



NEIL ABERCROMBIE  
GOVERNOR

SHAN S. TSUTSUI  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
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KEALI'I S. LOPEZ  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON WAYS AND MEANS  
TWENTY-SEVENTH LEGISLATURE  
Regular Session of 2013

Thursday, April 4, 2013  
9 a.m.

**WRITTEN TESTIMONY ONLY**

**TESTIMONY ON HOUSE BILL NO. 65, H.D. 2, S.D. 1 – RELATING TO  
PRESCRIPTION DRUGS.**

TO THE HONORABLE DAVID IGE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department has concerns about the enforcement provisions of this bill.

The intent of the bill is to allow prescription drug beneficiaries to opt-out of a requirement to purchase prescription medications through mail-order. Providing consumers a choice is good; however, the result may be increased prescription drug costs.

The Department has concerns regarding the provisions which require the Commissioner to enforce the opt-out provision on the pharmacy benefit managers. The Insurance Division has no jurisdiction over pharmacy benefit managers, as it does not license or regulate pharmacy benefit managers.

We thank this Committee for the opportunity to present testimony on this matter.

Honorable David Ige, Chair  
Honorable Michelle Kidani, Vice Chair  
Senate Committee on Ways and Means

Thursday, April 4, 2013; 9:00 a.m.  
Hawaii State Capitol; Conference Room 211

**RE: HB 65 HD2 SD1 – Relating to Prescription Drugs – In Opposition**

Chair Ige, Vice Chair Kidani and Members of the Committee:

My name is Lauren Rowley, Vice-President of Government Affairs submitting comments on behalf of CVS Caremark Corporation (“CVS Caremark”) in opposition to HB 65 HD2 SD1, Relating to Prescription Drugs. The plan sponsors, including self-insured employer plans, commercial health plans, Medicare Part D plans, state government employee plans such as the Employer Union Trust Fund (EUTF), union plans, and the Federal Employees Health Benefits Program (FEHBP) determine the pharmacy benefit plan for their beneficiaries and employees. The pharmacy benefit plan includes the pharmacy network and the use of mail service pharmacies and the applicable cost-sharing that their beneficiaries pay. Pharmacy benefit managers (PBMs) do *not* determine the plan design, but administer the benefit under contract with the plan sponsors.

If enacted, HB 65 HD2 SD1 would have a broad impact because it would apply to all beneficiaries in **any** prescription drug benefits plan that a PBM administers in the state, including EUTF, HMSA and self-insured employer plans. For example, it would prohibit the use of co-payment incentives for other pharmacy benefit plans that are designed to encourage plan beneficiaries and employees to utilize a more cost-effective prescription drug channel and result in savings for the plan sponsor as well as lessening the out of pocket expense for the plan beneficiaries and employees. Finally, the bill's broad application to pharmacy benefit managers also raises significant issues under the federal Employee Retirement Income Security Act (ERISA).

**Mail-Service Pharmacies Make Prescriptions More Affordable**

- Beneficiaries and employees of the plan sponsor may go to any retail pharmacy to have their prescriptions filled. However, they will only be able to access their determined pharmacy benefit if they select a retail pharmacy that is participating within the plan network.
- While local retail pharmacies in the plan sponsor’s pharmacy network are used for new therapy starts and acute care prescriptions, plan sponsors sometimes choose to provide their beneficiaries and employees with the option of a lower co-payment on a 90-day supply of their chronic medications through the use of mail-service pharmacies. This provides significant cost savings for the plan sponsors.
- The Federal Trade Commission (“FTC”) concluded in a 2005 study of the PBM industry that for a common basket of drugs, with the same sized prescriptions, “retail prices were typically higher than [PBM] mail prices[.]” (p. 23) More specifically, the FTC’s analysis of more than five million prescriptions showed that retail prices for 90-day prescriptions were higher than PBM-owned mail service prices by 6.8% for generic drugs and 11.3% for single-source brands. (p. 34)<sup>1</sup>

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<sup>1</sup> Federal Trade Commission, Pharmacy Benefit Managers: Ownership of Mail-Order Pharmacies, August 2005.

- A recent study by Visante concluded that mail-service pharmacies will save employers, unions, government employee plans, consumers, and other commercial-sector payers \$203 million over the next ten years in Hawaii.<sup>2</sup>

We also believe that HB 65 HD2 SD1 would run afoul of ERISA by not allowing the PBM to execute the plan sponsors' desired pharmacy benefit plan design for their beneficiaries and employees. All group health plans, whether insured or self-insured, are subject to ERISA, which is a "comprehensive system for the federal regulation of employee benefit plans," in the words of the Supreme Court (*District of Columbia v. Greater Wash.Bd. of Trade*, 506 U.S. 125, 127 (1992)). As such, the federal statute expressly pre-empts "any and all State laws insofar as they... relate to any employee benefit plan." 29 U.S.C. §1144(a) One of ERISA's primary goals is to allow employers "to establish a uniform administrative scheme, which provides a standard set of procedures to guide processing of claims and disbursement of benefits." *Egelhoff v. Egelhoff*, 532 U.S. 141, 147 (2001).

