

# HB 651, HD1

Measure Title: RELATING TO ELECTRONIC PRESCRIPTIONS.

Report Title: Electronic Prescriptions; Controlled Substances; Drug Enforcement Administration

Description: Amends the Uniform Controlled Substances Act in chapter 329, Hawaii Revised Statutes, by adding definitions consistent with federal law, clarifying the conditions for electronic transmittal of prescriptions, and adding and clarifying violations of prohibited acts. (HB651 HD1)

Companion: SB972

Package: None

Current Referral: HTH/TEC, CPN

Introducer(s): BELATTI



## HAWAII MEDICAL ASSOCIATION

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

DATE: Thursday, March 28, 2013  
TIME: 9:30am  
PLACE: Conference Room 229

TO

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Senator Rosalyn H. Baker, Chair  
Senator Brickwood Galuteria, Vice Chair

FROM: Hawaii Medical Association

Dr. Steven Kemble, MD, President  
Dr. 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: HB 651RELATING TO ELECTRONIC PRESCRIPTIONS

The Hawaii Medical Association is submitting testimony in strong support of this measure.

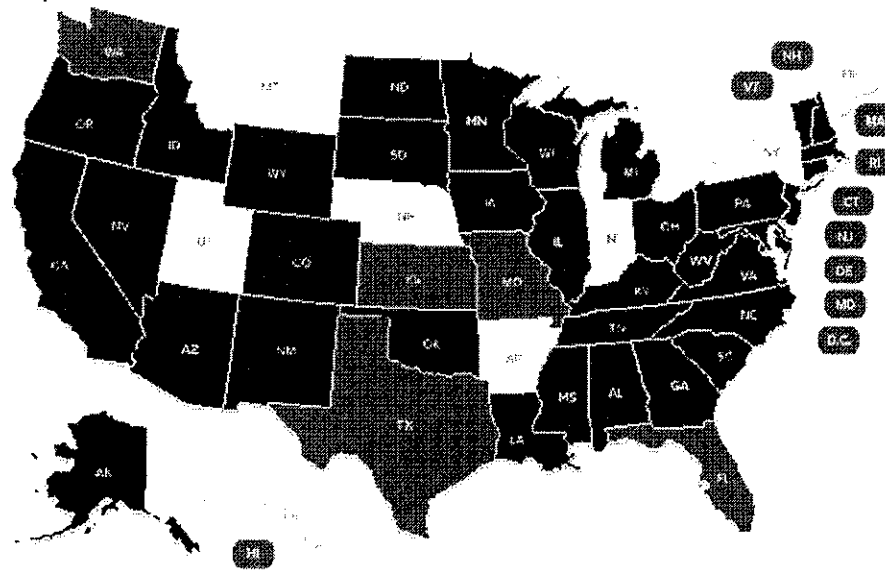
On March 31, 2010 the federal Drug Enforcement Administration (DEA) published its interim final rule on "Electronic Prescribing for Controlled Substances," revising DEA regulations and allowing pharmacies, hospitals, and practitioners to securely and safely utilize modern technology systems to electronically prescribe (e-prescribe) schedule II through V drugs (controlled substances). Since the DEA's rule went into effect in June 2010, many states have aligned their policies and regulations to facilitate e-prescribing of controlled substances; 41 states now permit e-prescribing of controlled substances and only nine states, including Hawaii, do not. [States' status relative to e-prescribing of controlled substances is depicted in the map below.]<sup>1</sup>

---

<sup>1</sup> Surescripts. "E-Prescribing of Controlled Substances." <http://www.surescripts.com/about-e-prescribing/e-prescribing-of-controlled-substances.aspx>. Accessed on January 30, 2013.

### OFFICERS

PRESIDENT - STEPHEN KEMBLE, MD PRESIDENT-ELECT - WALTON SHIM, MD  
SECRETARY - THOMAS KOSASA, MD IMMEDIATE PAST PRESIDENT - ROGER KIMURA, MD  
TREASURER - BRANDON LEE, MD EXECUTIVE DIRECTOR - CHRISTOPHER FLANDERS, DO



KEY  
 State EPCS Status:  
 Status Unclear - Guidance Requested From State Authorities    ● CBI-V Allowed    ● CBI-V Allowed (All Schedules)

\*This does not constitute legal advice. Prescribers should consult an attorney to ensure that EPCS is permitted in their state.

HB 651 proposes to amend Hawaii’s current Uniform Controlled Substances Act in chapter 329 to allow for e-prescribing of schedules II through V controlled substances. It is critical that Hawaii align with federal regulations for several reasons.

