

Representative Della Belatti
State Capitol
415 South Beretania St., Room 331
Honolulu, HI 96813

February 5, 2013

RE: National Community Pharmacists Association (NCPA) Support of H.B. 65

Dear Chairman:

On behalf of the National Community Pharmacists Association (NCPA), I offer NCPA's strong support for H.B.65 and respectfully request this legislation's favorable advancement through the legislative process. H.B. 65 is a bill that would protect the right of Hawaii residents to utilize the valuable services of their community pharmacist rather than being forced to obtain their needed prescription medications only through the mail. This legislation not only ensures patient choice, but would also enable Hawaii to take important and needed steps towards leveling the playing field between large Pharmacy Benefit Managers (PBMs) and local community pharmacies and small businesses which are so vital to Hawaii's economy.

NCPA represents America's independent community pharmacists, including the owners of more than 23,000 community pharmacies, pharmacy franchises and chains. Together, NCPA members employ over 300,000 full-time employees and dispense nearly half of the nation's retail prescription medicines. In Hawaii alone, there are 98 independent community pharmacies which employ over 1,000 employees.

This bill will allow citizens to gain the benefit of face-to-face interaction with their trusted community pharmacist if they choose to do so, instead of being forced to utilize an out-of-state mail order pharmacy. This bill would also prevent citizens from being charged higher co-pays for prescriptions not obtained through a mail order pharmacy or being otherwise penalized for utilizing the services of their community pharmacist.

A study done by Wirthlin Worldwide showed that 83% of customers prefer to fill their prescriptions at a community pharmacy rather than through a mail order pharmacy and overall, 72% of customers oppose mandatory mail order plans. Nearly two-thirds of seniors (63 percent) have indicated in a recent study they were fearful of losing access to the pharmacy of their choice if they were required to use mail order and a plurality of seniors expressed the following concerns about using mail order pharmacies, including running out of their medications; obtaining prescriptions in a timely manner; lost, stolen or damaged medications; and the ability to consult with a pharmacist they know and trust. This bill would not prevent citizens from choosing mail-order if they feel that option is best. It simply allows the freedom of choice a resident of Hawaii deserves and wishes to have.

In conclusion, NCPA respectfully requests that you do all in your authority to advance H.B. 65 through the legislative process. We offer NCPA's full resources should you wish to discuss this issue's impact in Hawaii, or its national perspective. Please feel free to contact me at matt.diloreto@ncpanet.org or 703-600-1223 should you have any questions or concerns.

Sincerely,



Matthew J. DiLoreto
Director, State Government Affairs

Hawaii Community Pharmacists Association 02-06-2013

4491-A Kolopa Street

Lihue, HI 96766

Representative Della Au Belatti, Chair

Representative Daynette "Dee" Morikawa, Vice Chair

Re: HB 65- Relating to Prescription Drugs **Strong Support**

Dear Chair Belatti, Vice Chair Morikawa and members of the committees:

Hawaii Community Pharmacists Association (HCPA) appreciates this opportunity to state our position regarding the aforementioned bill.

This bill addresses two aspects of Pharmacy Benefit Manager, (PBM) behavior that together serve to decrease patient access to their established pharmacy care provider by either prohibiting them from using the community pharmacy of their choice via restricted or closed networks, or mandatory programs such as maintenance choice or mandatory mail order or by manipulation of the associated co-payments for their in a manner that strongly encourages beneficiaries to patronize their own pharmacies or their mail order programs.

Fact 1: Restricted or closed networks and mandatory mail order are just two of the many methods PBM's use to restrict patient access to their associated or owned subsidiary pharmacies thus driving increased traffic and thus increasing purchases in these stores. IN addition once a patient is in a mandatory program, they are locked in. No matter how poorly it performs, be it lost or late medications, medications left in boiling hot trucks or mail boxes or even wrong medications sent to them placing their health at risk.

Fact 2: PBM's like to use words like savings, efficiency, adherence to justify mandatory programs. However study after study shows that when given a choice patients prefer to fill their prescriptions at a community pharmacy as opposed to so called mail order. Studies also demonstrate that patients adherence to complex medication schedules increases when they have regular face to face encounters with the community pharmacy of their choice. Savings is another word that is thrown around by PBM's to justify their need to lock up a patient population. However community pharmacies consistently dispense generic drugs at rates exceeding 72% of the time, while the Big 3 PBMs' mail order dispensing facilities had generic dispensing rates of 60.5 to 61.5 percent. For every \$1.00 a plan invests in generic drugs it receives \$2.00 in savings

