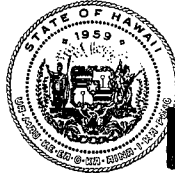


DAVID Y. IGE
GOVERNOR OF HAWAII



VIRGINIA PRESSLER, M.D.
DIRECTOR OF HEALTH

DEPT. COMM. NO. 168

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:

December 21, 2017

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the report "Requesting the Director of Health Establish and Convene a Medication Synchronization Working Group to Explore and Propose Legislation," HCR 164, Hawaii Revised Statutes (HRS).

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at:

<http://health.hawaii.gov/opppd/departement-of-health-reports-to-2018-legislature/>

Sincerely,

A handwritten signature in cursive script that reads "Virginia Pressler".

VIRGINIA PRESSLER

Director of Health

Enc.

c: Senate
House
Legislative Reference Bureau
SOH Library System (7 copies)
University of Hawaii

REPORT TO THE TWENTY-NINTH LEGISLATURE
STATE OF HAWAII
2018

PURSUANT TO HOUSE CONCURRENT RESOLUTION 164 SD1, REQUESTING THAT
THE DIRECTOR OF HEALTH ESTABLISH AND CONVENE A MEDICATION
SYNCHRONIZATION WORKING GROUP TO EXPLORE AND PROPOSE
LEGISLATION.

Prepared by:

State of Hawaii
Department of Health
Office of Planning, Policy, and Program Development
December 2017

SUMMARY AND RECOMMENDATIONS

The HCR 164 Working Group, generally endorses the premise that medication synchronization may improve patient health, reduce health care costs, and promote efficient health care operations. The attached legislative proposal is unanimously supported by the Working Group.

House Concurrent Resolution 164, Senate Draft 1, REQUESTING THAT THE DIRECTOR OF HEALTH ESTABLISH AND CONVENE A MEDICATION SYNCHRONIZATION WORKING GROUP TO EXPLORE AND PROPOSE LEGISLATION, was adopted on May 2, 2017 by the 29th State Legislature.

The medication synchronization working group was requested to:

- (1) Meet regularly to gather information about medication synchronization practices across the nation with the goal of formulating a medication synchronization program for the State;
- (2) Review and recommend implementation of best practices learned from other jurisdictions and discuss emerging policies and regulations with respect to but not limited to 90-day fills, pharmacist dispensing fees, and patient copays;
- (3) Recommend any pharmacy staff education, including pharmacist continuing education requirements, as necessary; and
- (4) Draft proposed legislation to create standards for medication synchronization programs in Hawaii.

Regular Meetings

The working group consisted of the following, pursuant to HCR 164 SD1:

- Two representatives from the retail pharmacy community – Mr. Kurtis Nakamura (CVS) and Ms. Tiffany Yajima (Walgreens),
- One representative from the community pharmacy association – Mr. Patrick Uyemoto (Hawaii Pharmacists Association),
- One representative from the health insurance industry – Ms. Jennifer Diesman and Mr. Jace Mikulanic (Hawaii Medical Service Association)
- One representative from Kaiser Permanente – Mr. Ross Takara (Kaiser Permanente), and
- One representative of the Board of Pharmacy – Ms. Lee Ann Teshima (Department of Commerce and Consumer Affairs)

In addition to required members, the working group welcomed Mr. Ian Robertson from the Department of Commerce and Consumer Affairs, Insurance Division, Ms. Lauren Zirbel on behalf of the Hawaii Medical Association, and Ms. Beth Geisting representing the Hawaii Association of Health Plans. Representing the Director of Health were Mr. Lorrin Kim and Ms. Laura Arcibal, from the Office of Planning, Policy, and Program Development.

The working group convened once each in July and October 2017.

Review of Best Practices and Recommendations

Medication synchronization may be defined as the coordination of policies and practices that enable multiple prescription medications for an individual patient to be dispensed in the fewest number of transactions.

Several published research studies (DiDonato, et al, 2014; Holdford, et al, 2015) concluded that medication synchronization correlates with substantial improvement to patient adherence to medication therapy, by rates of up to 50%. Furthermore, at least 19 other states have enacted legislation with another 14 considering it.

Key concepts for a potential Hawaii program were that medication synchronization would be: optional and voluntary for patients, ideal for chronic conditions treated with maintenance medications, initiated only after the initial fill, i.e. refills only in case of adverse reactions to medication or dosage, and does not include Schedule II controlled substances.

In addition to benefits, the working group identified potential threats but none were deemed too significant such as impact to competitiveness of smaller pharmacies that may lack resources to implement synchronization programs and undetermined impact of lump-sum copayments for patients with limited financial means (it was noted that Medicaid beneficiaries have no copays and that Medicare endorses the concept). The working group urged private sector stakeholders such as pharmaceutical companies and insurers to provide technical assistance to smaller pharmacies if medication synchronization were authorized.

There were several operational issues that the private sector will need to address but most were inappropriate for legislation, and would be better addressed through contracts and policies and procedures. The one exception, however, is the prohibition against pro-rating dispensing fees which appears to be common in other state's statutes.