This legislation takes away the ability of plan sponsors to design a cost effective pharmacy benefit plan that best suits their needs and the needs of their beneficiaries and employees, and the ability to offer a uniform pharmacy benefit plan to all of their employees. This bill would also prohibit the use of co-payment incentives that would encourage beneficiaries and employees to utilize a more cost-effective prescription drug channel that would result in savings for the plan sponsor as well as lessening the out of pocket expense for beneficiaries and employees. In effect, this bill would have the unintended consequence of restricting the choices that a plan sponsor would be able to offer to their beneficiaries and employees, while penalizing the beneficiaries and employees for making a better choice. For these reasons and the ERISA concerns, CVS Caremark respectfully requests this bill be held.

Thank you for the opportunity to provide comments on this matter of importance.

Lauren Rowley

Vice-President, Government Affairs

CVS Caremark

Telephone (202) 772-3516

Email – lauren.rowley@cvscaremark.com

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<sup>2</sup> "How Mail-Service Pharmacies will Save \$46.6 Billion Over the Next Decade," Visante, February, 2012.



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)  
1050 Bishop St. PMB 235  
Honolulu, HI 96813  
Fax : 808-791-0702  
Telephone : 808-533-1292

DATE: Thursday, April 4, 2013    TIME: 9:00 AM    PLACE: CR 211

TO: COMMITTEE ON WAYS AND MEANS

Senator David Y. Ige, Chair  
Senator Michelle N. Kidani, Vice Chair

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

**Re: HB 65 RELATING TO PRESCRIPTION DRUGS**

**In Support.**

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

I am writing on behalf of HFIA members across the State of Hawaii regarding Pharmacy Benefit Managers, (PBM's) and the importance of increasing oversight. We support this measure which allows beneficiaries of prescription drug benefits providers to opt out of the requirement to purchase prescription drugs from a mail – order pharmacy and may alternatively purchase prescription drugs from a retail pharmacy.

This measure is necessary to ensure that Hawaii continues to have a robust network of pharmacies to serve our population.

Thank you for the opportunity to provide this testimony.



**HAWAII MEDICAL ASSOCIATION**

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

**Thursday, April 4, 2013**

**9:00 a.m.**

**CR 211**

To: COMMITTEE ON WAYS AND MEANS  
Senator David Y. Ige, Chair  
Senator Michele N. Kidani, 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 65 RELATING TO PRESCRIPTION DRUGS

Position: Support

Dear Chair Ige and Vice Chair Kidani and Senate Ways and Means Members:

The Hawaii Medical Association is submitting testimony in support of HB 65.

Thank you for the opportunity to provide testimony in support of HB 65. The Hawaii Medical Association fully supports the intent of this bill, which will allow our patients the choice to purchase prescription medications either from a mail-order pharmacy or from a local retail pharmacy. The requirement to use only mail-order pharmacies can cause an inconvenience for a patient who needs to purchase prescription medications, and may even present a danger to the patient from inhibiting promptly obtaining urgently needed prescription medications, by requiring the person to wait for mail-order delivery.

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

**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**

# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

April 4, 2013

The Honorable David Y. Ige, Chair  
The Honorable Michelle N. Kidani, Vice Chair

Senate Committee on Ways and Means

**Re: HB 65, HD2, SD 1 – Relating to Prescription Drugs**

Dear Chair Ige, Chair Kidani, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 65, HD2, SD1, which would, for a five-year period, allow health plan beneficiaries to opt out of a plan requirement to purchase prescriptions by mail. HMSA opposes this Bill.

HMSA's goal in the provision of outpatient pharmacy services is to ensure our members have access to affordable, high quality medication. HMSA believes that optimal drug therapy results in positive medical outcomes, which helps to manage overall health care costs.

There may be a misconception that PBMs dictate pharmacy benefits – such as restrictive network, mandatory mail order and copayments. This is not the case. The employer groups or other payers are the entities that make these benefit design decisions.

Prohibiting employer groups the authority to design the best plan for their employees will prohibit health plans from utilizing cost-saving methods. While we understand the intent of the Bill is to allow a five-year test of this prohibition, we believe health plans should retain the flexibility to develop the most economical plans that meet the needs of our varied customers.

Thank you for the opportunity to testify in opposition to this measure.

Sincerely,

A handwritten signature in black ink that reads 'Mark K. Oto'.

