

4491-A Kolopa Street

Lihue, HI 96766

Senator Rosalyn Baker, Chair, Consumer Protection

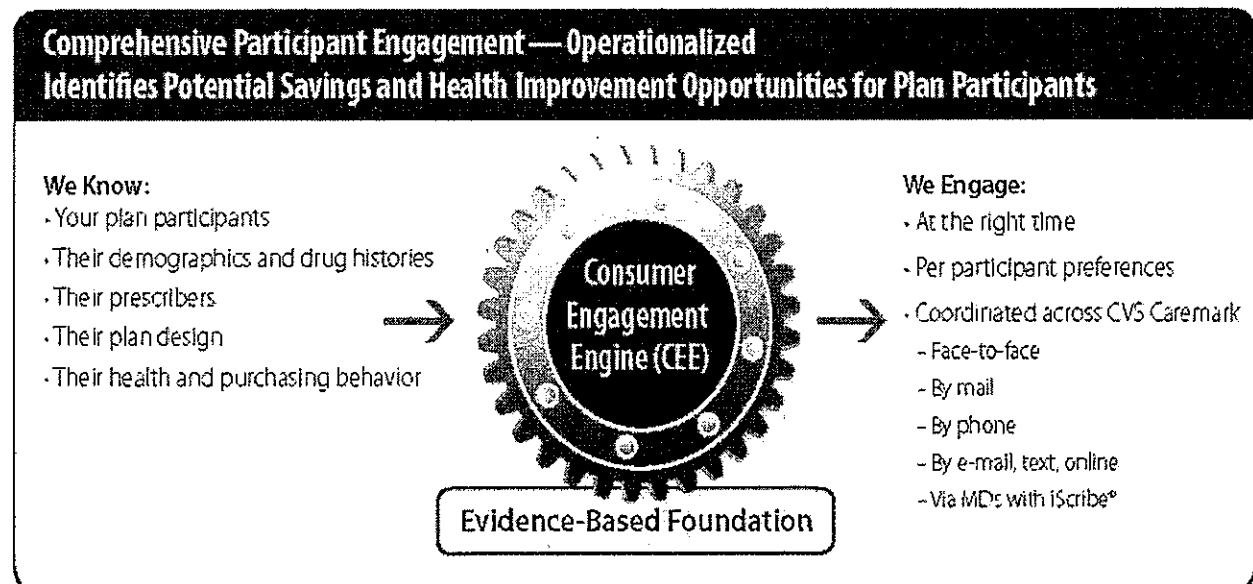
Senator Brickwood Galuteria, Vice Chair

Re: HB 62- Relating to Pharmacy Benefit Managers Strong Support

Dear chair and Vice chair and Committee Members:

I am writing on behalf of HCPA members across the State of Hawaii regarding Pharmacy Benefit Managers, (PBM's) and the importance of increasing oversight as it relates to their use of prescription claims information to directly market the services of an affiliated or wholly owned pharmacy provider.

CVS/Caremark as of January 2013 has become the dominate PBM/Pharmacy/Mail order business in the State of Hawaii. The National Community Pharmacists Association, (NCPA) has calculated that CVS/Caremark either fills, or adjudicates over 80% of the pharmacy claims in the state. Across the United States CVS Caremark fills or manages more than 1.2 billion prescriptions annually. The information from these prescriptions is not simply used to process prescription claims. It is compiled by CVS Caremark to form a complete medical picture of the patient. As described in a CVS Caremark publication, CVS Caremark then utilizes these complete medical pictures for its own financial gain to market products and services to (or "engage") the patients. The engagement engine shown below is a graphic example of how this information is processed.



CVS Caremark collects proprietary patient information it receives from non-CVS pharmacies and transfers that same information to its own CVS pharmacies and other business segments and otherwise uses the information for CVS Caremark's own financial benefit. CVS Caremark accepts payments from drug companies for directly marketing to those patients who are likely candidates for a drug because of their prescription history. CVS Caremark also directly targets non-CVS patients and solicits their business to CVS-owned retail stores and their purchase of CVS-branded over-the-counter products.

The importance of this act HB62 can not be over stated. By preventing CVS from using patients claims information to manipulate their choice of pharmacy provider we protect the most vulnerable in our society. This act would prevent call centers from repeatedly calling patients with offers of 20% discounts on other goods if they will only fill their prescriptions at a CVS/Longs store. By implying that the member must purchase their pharmacy services from a CVS store during a series of calls is not in the best interest of our patients and is oriented toward bigger profits not better care.

For these reason HCPA respectfully asks that HB-62 be passed intact from this committee with the blessings of its members.

Aloha and Mahalo,

Kevin Glick, R.Ph.
Chair
Hawaii Community Pharmacists Association

March 27, 2013

RE: HB62 HD2 SD1 – RELATING TO PHARMACY BENEFITS MANAGERS

Dear Committee on Commerce and Consumer Protection:

My name is Kimberly Svetin and I am testifying in favor of House Bill 62. I am here representing my 93-year-old grandmother, Chieko Mikami, who was a custodian at UH-Manoa, a UPW member, and EUTF retiree.

Over a year ago, my grandmother came into my office with a small box with two bottles in it.

I asked, **"Grandma, why are you buying vitamins by mail order? Your two sons own a pharmacy."**

"This is the fourth box I have received," stated Grandma. "They charge me \$30 per month. I tried to cancel but no one picks up the phone."

I found out she gave her credit card number, which she only uses 3-4 times a year. I tried to cancel her order but no one picked up the phone. We immediately called her bank, cancelled her credit card, and reissued a new VISA.

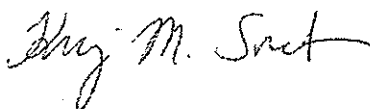
I now go through all of her mail on a daily basis. I look through her bank statements and shred all of her direct mail solicitations.

With my grandmother surrounded by nine pharmacists in our family, we never thought she would ever be involved in a marketing scheme involving medicines. We were very wrong.

Please protect consumers like Chieko Mikami and pass House Bill 62. She was one of the lucky ones and lost only \$120 in direct mail medicines.

Thank you.

Sincerely,



Kimberly Mikami Svetin
(granddaughter of Mrs. Chieko Mikami)
P.O. Box 482218
Kaunakakai, Moloka'i, Hawai'i 96748-2218
Phone 808-553-5790

Jenni N. Ueno
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Honorable Members of the Senate,

I strongly support HB62

I filled a prescription for a medication at my local pharmacy within the last six months. I was then contacted by an "advocate" from my insurance company soliciting me to participate in different support programs relating to my medical condition.

The only way for them to have this information was to get it from a claim that was submitted through my insurance (HIPPA violation) for a prescription without my consent! This has to be stopped. NOW!

I did not ask for that service, it is ILLEGAL, and I do not want my PRIVATE information to be thrown around like a commodity. My information is bound by HIPPA laws and I want it kept that way. Right now, I don't know who has access to my information!

Please pass HB 62.

Thank You,
Jenni N Ueno