- Out-of-state individuals, e.g., retired EUTF members living in the West Coast
- Mail order integration
- Pro-rating copays
- Financial liability for insurers for days' supply exceeding usual and customary enrollment periods (monthly health insurance coverage)
- Multiple prescribers
- Coordination of benefits
- Communication back to original prescribing provider or medical home
- Documentation in electronic medical record
- Measures of effectiveness
- Education of pharmacy staff

Draft Proposed Legislation

See attached.

A BILL FOR AN ACT

RELATING TO MEDICATION SYNCHRONIZATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that currently more than twenty-three percent of Americans use three or more prescription medications, while eleven percent of Americans take five or more medications. According to the most recent data from the Center for Disease Control, the treatment of patients with chronic diseases accounts for eighty-six percent of the total health care spent in America, yet only fifty percent of those on maintenance medications for chronic diseases adhere to their prescription therapies.

The legislature further finds that medication synchronization involves the coordination of a patient's medication refills such that patients who take two or more maintenance medications for chronic conditions can refill the medications on the same schedule. Studies have shown that medication adherence is critical to long term positive patient outcomes, and that prescription medications are an important tool that can help to manage chronic diseases. Medication synchronization improves patient health through improved medication adherence rates, minimizes disruptions in treatment

through delayed or missed refills due to confusion of when a prescription is due, simplifies patient and caregiver routines by streamlining trips to the pharmacy, reduces costs to insurers, and promotes efficient workflow in pharmacies by allowing pharmacists and patients to work together to synchronize a patient's medications for pick-up on the same day each month.

The legislature additionally finds that more than 15 states have passed legislation that enables pharmacies and patients to work together with their practitioner to synchronize medications.

Accordingly, the purpose of this Act is to ensure the provision of quality health care by allowing health insurance plans that provide prescription drug benefits to apply prorated daily cost-sharing rates for prescriptions dispensed by pharmacies for less than a 30-day supply for the purpose of synchronizing plan participants' medications.

SECTION 2. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

"§431:10A- Medication synchronization; pro-ration; dispensing fees. (a) Each individual and group accident and health or sickness insurance policy that provides prescription drug coverage in the State shall permit and apply a pro-rated daily cost-sharing rate to prescriptions that are dispensed by a network pharmacy for less than a 30 days' supply if the prescriber or pharmacist determines the fill or refill to be in

the best interest of the insured patient and the patient requests or agrees to less than a 30 days' supply for the purpose of synchronizing the insured patient's medications.

(b) No insurer under this section that provides prescription drug coverage shall deny coverage for the dispensing of a maintenance medication that is dispensed by a network pharmacy on the basis that the dispensed amount is a partial supply if the prescriber or pharmacist determines the fill or refill to be in the best interest of the patient and the patient requests or agrees to a partial supply for the purpose of synchronizing the patient's medications.

Each individual and group accident and health or sickness insurance plan shall allow a pharmacy to override any denial codes indicating that a prescription is being refilled too soon for the purposes of medication synchronization.

(c) No policy providing prescription drug coverage shall use payment structures incorporating pro-rated dispensing fees. Dispensing fees for partially filled or refilled prescriptions shall be paid in full for each prescription dispensed, regardless of any pro-rated copay for the beneficiary or fee paid for alignment services.

(d) For purposes of this section, "medication synchronization" means the coordination of medication refills for a patient taking two or more medications for one or more chronic conditions that are being dispensed by a single contracted pharmacy such that the patient's medications are refilled on the same schedule for a given time period for the

purpose of improving medication adherence. No schedule II narcotic controlled substance shall be eligible for medication synchronization. "

SECTION 3. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

"§432:1- Medication synchronization; pro-ration; dispensing fees. (a) Each hospital and medical service plan contract that provides prescription drug coverage in the State shall permit and apply a pro-rated daily cost-sharing rate to prescriptions that are dispensed by a network pharmacy for less than a 30 days' supply if the prescriber or pharmacist determines the fill or refill to be in the best interest of the insured patient and the patient requests or agrees to less than a 30 days' supply for the purpose of synchronizing the insured patient's medications.

(b) No mutual benefit society under this section that provides prescription drug coverage shall deny coverage for the dispensing of a maintenance medication that is dispensed by a network pharmacy on the basis that the dispensed amount is a partial supply if the prescriber or pharmacist determines the fill or refill to be in the best interest of the patient and the patient requests or agrees to a partial supply for the purpose of synchronizing the patient's medications.

Each mutual benefit society shall allow a pharmacy to override any denial codes indicating that a prescription is

being refilled too soon for the purposes of medication synchronization.

(c) No policy providing prescription drug coverage shall use payment structures incorporating pro-rated dispensing fees. Dispensing fees for partially filled or refilled prescriptions shall be paid in full for each prescription dispensed, regardless of any pro-rated copay for the beneficiary or fee paid for alignment services.