Mark K. Oto  
Director  
Government Relations

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [randy@kauaichamber.org](mailto:randy@kauaichamber.org)  
**Subject:** \*Submitted testimony for HB65 on Apr 4, 2013 09:00AM\*  
**Date:** Tuesday, April 02, 2013 11:16:20 AM

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HB65

Submitted on: 4/2/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Randall Francisco	Kauai Chamber of Commerce	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [kgo\\_hi@yahoo.com](mailto:kgo_hi@yahoo.com)  
**Subject:** Submitted testimony for HB65 on Apr 4, 2013 09:00AM  
**Date:** Tuesday, April 02, 2013 12:50:17 PM

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HB65

Submitted on: 4/2/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kelly Go, RPh	Molokai Drugs, Inc.	Support	No

Comments: Please continue to give our Molokai residents the opportunity to support local businesses and to continue to have a choice whether to use mail order or not and to give their pharmacists on Molokai the opportunity to service them face-to-face.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [rontthi@gmail.com](mailto:rontthi@gmail.com)  
**Subject:** Submitted testimony for HB65 on Apr 4, 2013 09:00AM  
**Date:** Wednesday, April 03, 2013 7:29:46 AM

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HB65

Submitted on: 4/3/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Taniguchi, Pharm.D.	Individual	Comments Only	No

Comments: The availability of a pharmacist who lives and works in a community and has a personal relationship with his/her patients and their families provides the highest quality of care. Support for this bill helps make it happen. Mahalo nui loa.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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

DATE: April 3, 2013

TO: Senator David Ige  
Chair, Committee on Ways and Means  
*Submitted Via [WAMtestimony@capitol.hawaii.gov](mailto:WAMtestimony@capitol.hawaii.gov)*

RE: **H.B. 65 H.D.2, S.D.1 – Relating to Prescription Drugs**  
**Hearing Date: Thursday, April 4, 2013 at 9:00 am**  
**Conference Room 211**

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Dear Chair Ige and Members of the Committees on Ways and Means:

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. 65 H.D.2, S.D.1, which allows beneficiaries of prescription drug benefits providers to opt out of the requirement to purchase prescription drugs from a mail-order pharmacy and to alternatively purchase prescription drugs from a retail pharmacy. We also support the amendments in S.D.1 that insert an effective date of July 1, 2013, and a sunset date of June 30, 2018, with the requirement that affected entities report to the Legislature 20 days prior to the convening of the 2018 Legislative session.

Walgreens believes that patients should be in control of their choices when filling their prescriptions. From a patient perspective, face-to-face counseling is the most effective at driving patient adherence. Regulating prescription drug benefit plans by 1) prohibiting mandatory mail order and 2) prohibiting the ability of prescription drug benefit plans to manipulate pricing that it charges in a way that encourages mail order will help to protect patient choice, and will level the playing field among pharmacy service providers.

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

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

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

Senate Bill HB65 SD1

Ways and Means Committee

Please pass HB65. I love my community pharmacy please don't take away my right to choose my pharmacist. I like to be able to talk to my pharmacist and feel like they care about me. When I go to Longs I feel like they care more about preserving their corporation and when I go to Westside pharmacy I feel like they care more about the patient and will help me. I want to be able to choose a pharmacy that puts patients first.

Beth Sharpe Carter RN

Senator Ige

Ways and Means Committee

## I SUPPORT HB 65

Senator Ige I must impress upon you the importance of this legislation. Without this bill Independent Pharmacy will cease to exist and the pharmacy delivery system that we have will be no more. The access to quality health information in small independent pharmacies is something that has served our patients our friends and neighbors well for the past 40+ years and needs to continue. According to recent data Hawaii has the highest percentage of community pharmacies per population as well as the highest rate of generic drug utilization.

[http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CDUQFjAA&url=http%3A%2F%2Fwww.reduce-drugprices.org%2Fdocuments%2FStateSavings082008.pdf&ei=PlhcUcLpKoXgiwLO7YHwAg&usg=AFQjCNEW\\_LgsVor4VMtsSc8N4XW2VBrk2g&sig2=Hfm8A2UbWYqzRjk8H0UTg&bvm=bv.44697112,d.cGE](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CDUQFjAA&url=http%3A%2F%2Fwww.reduce-drugprices.org%2Fdocuments%2FStateSavings082008.pdf&ei=PlhcUcLpKoXgiwLO7YHwAg&usg=AFQjCNEW_LgsVor4VMtsSc8N4XW2VBrk2g&sig2=Hfm8A2UbWYqzRjk8H0UTg&bvm=bv.44697112,d.cGE)

Each 1% increase in the use of generic drugs is a savings of 1.5million dollars or more. Independent pharmacies are more likely to promote generic drugs as opposed to large chain and mail order pharmacies who are much more likely to promote brand drugs that drive up the cost of medication. <http://ncpanet.wordpress.com/2010/11/12/community-pharmacists-leading-the-way-on-generic-drug-utilization-while-pbms-addicted-to-brand-name-rebates/>

Our state needs protection from CVS/Caremark who's corporation is based on the mainland and has no roots in Hawaii. This corporation has an abysmal record of fraud and deception. Try googling "CVS settlement" and you will pick up "About 1,710,000 results (0.23 seconds)". Even Wikipedia in the banner statement says "CVS has agreed to a a \$38.5 million *settlement* in a multi-state civil deceptive-practices lawsuit against pharmacy benefit manager Caremark filed by 28 ...". We cannot trust this company to deliver almost 90% of the prescriptions in the state. We need to keep our small pharmacies alive and returning the tax dollars that we spend on medication here in Hawaii.