First, the federal requirements ensure that e-prescribing of controlled substances is secure and safe, to protect both the prescriber and the patient. The DEA requires that prescribers must: use e-prescribing software that is audited and certified for the purposes of e-prescribing of controlled substances; complete identity-proofing; and use a secure, two-factor authentication process to sign e-prescriptions for controlled substances. These privacy and security requirements protect the prescriber from the misuse of his/her credentials. It should also be noted that prescribers have the same obligations when e-prescribing controlled substances as they do when issuing traditional prescriptions orally or on paper.

Second, providers who are not able to e-prescribe controlled substances are forced to maintain separate workflows in their prescribing process – an electronic workflow for non-controlled substances and a paper process for controlled substances. The maintenance of two workflows is both disruptive and burdensome to the provider; controlled substances account for 10 to 11% of total prescriptions written in the United States.<sup>2</sup> The workflow disruptions and hassle caused by switching between paper and electronic prescribing are enough to make some physicians choose not to e-prescribe at all.

<sup>2</sup> Drug Enforcement Administration. “Electronic Prescriptions for Controlled Substances.” Interim Final Rule with Request for Comment. March 31, 2010. [http://www.deadiversion.usdoj.gov/fed\\_regs/rules/2010/fr0331.htm](http://www.deadiversion.usdoj.gov/fed_regs/rules/2010/fr0331.htm). Accessed on January 30, 2013.

Third, the benefits of e-prescribing have been documented for patients, providers, and pharmacists. Major benefits include:

- **Enhanced patient safety and quality of care:** A 2010 study found 37 errors for every 100 handwritten prescriptions, compared to 7 errors for every 100 electronic prescriptions.<sup>3</sup> It was estimated that about 7% of these errors have the potential to do harm.
- **Lower costs across the healthcare system:** E-prescribing systems help prescribers select medications covered by a patient's health plan formulary that are both cost effective and therapeutically appropriate. A 2012 study estimated that e-prescribing could lead to between \$140 billion and \$240 billion in savings and improve health outcomes over the next ten years.<sup>4</sup>
- **Increases patient convenience and medication compliance:** A recent study reported a 10% increase in patients' filling or picking up of new prescriptions.<sup>5</sup> E-prescribing removes the "waiting" time from the traditional prescription filling process so that patients can easily fill medications without encountering significant wait times at the pharmacy.
- **Saves time and money for pharmacies and providers:** The National Association of Chain Drug Stores estimated that pharmacy staff make upwards of 150 million calls annually to clarify prescriptions or discuss possible errors with prescribers. This equates to as much as \$20,000 annually per physician practice that could otherwise be redirected to patient care.<sup>6</sup>

As of 2011, Hawaii ranked 39<sup>th</sup> among states in Surescripts Safe-Rx rankings due to its low adoption of e-prescribing. Hawaii prescribers, pharmacists, and patients are disadvantaged when it comes to health care quality and costs as prescribers are forced to retain two prescribing workflows. This impacts prescribers' abilities to adopt e-prescribing and, as a result, prescribers, patients and pharmacies do not receive e-prescribing's cost and safety benefits. Aligning Hawaii's laws to be consistent with DEA regulations is a critical important next step to moving Hawaii forward and supporting improved quality of care and reduced costs.

Mahalo for the opportunity to submit testimony on this important issue.

---

<sup>3</sup> Kaushal, R., Kern, L., Barron, Y., Quaresimo, J., Abramson, E. "Electronic Prescribing Improves Medication Safety in Community-Based Office Practices." *Journal of General Internal Medicine*. June 2010.

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2869410/?tool=pubmed>. Accessed on January 30, 2013.

<sup>4</sup>Surescripts. "Study: E-Prescribing Shown to Improve Outcomes and Save U.S. Healthcare System Billions of Dollars." February 1, 2012. [http://www.surescripts.com/news-and-events/press-releases/2012/february/212\\_eprescribing.aspx](http://www.surescripts.com/news-and-events/press-releases/2012/february/212_eprescribing.aspx). Accessed on January 30, 2013.

<sup>5</sup> Ibid.

<sup>6</sup> Medical Group Management Association. "Analyzing the Cost of Administrative Complexity." September 2004. <http://www.mgma.com/about/default.aspx?id=280>. Accessed on January 30, 2013.

## Testimony of Phyllis Dendle

Before:

Senate Committee on Commerce and Consumer Protection  
Senator Rosalyn H. Baker, Chair  
Senator Brickwood Galuteria, Vice Chair

March 28, 2013

9:30 am

Conference Room 229

**HB651 HD1 RELATING TO ELECTRONIC PRESCRIPTIONS**

Chair Baker and committee members thank you for this opportunity to provide written testimony on HB651 HD1 which permits the use of electronic prescriptions for the dispensing of controlled substances.