Fact 3: The top 3 PBM's in the US dispense over 1.9 billion prescriptions yearly, and if the generic dispense rate enjoyed by community pharmacies was substituted an additional 228 million prescriptions would be dispensed as generics. Given that the Kaiser Foundation found in 2008 that the average brand prescription costs \$137.90 vs. \$35.22 for the average generic medication the savings realized along from the increased generic utilization would be 31,441,200,000 less 8,030,160,00 would be 23 billion dollars. Unfortunately that savings is not realized except by the PBM's as profit. PBM's use a disproportionate number of brand medication due to complex rebate agreements they have with drug manufacturers whereby the PBM receives additional payments from the brand name manufacturer based upon increased utilization of their drug over a competitors. The recent case where in brand Lipitor (for cholesterol) remained the preferred product over generic Atorvastatin serves to illustrate the impact those rebate deals have on the consumer. In the case of Lipitor the consumer was forced to pay a substantially higher brand copayment due to the PBM's decision to favor the brand over the generic.

Given these three illustrations of PBM's actively managing their member population, closed or restricted networks and generic utilization rates favoring expensive brands over substantially less expensive generics it is no wonder PBM's resist every attempt to allow patients the freedom to choose a pharmacy provider who has established a trusting relationship with them, and works closely with them and their physician to provide cost effective care in an environment that consistently demonstrates better generic utilization, and greater adherence to prescribed therapies. In cases where in patients desire mail order for one reason or another that certainly is their personal choice, and if a patient is willing to pay one additional copayment to obtain the care they deserve and desire their choice should be honored.

Logic would make this a clear choice if only the health, welfare and value of the patient were the goal. However the PBM's continue to fight long expensive legislative battles to lessen patient access, and preserve their corporate profits in order to satisfy stockholders.

A vote in favor of this bill is a vote to protect the access of Hawaii residents to cost effective timely pharmacy services of their choice. To community pharmacists in Hawaii the choice is clear.

Aloha and Mahalo,

Kevin Glick,R.Ph.

Chair

Hawaii Community Pharmacists Accociation

**Testimony of
Mihoko E. Ito
on behalf of
Walgreens**

DATE: February 7, 2013

TO: Representative Della Au Belatti
Chair, Committee on Health
Submitted Via E-mail HLTtestimony@capitol.hawaii.gov

RE: **H.B. 65 – Relating to Prescription Drugs**
Hearing Date: Friday, February 8, 2013 at 8:00 am
Conference Room 329

Dear Chair Belatti and Members of the Committee on Health:

I am Mihoko Ito, testifying 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, 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.

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.

Gary M. Slovin
Mihoko E. Ito
Christine Ogawa Karamatsu
Tiffany N. Yajima

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

morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 9:19 PM
To: HLTtestimony
Cc: ronthi@gmail.com
Subject: *Submitted testimony for HB65 on Feb 8, 2013 08:00AM*

HB65

Submitted on: 2/4/2013

Testimony for HLT on Feb 8, 2013 08:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Taniguchi, Pharm.D.	Individual	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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morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 4:33 PM
To: HLTtestimony
Cc: prish@juno.com
Subject: *Submitted testimony for HB65 on Feb 8, 2013 08:00AM*

HB65

Submitted on: 2/4/2013

Testimony for HLT on Feb 8, 2013 08:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Tricia Nakamatsu	Individual	Support	No

Comments:

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Testimony Presented Before the
House Committee on Health
Friday, February 8, 2013 at 8:00 a.m.
By
Dr. John Pezzuto
Dean, College of Pharmacy, UH Hilo

HB65 RELATING TO PRESCRIPTION DRUGS

Chair Belatti, Vice Chair Morikawa and Members of the Committee:

My name is Dr. John Pezzuto and I am the Dean of the College of the College of Pharmacy at UH Hilo. I am testifying in support of the enactment of HB65. I am testifying as a private citizen and not as a representative of UH Hilo.

This bill reads like a breath of fresh air. Forcing patients to rely on mail order pharmacy is the antithesis of proper and effective health care. It is true that some medications taken on a chronic basis may be efficiently filled by mail order, and some patients may elect or prefer this option. More broadly, however, there is not clear evidence that mail order reduces cost, and there is no evidence whatsoever that it improves a patients' health.

The pharmacist is a health care professional, not a human dispensary or robot. As a health care professional, the pharmacist monitors the medication therapy of the patient, and works in collaboration with the physician to monitor a myriad of factors such as drug interactions, optimal therapeutic regimens, proper administration, and compliance. Forcing a patient to receive medications by mail order or even forcing a patient to visit only one pharmacist effectively eliminates all of these benefits.

This bill advocates for the rights of patients and for the best practice in health care.

Thank you for considering this testimony.