Please pass HB65 and keep Hawaii small business alive and keep Hawaii healthy.

Thank you for reading my testimony,

Brian Carter RPh

[wbkotter@gmail.com](mailto:wbkotter@gmail.com)

808 645-0491

**From:** [Oshima Bros., Inc.](#)  
**To:** [WAM Testimony](#)  
**Subject:** HB-65  
**Date:** Tuesday, April 02, 2013 4:15:54 PM

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I am in favor of HB-65. In small towns, a lot of people like to support the local businesses. Right now, they have no choice with mandatory mail order of their prescriptions. They like to walk into a small retail pharmacy where they can talk to the pharmacist or other pharmacy employees-with people they have come to know over the years. You can't do this with a mail order pharmacy. Patients should have the right to fill their prescriptions where they feel comfortable.

Submitted by,  
Corinne Oshima-Koseda, RPh.  
Oshima Drug  
Kealakekua, HI 96750

Aloha Senate Committee on Ways and Means,

My name is Cyrus Tumbaga and I am a Pharmacist on the island of Kauai. I am writing to you today to gain your support for two important issues affecting community independent pharmacies in the State of Hawaii.

The first bill you will encounter is HB 62. HB 62 Prohibits a Pharmacy Benefit Manager (PBM) from using a patient's prescription data to market their own pharmacy network. This means that a PBM may call patients based off of their prescription data to move those prescriptions to their pharmacy. This then drives the patient from their "original" pharmacy to utilize a new one.

I have been a licensed Hawaii Pharmacist for only 5 months and currently work in a community independent pharmacy; not a chain/corporation pharmacy. Within these short 5 months of working, I have seen the impact of PBMs driving our patients to utilize their pharmacies. PBMs have utilized their marketing tactics to suggest that their patients may only fill prescriptions at their pharmacies and not at any other retail pharmacies. What happens then is that a patient will call that pharmacy to get their medicine transferred from our pharmacy. The pharmacist calls to get the prescription over the phone and we then have lost contact with that patient. We are left to wonder why they wanted to get their prescriptions elsewhere when they were utilizing our pharmacy for several years. Upon seeing them again at our pharmacy we ask why they moved to a different pharmacy and their reply is that they thought they could only fill at that pharmacy based off of what they were told on the phone or in a letter they received in the mail. If the patient had not spoken to a PBM or had spoken to their current pharmacy before doing the prescription transfer, they would have been advised that they did not have to go to another pharmacy and that they are allowed to go to the pharmacy of their choice. This makes it inconvenient for some patients who have to drive further to obtain their medications when their original pharmacy was down the street from their home. It then makes the patient frustrated that they were convinced to do something that they did not have to do at all.

I believe that all patients should have the right to choose what pharmacy they would like to fill prescriptions at. They should not have to be misguided by PBMs especially if it takes them away from their original pharmacy.

I hope this short example allows you to understand why supporting HB 62 is important and why we should prohibit PBM's from utilizing patient data to convince patients to switch to their pharmacy.

The second bill that you will also encounter is HB 65. HB 65 prohibits mandatory mail order and provides for an option out of mail order.

If you are unfamiliar with prescription mail order, it is where you simply get your prescription(s) through your mail. What a convenient idea right? It can be for some, but for many patients it is a continuous battle to receive their medications.

The idea of "mail order" pharmacies is that a patient can call to request their medications to be filled and receive their medications directly to their mailbox. This prevents them from going into a physical pharmacy. With this idea, a patient has to be well versed with the rules and procedures to conveniently utilize the service. All things may go well for many people who are on a couple of medications but for those with complicated health regimens it proves to be a nightmare.

For example, a patient who has multiple drug regimens needs to be well aware of when to order each medication. Most of the time patients cannot order all of their medications at once. Therefore they need to know when exactly they can order their medications so their insurance will be able to be processed. This is hard for many patients because if their prescriptions cannot be ordered all at once they may have to call on separate days to order their medications.

Another downfall to the mail order system is that you have to call for your medications well in advance before running out of medication. Therefore if a patient has 2 weeks left of medication, then they would need to call for a refill. This 2 week advance takes into account processing time and mail transit time to get the medication to the patient.