**Kaiser Permanente Hawaii supports this bill.**

This bill allows another option for controlled substances prescriptions to arrive to pharmacies, in addition to the current "patient picks up prescription from their doctor and drops the prescription off at the pharmacy" option currently in use for most of these drugs. Besides making it more convenient and timely for doctors and patients, the electronic transmission of controlled substances prescriptions provides for safe and secure transfer of prescription information from prescriber to pharmacist. It eliminates the forgeries, lost prescription documents, and illegible handwriting, that contribute to medication errors, wasted time and increased frustration for patients who need these medicines. This bill also aligns the State Narcotics Enforcement Division with Federal Drug Enforcement Agency requirements to enable the electronic transmission of prescriptions for this category of drugs.

Thank you for your consideration.



3375 Koapaka Street, D-108  
Honolulu, HI 96819

Phone: (808) 831-0811  
Fax: (808) 831-0833

---

Thursday, March 28, 2013

Senate Committee on Commerce and Consumer Protection

Re: HB 651, HD1 Relating to Electronic Prescriptions

Dear Chair Baker, Vice Chair Galuteria and members of the Committee,

We appreciate the opportunity to testify on HB 651, HD1, and respectfully submit the following written testimony in support of the bill. Times Supermarket is based on Oahu and operates 26 stores with locations on Maui, Kauai and Oahu.

HB 651, HD1 amends the Uniform Controlled Substances Act in chapter 329, Hawaii Revised Statutes, by adding definitions consistent with federal law, clarifying the conditions for electronic transmittal of prescriptions, and adding and clarifying violations of prohibited acts.

HB 651, HD1 is a step forward toward improving patient care in Hawaii.

Thank you for the opportunity to testify.

Respectfully,

Bob Gutierrez  
Director of Government Affairs, Times Supermarket



1300 I Street, N. W., Suite 525 West| Washington, DC 20005 | T: 202-772-3500

The Honorable Rosalyn Baker, Chair  
The Honorable Brickwood Galuteria, Vice Chair  
Senate Committee on Commerce and Consumer Protection

Thursday, March 28, 2013; 9:30 a.m.  
State Capitol; Conference Room 229

**RE: HB 651 HD1 - Relating to Electronic Prescriptions- In Support**

Chair Baker, Vice Chair Galuteria and members of the Committee:

My name is Todd Inafuku and I am testifying on behalf of CVS Caremark (CVS) in support of HB 651 HD1, Relating to Electronic Prescriptions. This bill will allow practitioners, who are registered and authorized to prescribe controlled substances, to electronically prescribe and electronically convey prescriptions for controlled substances listed in Schedules II, III, IV and V to a pharmacy of the patient's choice. The electronic conveyance of prescriptions will provide practitioners with a safer, more secure, and timely means to prescribe controlled substances in addition to the traditional method of providing the patient with a handwritten prescription for controlled substances listed in Schedules II, III, IV, and V, or orally ordering or conveying a fax of a written prescription to a pharmacy for controlled substances listed in Schedules III, IV and V.

Thank you for the opportunity to testify on this matter,

Todd K. Inafuku  
Cell phone (808) 620-2288

**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
Walgreens**

DATE: March 26, 2013

TO: Senator Rosalyn Baker  
Chair, Committee on Commerce and Consumer Protection  
*Submitted Via CPNtestimony@capitol.hawaii.gov*

RE: **H.B. 651 H.D.1– Relating to Electronic Prescriptions**  
**Hearing Date: Thursday, March 28, 2013 at 9:30 am**  
**Conference Room 229**

---

Dear Chair Baker and Members of the Committee on Commerce and Consumer Protection:

We submit these comments on behalf of Walgreen Co. (“Walgreens”). Walgreens operates more than 8,200 locations in all 50 states, the District of Columbia and Puerto Rico. In Hawai`i, Walgreens now has 11 stores on the islands of Oahu, Maui and Hawai`i.

Walgreens **supports** H.B. 651 H.D.1, which amends the Uniform Controlled Substances Act in Chapter 329, Hawaii Revised Statutes, by adding definitions consistent with federal law, clarifying the conditions for electronic transmittal of prescriptions, and specifying prohibited acts related to electronic prescriptions.

The measure would allow practitioners to electronically prescribe controlled substances and to convey the prescription directly to the pharmacy of the patient’s choice. It will also provide practitioners with a safer, more secure, and timely means to prescribe controlled substances in addition to the conventional means of prescribing controlled substances. Passage of this legislation will continue to move forward the acceptance of e-prescribing, thus improving patient care.

Thank you very much for the opportunity to submit comments on this measure.

---

Gary M. Slovin  
Mihoko E. Ito  
Tiffany N. Yajima  
Nicole A. Velasco

1099 Alakea Street, Suite 1400  
Honolulu, HI 96813  
(808) 539-0840



**HB651**

Submitted on: 3/22/2013

Testimony for CPN on Mar 28, 2013 09:30AM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ronald Taniguchi, Pharm.D.	Individual	Support	No

Comments: Support for HB651, HD1