

SB3104

Measure Title: RELATING TO PHARMACY BENEFIT MANAGERS.

Report Title: Pharmacy Benefit Managers; Maximum Allowable Cost; Requirements

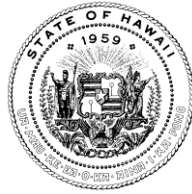
Description: Effective 1/1/2020: establishes requirements for pharmacy benefit managers and maximum allowable cost, including the ability of pharmacies to receive comprehensive maximum allowable cost lists and bring complaints, within the purview of the department of commerce and consumer affairs, rather than the department of health; and clarifies the available penalties for violations of maximum allowable cost requirements. Effective upon approval: removes requirement that prohibits a contracting pharmacy from disclosing the maximum allowable cost list and related information to any third party.

Companion: [HB2644](#)

Package: None

Current Referral: CPH, WAM

Introducer(s): BAKER, DELA CRUZ, INOUYE, KIDANI, S. Chang, English, Keith-Agaran, Kim, Taniguchi



DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Tuesday, February 6, 2018
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 3104, RELATING TO PHARMACY BENEFIT MANAGERS.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on S.B. 3104, Relating to Pharmacy Benefit Managers. My name is Gordon Ito, and I am the Insurance Commissioner (“Commissioner”) for the Department’s Insurance Division (“Division”). The Department submits the following comments on this bill, which is a companion to H.B. 2644.

The purpose of this bill is to establish requirements for pharmacy benefit managers and maximum allowable cost basis reimbursements.

By repealing Hawaii Revised Statutes (“HRS”) section 328-106 and amending HRS chapter 431-R, this bill shifts jurisdiction over the regulation of maximum allowable cost basis reimbursement from the Department of Health to the Commissioner. Accordingly, to facilitate a future assessment of this shift in enforcement authority, the Department respectfully requests that this bill be amended by adding the following sunset provision to the end of section 8 on page 14, line 4: “This Act shall be repealed on January 1, 2023.”


In addition, the Department respectfully requests that its budget ceiling be adjusted to cover the fiscal impact of this bill.

Thank you for the opportunity to testify on this measure.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Rosalyn Baker, Chair
The Honorable Jill N. Tokuda, Vice Chair
Members, Committee on Commerce, Consumer Protection, and Health

From:  Paula Yoshioka, Vice President, Government Relations and External Affairs, The Queen's Health Systems

Date: February 5, 2018

Hrg: Senate Committee on Commerce, Consumer Protection, and Health Hearing; Tuesday, February 6, 2018 at 9:00AM in Room 229

Re: Support S.B. 3104, Relating to Pharmacy Benefit Managers

My name is Paula Yoshioka and I am the Vice President for Government Relations and External Affairs for The Queen's Health Systems (Queen's). I appreciate the opportunity to provide testimony in support of S.B. 3104, relating to Pharmacy Benefit Managers (PBMs). This bill would all pharmacies to obtain a comprehensive maximum allowable cost (MAC) lists from PBMs, file complaints with the Department of Commerce and Consumer Affairs (DCCA) in situations where PBMs do not disclose drug prices, and clarifies penalties for violations of MAC list disclosure requirements.

MAC lists vary between PBMs and there can be multiple MAC lists. Because PBMs control the formularies for prices like those through MAC lists, they have the ability create pricing uncertainty for pharmacies. We have experienced situations where MAC list prices were lower than what our pharmacy could acquire with our purchasing power. Strengthening the ability of pharmacies to receive timely MAC lists and provide timelines for PBM updates on multi-source generic drugs is important for the functioning of local pharmacies in Hawaii so that they may continue to serve our community.