You may be thinking, where is the downfall and the need to prohibit the mandatory mail ordering system? Say for instance a patient fails to realize their meds are going to run out in a few days because they thought they had another bottle left from the batch they received months ago. In most, if not all cases, the patient then calls for a refill from their mail ordering service, but will not get their medications till a week later. If the patient only had a few days left in their current bottle, they may then be out of their medication for 4-5 days while waiting for their medication to be received in the mail. How is this bad? What if the medication is for controlling sugar levels for patients diagnosed with diabetes? A patient's blood sugar levels may rise because of the lack of medication and potentially cause injury or death due to fainting, which may lead to a bad fall, then bone fracture in the elderly. Or high blood sugar may be detrimental to the brain and/or other organs. If a patient is on blood pressure medications and is off of that for 4-5 days, increase blood pressure may lead to a stroke or heart attack.

So what is a patient's response to prevent these health problems because their medications are on its way through the mail? First a patient needs to see a physician to obtain a new prescription for their medication. Next, they will utilize a non mail order pharmacy to fill that prescription. Then they run into their next problem. Since their mail order pharmacy has billed them for the prescription that is in transit in the mail, their insurance will reject the claim the local pharmacy is trying to process. The only way for the patient to obtain their medication is to pay cash for it knowing that they cannot be reimbursed for it by their insurance because they are receiving a new supply in the mail and what they are receiving now (at the local pharmacy) is "extra" medication that they did not dispense. These "extra" medications are usually expensive and leave the patient at a decision to pay for the medication. This occurs because the same insurance carrier that promotes mail-order pharmacy does not allow overrides for these types of situations that leave patients waiting for a several days without medication. So why should patients be forced to utilize a system that only by idea seems ideal but fails to respond to system flaws?

Few other problems with mandatory mail order on Kauai are that most people receive their mail at the post office and not delivered to a mailbox at their home address. Therefore, in order to receive their medication(s) they would need to go to the post office to pick it up during their business hours. Many times the busy lives of people do not coincide with the open business hours of the post office and cannot receive their medications as conveniently needed. For example, insulin needs to be cooled/refrigerated. Many times patients receive their insulin warm because of the transit time of the mail from the mail order pharmacy being off island and also if they are unable to pick it up the day it was delivered to their mailbox.

I hope that the few examples I have shared with you allow you to understand what this is doing to our patients. Without the "mandatory mail order" provision, patients will be able to utilize any pharmacy they wish. It will prevent any "gaps" they have when filling their prescriptions because they will be able to fill their prescriptions any day for the week and receive them any day for the week. It will prevent any detrimental health issues because they will have easier access to their medications.

Thank you for your time and consideration. I hope that you support both HB 62 and HB 65 and continue to support Hawaii's local community independent pharmacies.

Mahalo,

Cyrus Tumbaga, PharmD

(808)647-0417

**From:** [Danita Henley](#)  
**To:** [WAM Testimony](#)  
**Subject:** Support HB 65  
**Date:** Tuesday, April 02, 2013 2:10:09 PM

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To our government leaders:

**This is very important! Support HB 65!**

I prefer to have me prescription needs met by an INDEPENDENT pharmacy where I am able to get personal 1 on 1 care for my medication needs by a pharmacist I have grown to trust. Furthermore, my personal right to make this decision has been under constant threat by my insurance company trying to force into taking my prescriptions where they say I should by maximizing my drug coverage at the pharmacies of their choice. The idea that a PBM or mail order pharmacy offers cost savings is said to be the driving force. The truth is that the independent pharmacist has the time to research and manage my potential drug problems and help protect me against medication errors. Studies have shown that total health care cost decreases with the intervention of pharmacist (the type of interventions that only community/independent pharmacies can offer). Please do not take away our basic constitutional right to have the freedom of choice!

--

Thanks,  
Danita Dee Henley-Narciso

[808-333-6697](tel:808-333-6697)

[dhenley@hawaii.edu](mailto:dhenley@hawaii.edu)



**From:** [Kim Melchor](#)  
**To:** [WAM Testimony](#)  
**Subject:** Please support HB 65 and HB 62  
**Date:** Tuesday, April 02, 2013 11:03:29 PM

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Dear Senator,

As a Hawaii Pharmacist for 14 years, I humbly ask you to please support HB 65 and HB 62.

HB 65

As a whole, I have no problem with mail order prescriptions and understand the economic benefits and convenience for most people. However, there are some individuals who need face to face service, have trouble communicating via phone or computer, find the process confusing and difficult, procrastinate on ordering, or who have tried mail order and would rather fill their prescriptions locally. Mandatory mail order for these individuals can be frustrating, irritating, embarrassing, time consuming, and even dangerous. Please support HB 65 and allow people opt out of mail order. Let individuals decide what is best for them.