(d) For purposes of this section, "medication synchronization" means the coordination of medication refills for a patient taking two or more medications for one or more chronic conditions that are being dispensed by a single contracted pharmacy such that the patient's medications are refilled on the same schedule for a given time period for the purpose of improving medication adherence. No schedule II narcotic controlled substance shall be eligible for medication synchronization."

SECTION 4. Chapter 432D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§432D- Medication synchronization; pro-ration; dispensing fees. (a) Each hospital and medical service plan contract that provides prescription drug coverage in the State shall permit and apply a pro-rated daily cost-sharing rate to prescriptions that are dispensed by a network pharmacy for less than a 30 days' supply if the prescriber or pharmacist determines the fill or refill to be in the best interest of the

insured patient and the patient requests or agrees to less than a 30 days' supply for the purpose of synchronizing the insured patient's medications.

(b) No mutual benefit society under this section that provides prescription drug coverage shall deny coverage for the dispensing of a maintenance medication that is dispensed by a network pharmacy on the basis that the dispensed amount is a partial supply if the prescriber or pharmacist determines the fill or refill to be in the best interest of the patient and the patient requests or agrees to a partial supply for the purpose of synchronizing the patient's medications.

Each mutual benefit society shall allow a pharmacy to override any denial codes indicating that a prescription is being refilled too soon for the purposes of medication synchronization.

(c) No policy providing prescription drug coverage shall use payment structures incorporating pro-rated dispensing fees. Dispensing fees for partially filled or refilled prescriptions shall be paid in full for each prescription dispensed, regardless of any pro-rated copay for the beneficiary or fee paid for alignment services.

(d) For purposes of this section, "medication synchronization" means the coordination of medication refills for a patient taking two or more medications for one or more chronic conditions that are being dispensed by a single contracted pharmacy such that the patient's medications are refilled on the same schedule for a given time period for the

purpose of improving medication adherence. No schedule II narcotic controlled substance shall be eligible for medication synchronization."

SECTION 5. Section 461-1, Hawaii Revised Statutes, is amended by amending the definition of "practice of pharmacy" to read as follows:

"Practice of pharmacy" means:

(1) The interpretation and evaluation of prescription orders; the compounding, dispensing, and labeling of drugs and devices (except labeling by a manufacturer, packer, or distributor of nonprescription drugs and commercially legend drugs and devices); the participation in drug selection and drug utilization reviews; the proper and safe storage of drugs and devices and the maintenance of proper records therefor; the responsibility for advising when necessary or where regulated, of therapeutic values, content, hazards, and use of drugs and devices; the interpretation and evaluation of prescription orders to adjust days' supply dispensed for purposes of aligning the insured patient's medications;

(2) Performing the following procedures or functions as part of the care provided by and in concurrence with a "health care facility" and "health care service" as defined in section 323D-2, or a "pharmacy" or a licensed physician or a licensed advanced practice registered nurse with prescriptive authority, or a "managed care plan" as defined in section 432E-1, in accordance with policies, procedures, or protocols developed collaboratively by health professionals, including physicians

and surgeons, pharmacists, and registered nurses, and for which a pharmacist has received appropriate training required by these policies, procedures, or protocols:

- (A) Ordering or performing routine drug therapy related patient assessment procedures;
- (B) Ordering drug therapy related laboratory tests;
- (C) Initiating emergency contraception oral drug therapy in accordance with a written collaborative agreement approved by the board, between a licensed physician or advanced practice registered nurse with prescriptive authority and a pharmacist who has received appropriate training that includes programs approved by the American Council of Pharmaceutical Education (ACPE), curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy;
- (D) Administering drugs orally, topically, by intranasal delivery, or by injection, pursuant to the order of the patient's licensed physician or advanced practice registered nurse with prescriptive authority, by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy,

state or local health department programs, or programs recognized by the board of pharmacy;

(E) Administering:

(i) Immunizations orally, by injection, or by intranasal delivery, to persons eighteen years of age or older by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy; and

(ii) Vaccines to persons between fourteen and seventeen years of age pursuant to section 461-11.4;

(F) As authorized by the written instructions of a licensed physician or advanced practice registered nurse with prescriptive authority, initiating or adjusting the drug regimen of a patient pursuant to an order or authorization made by the patient's licensed physician or advanced practice registered nurse with prescriptive authority and related to the condition for which the patient has been seen by the licensed physician or advanced practice registered nurse with prescriptive authority; provided that the pharmacist shall issue written

notification to the patient's licensed physician or advanced practice registered nurse with prescriptive authority or enter the appropriate information in an electronic patient record system shared by the licensed physician or advanced practice registered nurse with prescriptive authority, within twenty-four hours;

- (G) Transmitting a valid prescription to another pharmacist for the purpose of filling or dispensing;
- (H) Providing consultation, information, or education to patients and health care professionals based on the pharmacist's training and for which no other licensure is required; or
- (I) Dispensing an opioid antagonist in accordance with a written collaborative agreement approved by the board, between a licensed physician and a pharmacist who has received appropriate training that includes programs approved by the American Council on Pharmaceutical Education (ACPE), curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board; and

(3) The offering or performing of those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of pharmacy."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.