Having greater transparency in the data sources that PBMs utilize to derive costs will greatly benefit our pharmacies and patients. Thank you for the opportunity to testify on this measure.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

February 6, 2018

Senator Rosalyn Baker, Chair
Senator Jill Tokuda, Vice Chair
Committee on Commerce, Consumer Protection and Health
State Capitol, Room 229
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Senate Bill 3104– Relating to Pharmacy Benefit Managers

Aloha Chair Baker, Vice Chair Tokuda and Members of the Committee:

CVS Health is writing to request an amendment and express some concerns with Senate Bill 3104 (“SB 3104”), relating to pharmacy benefit managers (PBMs). CVS Health is a pharmacy innovation company helping people on their path to better health. Our unique integrated model increases access to quality care, delivers better health outcomes and lowers overall health care costs. In Hawaii, CVS Health has over 3,000 employees with 71 Longs Drugs stores that filled more than 6.9 million prescriptions in 2017. Additionally, through its CVS Caremark pharmacy services, the pharmacy benefit management, mail order and specialty pharmacy divisions of CVS Health, more than 9.9 million claims were processed in 2017. CVS Health enables people, businesses and communities to manage health in more affordable and effective ways.

SB 3104 seeks to amend the existing law relating to “maximum allowable cost” (MAC). MAC is one of the most common methodologies used in paying pharmacies for dispensing generic drugs. A MAC list is a common cost management tool that is developed from a survey of various sources, including wholesale prices existing in the marketplace, taking into account market share, existing inventory, expected inventories, reasonable profits margins and other factors. Each PBM develops and maintains its own confidential MAC list derived from its specific proprietary methodologies. The MAC list helps to ensure that the PBM, on behalf of their clients (employers and health plans), are paying a fair price for widely available generic drugs.

The existing law was carefully negotiated and agreed to by all stakeholders in 2015. CVS Health believes that any amendments to the law should stay within the spirit of the negotiations. Therefore, we request the following amendment to Section 2(c):

(c) The pharmacy benefit manager shall make available to a contracting pharmacy, ~~no less than once per quarter, and~~ upon request, a comprehensive report for all drugs on the maximum allowable cost list for a plan, which contains the most-up-to-date maximum allowable cost price or prices used by the pharmacy benefit manager for patients served by the pharmacy, in a readily accessible; ~~and secure;~~ electronic ~~and~~ or usable web-based ~~or other comparable~~-format.

CVS Health currently already makes available to all Hawaii contracted pharmacies an easily accessible, electronic method of looking up specific drugs subject to MAC reimbursement rates. This provides pharmacies with the most up-to-date, real-time pricing information applicable to a given drug on a MAC list. Currently, upon a pharmacy’s request, CVS Health also provides a comprehensive MAC list by plan sponsor. We do not, however, automatically provide a list

because the lists vary by plan and can become outdated quickly due to the nature of the generic drug marketplace. CVS Health believes that our website portal is the most useful tool for a contracted pharmacy to use to search by individual drug as opposed to working through lists. Therefore, the above requested amendments seek to balance the contracted pharmacy's ability to request a comprehensive MAC list by plan with encouraging the continued use of the web portal for the most current up-to-date reimbursement information.

CVS Health has serious concerns regarding Section 2(g), which requires the insurance commissioner to establish a process to subject any complaints regarding a potential violation of the law to an external review process. CVS Health does not believe that the enforcement of the law should be assigned to an outside entity. We are unclear as to why this is necessary, are concerned that this would lead to frivolous complaints, and believe that such a process would drive up the costs of health care for health plans, employers, and ultimately consumers. If there are any contractual issues that arise between a pharmacy and a PBM, those are already handled by contract with appropriate remedies available to the parties under the law. CVS Health does not believe that an external review process is necessary.

Lastly, we are concerned that SB 3104 deletes an important provision that is included in the current law (see § 328-106(g) of the Hawaii Revised Statutes), which prohibits a contracting pharmacy from disclosing the MAC list or MAC pricing to a third party. Reimbursement information is proprietary and competitive, and the disclosure of such information has the potential to set a higher price floor for reimbursement if every pharmacy knew what their competitors were getting paid. The disclosure of such competitive information could lead to increase prescription drug costs for all Hawaiian employers and consumers. Therefore, we believe that this section of the law should not be deleted from the existing statute as SB 3104 proposes.