HB 62

The way things currently work is unfair. For example, a insurance plan (like HMSA) contracts with a PBM, pharmacy benefits manager (like CVS), to process electronic claims. The PBM then uses that data to solicit patients via phone or mail and try to convince patients to use their own pharmacy (like Longs which is owned by CVS). I've spoken with long-time patients of mine that almost transferred their prescriptions after receiving such a letter because they thought they were required to. Please support HB 62 and put an end to this unfair practice.

Mahalo for your time.

Sincerely,  
Emmanuel Melchor, PharmD

**From:** [Eric](#)  
**To:** [WAM Testimony](#)  
**Subject:** HB65  
**Date:** Tuesday, April 02, 2013 10:12:56 PM

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Aloha,

I'm am writing in support of house bill 65. I am a pharmacist that lives and works on Kauai. I was born and raised on the island of Kauai. I went to pharmacy with the intention to move back to Hawaii and make a difference in my community, the community that helped in my upbringing. It makes it very difficult to practice in a retail setting with large pharmacy corporations buying out insurance companies and forcing their customers to use their services. It is a conflict of interest. In particular, CVS/Caremark and Safeway are fortune 500 companies that seem to use their financial status to taking advantage of the health care system and general public. I find it intriguing and appalling how insurance companies take advantage of their own customers. For example, today I had a customer come in and pick up medications for both her and her husband. I noticed that the husband had dual coverage, he carried his own health insurance and he was a dependent his wife's health insurance; however, she was billed for her insurance only. She was listed on the his plan as a dependent on the plan but wasn't able to take advantage of the plan. Her husbands insurance is supposed be listed as the primary insurance even for dependents and only allows for manually submitted claims for dependents with primary insurance plan. They didn't know this until today. They have been paying all this money to both insurance company for sometime and were not told by the insurance company about their insurance entailed. That's just one example! Secondly, pharmacy was built by independent pharmacist that used their drug and medical knowledge to provide for their families by assisting physicians in preparation of medications. These independent pharmacies are almost none existent. Here in Hawaii there used to be many independent pharmacies scattered throughout the state. Kauai and Maui had the largest number of independent pharmacies in the state. Predominantly on maui we have seen a shrinkage in the number of independent pharmacies;and in general less and less pharmacist that want to head down this road purely because of the resources it take to get reimburse from insurance companies. Larger corporations/fortune 500 companies are buying out smaller companies. With CVS/Caremark putting restrictions to how many fills/refills a customer can obtain from a pharmacy that is not a CVS owned an operated pharmacy should not be allowed. Also, Safeway is AARP's preferred pharmacy and all independent pharmacies are excluded from agreement. Any member of AARP cannot go to an independent pharmacy to be serviced. This should not be legal. People have the choice to to whatever pharmacy they want to. The College of Pharmacy at UH was put in place by the board of regents of UH and is supported by the community (the people of this State) to expand health care in Hawaii. Hawaii can't obtain better health if the health care system is being monopolized.

Mahalo Nui Loa,

Eric Lum  
Doctor of Pharmacy

A hui hou!

**From:** [Greg Harmon](#)  
**To:** [WAM Testimony](#)  
**Subject:** HB 65  
**Date:** Tuesday, April 02, 2013 4:25:57 PM

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Dear honorable senators and representatives hearing HB 65,

I am a pharmacist providing rural community services in North Kohala on the Big Island for a population of 7,000. We offer free delivery service because we have no mail service delivery from the USPS. People here have limitations and access issues that prevent them from using these mandatory mail order programs. I stongly support HB 65 so I may continue my community pharmacy business and promote positive health care outcomes for the people of Hawaii. I also support this very important bill because of freedom of choice to be able to select your doctor, dentist, or pharmacist(pharmacy).  
Sincerely,

Greg Harmon, Pharmacist  
PO Box 610  
Kapaau, HI 96755  
808-889-6161

# SUPPORT HOUSE BILL 65

GIVING THE PATIENT THE  
RIGHT TO CHOOSE!!

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Dr. Jared Schmitz Pharm D  
Foodland Pharmacy  
Kamuela, HI

**I support HB 65 to end mandatory mail order.** Many of our state and county workers were forced into the mandatory mail order program formerly under Informed Rx which was recently purchased by CVS/Caremark. Our citizens were not given the freedom of choice rather the choice was made for them. Many of our seniors were forced from their community pharmacies into mail order or Longs/CVS. The perceived savings is very little for our state. In reality our state will take a net loss in not only safety but choice as well. If community pharmacies are not allowed to compete fairly it decreases competition. Decreased competition leads to fewer pharmacies, and eventually less pharmacists.

If there are fewer pharmacists this leads to more prescriptions being checked by fewer pharmacists and thus more potential for fatal errors. Without face to face contact and personal interaction with our patients many potential errors are missed. Counseling, a staple in the profession of pharmacy, is eliminated. It is up to the patient to answer many of their own questions on medications. Many of our patients have built relationships with their neighborhood pharmacists and may not be as forthcoming to a 1-800 pharmacists vs. someone they can talk to face to face. As a former mail order pharmacist, I offer you some insight.

