bill will only allow two business days. We would urge the committee to adopt the current standard time frame of seventy-two hours.

'Ohana Health Plan, as a healthcare provider looks forward to contributing to a meaningful dialogue on how we can collectively improve quality and timely service for our members, while easing the administrative burden of our providers. Thank you for the opportunity to provide these comments.



National
Multiple Sclerosis
Society
Hawaii Division

LATE TESTIMONY

COMMITTEE ON HEALTH

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

Hearing: January 24, 2012, 10:00 AM, Conference Room 329

Person Testifying: Lisa A. Dunn

RE: SUPPORT OF HB 1741 REALTING TO PRESCRIPTION DRUG

The National Multiple Sclerosis Society – Hawaii Office supports HB 1741 Relating to Prescription Drug which would require the insurance commissioner to develop a uniform prescription drug preauthorization form to be used by prescribers and health care insurance providers.

Multiple sclerosis is a chronic and often disabling disease of the central nervous system that typically is diagnosed in young adulthood. MS is a puzzling and unpredictable disease that varies widely in its impact, not only from person to person, but also in the same individual at different times. Since MS has no cure, management and ongoing treatment of the disease is essential in order to maintain optimal functioning and quality of life. Therefore, people living with multiple sclerosis know how important prescription medications are in maintaining their health. The timely access to prescription drugs is the ultimate lifeline for these individuals. Currently, prior authorization for prescription drugs can delay or even deny access to those medications that are so vital to these individuals.

The current prior authorization process is complex, lacks transparency, and the criteria and processes vary significantly among health plans. Health plans have differing preauthorization and appeal processes, benefit advisory, and admission notification requirements. And, although these varying requirements create a logistical complexity for providers who have to complete the forms and communicate with the health plans, in the end it is the patient who has to bear the consequences if the authorization is delayed or denied. HB 1741 is an important health care bill for people living with multiple sclerosis who depend on prescription drugs for their lives and potential livelihood.

HB 1741 is important for all Hawaii patients. It would require a standardized Preauthorization Form that would be electronically available and transmittable. Standardization and electronic authorization should help to streamline the process and reduce costs.

Thank you for your time and consideration of this bill.

Sincerely,

Lisa A. Dunn, MSW
Community Development Coordinator