Mail order pharmacies are not pharmacies but production lines. Pharmacists pay is based not on sound practice but “rates”. Check so many prescriptions per/hour, check so many drug interactions, high doses, missing MD signatures and you get a bigger raise. It does not always **pay** to be safe and accurate. A herd mentality begins to develop. It’s kind of like speeding on the highway....Everyone else is speeding so you do as well. Like speeding this is not always safe. During my time at various mail order pharmacies I have seen this herd mentality first hand. High doses of potentially dangerous medications are left unchecked. Missing information on prescriptions is let go, questionable prescriptions are filled, and large amounts of narcotics are shipped out. Many good pharmacists start by doing the right thing but a mail order environment based on rates does not always allow good practice.

In Hawaii we as pharmacists are required to procure a valid drivers license, social security card, or US passport on all controlled medications (narcotics, amphetamines). Is The US postal service doing the same for mail order? Mail order allows a patient to refill when they have used 66% of their medication often including narcotics. An example if a patient receives 200 Vicodin for a 90 day supply they can reorder when they have used 132 tablets. This means they could have 68 tablets left. The DEA considers this “stockpiling”. Diversion of narcotics is a potential problem here a problem Hawaii already has. Local pharmacies can only fill these medications one or two days early without the permission of the prescribing MD Hawaii already has.

Also a concern is temperature control. How many medications are left to sit in hot air port terminals, mail boxes, or warehouses . Many medications such as insulin for diabetes are very temperature sensitive. Is the average patient aware of the potential dangers. Is the post office monitoring the temperature of these medications. **Mail order is not a pharmacy but a production line. As far as potential savings made by mail order they are overstated. Most profits made by the mail orders are shipped back to the main land to corporate shareholders. Local pharmacies reinvest in their communities.**

**Please protect our seniors, our citizens, our children and vote yes to HB 65.**

Sincerely

Jared Schmitz Pharm D

**From:** [Jeff C](#)  
**To:** [WAM Testimony](#)  
**Subject:** HB 65 Support  
**Date:** Wednesday, April 03, 2013 8:19:25 AM

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I STRONGLY SUPPORT HB 65 and allowing patients access to the pharmacy and pharmacist of their choice. A patient not only comes to "THEIR PHARMACIST" because of trust, a relationship that was built, and the knowledge of the patients medications but they know their pharmacist is looking out for their best health and will do so at the lowest possible cost.

A patient has the RIGHT to go to a pharmacist that they feel provides them with the BEST CARE and they should not have to pay a higher copay from and an insurance to do so. Making mail order mandatory or enticing a patient to go to a particular pharmacy because of an enticement of a lower copay on their insurance plan is NOT IN THE PATIENT BEST INTEREST.

As a matter of fact Papatya Tankut, Vice President of Pharmacy Professional Services at CVS Caremark, which run one of the largest mail order facilities in the country stated:

"A pharmacist in a face-to-face setting is the most effective healthcare professional at encouraging patients to take medications as prescribed," in a 2012 interview with Drug Store News.

Allowing patients access to the pharmacy of their choice instead of mandatory mail order is the RIGHT THING TO DO FOR THE RESIDENTS OF HAWAII.

I am asking for your support in HB 65.

Sincerely,

Jeffrey J. Chomiuk  
5904 Wailpouli, Kapaa HI 96766

Testimony for HB65

To: Ways and Means Committee

I support HB65 the right to choose my pharmacy and pharmacist. I like the personal relationship I have with my pharmacist and want to be able to contact him whenever I feel I need him. I do not want to call a 1 800 number and speak to someone I do not trust. I like talking to my pharmacist and find his knowledge and concerns very valuable. He has saved me many emergency room visits.

Please pass HB65 and preserve my rights to choose my pharmacist and pharmacy.

Thank you for taking my testimony,  
Kathy Lee



**From:** [Lianne Malapit](#)  
**To:** [WAM Testimony](#)  
**Subject:** Please PASS HB 65- Mandatory Mail Order Prohibited  
**Date:** Tuesday, April 02, 2013 7:24:56 PM

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-- Dear Senator Ige and Honorable WAM Committee members,

Please pass HB 65 with amendments. Mandatory mail order is not cost savings, but study after study shows is it cost wasting. Allow Hawaii's patients access to their needed medications at the pharmacy of their choice, saving them both time and money in transportation and other costs.

Giving people choice and prompt access to their medications keep patients out of the emergency room and unnecessary doctor visits, all which costs the state and health plans lots of needless unnecessary wasted dollars.

Please help the people of Hawaii: patients, jobs in Hawaii and our overall health care structure to not degrade to bring people further harm in Hawaii. Thank you for hearing us, your health care professionals on the front line of your communities and please Pass HB 62 & HB 52 with amendments.

Lianne Malapit, Pharm. D.  
Lifeway Pharmacy (Lihue, Waimea, Koloa)  
cell (808) 639-1891

**From:** [Lily Aguilar](#)  
**To:** [WAM Testimony](#)  
**Subject:** HB65  
**Date:** Wednesday, April 03, 2013 8:54:43 AM

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About Mail order how it impacted the people I know...I can say that a lot of them didn't understand why they had to do mail order. It was either their medical said it was priority or the Doctors told them they had too...(why would their own PCP do that) maybe they got some kind of an incentive. I do know that a lot of the people I know really got FRUSTRATED. They also said that their medications wouldn't come in time or it would be the wrong ones. So they would have to go with out their medications for couple of days or even weeks because their order never came in or THERE WAS A MISSING INFORMATION THAT THE INSURANCE NEEDED OR INSURANCE NEED A TYPE OF PAYMENT before it can be sent out. So because they don't have the right information that held back medications from being mailed out not everyone has a checking or credit card. Also is it safe for the medications to be mailed because of the HEAT??? I am hoping and praying that this bill will past because I honestly think everyone has the right to go to any pharmacy they want. Thank You and Aloha

**From:** [M. Adams-Hansen](#)  
**To:** [WAM Testimony](#)  
**Subject:** support HB65  
**Date:** Tuesday, April 02, 2013 10:00:09 AM

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I support HB65.... " my " constitutional right to purchase my medicaines from the pharmacy of my choice !

Visit our Kauai accommodations at: [seakauai.com](http://seakauai.com)

**From:** [mike latif](#)  
**To:** [WAM Testimony](#)  
**Subject:** HB65 please pass it  
**Date:** Tuesday, April 02, 2013 5:45:00 PM

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Every day my customers bring in letters trying to take them away from our pharmacy who has been serving them and their families for the past 25 years. These letters are happening because the PBM are goading them with financial savings to come to their pharmacies. these type of practices will only create monopolies and will funnel more money out of the state of Hawaii. in the long run we will have less choices and higher prices.

Mike Latif Rph

Northshore Pharmacy, Kilauea

**From:** [Paul Narciso](#)  
**To:** [WAM Testimony](#)  
**Subject:** Support HB 65  
**Date:** Tuesday, April 02, 2013 10:14:17 PM  
**Attachments:** [photo.JPG](#)  
[ATT00001.txt](#)

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Dear Senators,

Please give back the rights of the people of Hawaii and not let someone hundreds of miles away dictate who we choose to trust with our health. I have worked with and have gained the trust in my community of Kapaa. They know that I will do anything in my power to improve their health. Can you guarantee that these mainland people will do the same thing? Please pass this bill and let us the community pharmacists do what we do best. That is to help our patients communicate with doctors and evaluate there drug therapy.

The state of New York passed a similar bill, because they knew the value and the cost savings of keeping our patients out of the hospital and emergency rooms. The bottom line is all we are asking is to have a choice.

Thank you for the opportunity comment in support of HB 65.

Sincerely,

Paul Brian Narciso, PharmD  
Kapaa Pharmacy  
808-822-3600

# SUPPORT HOUSE BILL 65

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To Whom it May Concern,

I am writing this email to express my support for HB65. As a professor of pharmacy practice at the University of Hawaii at Hilo and a member of EUTF I am currently very dissatisfied with my prescription benefits and am very concerned about the collateral damage that mail order pharmacy has on the quality of patient care, the profession of pharmacy and overall healthcare costs. From personal experience I have found that forcing patients to obtain their medications via mail order presents a barrier to care and encourages medication non-compliance. On several occasions I have run out of medications and as a result I was left without important maintenance medications while I was waiting for my Rx to arrive in the mail. For a patient with unstable conditions such as Heart Failure, A.fib, diabetes, etc. this lapse in compliance often leads to costly ER and hospital admissions. In fact several studies demonstrate that although the cost of medication procurement may\* be decreased it actually leads to an increase in total health care costs. I have attempted on multiple occasions to speak with a pharmacist however I was unable to get connected, if I was a patient who was confused about my medications and had questions this would undoubtedly lead to an increase in medication related adverse events which would also drive up total health care costs. Thank you for your time and consideration

Sincerely,

--

Roy Alan Goo, PharmD  
Assistant Professor, Pharmacy Practice  
University of Hawai'i at Hilo

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [tabraham08@gmail.com](mailto:tabraham08@gmail.com)  
**Subject:** Submitted testimony for HB65 on Apr 4, 2013 09:00AM  
**Date:** Tuesday, April 02, 2013 3:25:50 PM

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HB65

Submitted on: 4/2/2013

Testimony for WAM on Apr 4, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Lopaka Abraham	Individual	Support	No

Comments: I support passage of this bill

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