On behalf of CVS Health, I thank you for your consideration of our comments regarding SB 3104.

Respectfully,

A handwritten signature in black ink that reads "Melissa Schulman".

Melissa Schulman
Senior Vice President, Government and Public Affairs
CVS Health

SB-3104

Submitted on: 2/5/2018 5:54:09 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patrick Uyemoto		Support	Yes

Comments:

The Hawaii Pharmacists Association Strongly Supports SB3104

Aloha Senator Baker, Senator Tokuda, and Members of the Committee,

A number of local independent pharmacies have closed down or sold to a large mainland corporation. The few local independent pharmacies that are still here are struggling to survive. Pharmacies are being reimbursed below the cost of acquiring certain medications sometimes losing up to hundreds of dollars per prescription. PBMs determine how much a pharmacy is reimbursed through their Maximum Allow Cost formula and claim that pharmacies are being reimbursed at a fair price and yet they are not willing to share how they arrived at their number. The only option a pharmacy has is to submit a MAC appeal to the PBM to request a higher reimbursement or for them to simply tell us where we can purchase the medication so we can actually make a profit. All MAC appeals have been denied, hundreds have been submitted and I have not heard of one being approved. In addition, PBMs have not been able to tell us where we can purchase the medication at the price they intended. Working with the PBMs has been hopeless but even so I know that local independent pharmacies are doing everything they can to do the right thing for their patients, even dispensing medications at a loss. If the current pharmacy reimbursement model remains the same and PBMs are not held accountable, it will only be a matter of time until all local independent pharmacies are forced to close or sell.

Thank you for the opportunity to provide testimony on SB3104

SB-3104

Submitted on: 2/1/2018 2:16:28 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Miri	Weinstein Pharmacy	Support	No

Comments:



You're Someone Special

Testimony presented before the
Senate Committee on Commerce, Consumer Protection, and Health
February 5, 2018
by
Kerri Okamura, R.Ph., Director of Pharmacy Operations
KTA Super Stores Pharmacies

SB 3104 – RELATING TO PHARMACY BENEFIT MANAGERS

KTA Super Stores operates four pharmacies on the Island of Hawaii. Our pharmacies are located in Hilo, Waimea, Waikoloa and Kona. We are seeking legislative support to increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communities.

We believe strengthening § 431 (related to pharmacy benefit manager; maximum allowable cost) will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony.

PHONE: (808) 959-4575

50 EAST PUAINAKO STREET, HILO, HAWAI'I 96720

WWW.KTASUPERSTORES.COM



SB-3104

Submitted on: 2/5/2018 8:39:52 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Catalina Cross	Times Pharmacy	Support	Yes

Comments:

Testimony presented before the

Senate Committee on Commerce, Consumer Protection, and Health

February 6, 2018

By

Catalina Cross, PhD

Director of Pharmacy

Times Pharmacy

SB 3104 – RELATED TO PHARMACY BENEFIT MANAGERS

As a small-chain Community Pharmacy in the State of Hawaii, we are seeking legislative support to increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communities on Oahu & Maui.

Thank you for the opportunity to submit testimony.

SB-3104

Submitted on: 2/5/2018 10:26:43 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Mikami	Molokai Drugs, Inc.	Support	No

Comments:



February 6, 2018

The Honorable Rosalyn Baker
Chair, Senate Commerce, Consumer Protection and Health Committee
415 S. Beretania St,
Honolulu, Oahu, HI, 96813-2425

Sent VIA Email

Re: Concerns regarding S.B. 3104, a bill relating to pharmacy benefit managers

Dear Chair Baker:

On behalf of the Pharmaceutical Care Management Association (PCMA) we respectfully have concerns with provisions in S.B. 3104, a bill relating to pharmacy benefit managers and generic reimbursement using maximum allowable cost (MAC). We are concerned that a critically important confidentiality provision protecting MAC list information that exists in current statute has been deleted. Additionally, we believe there may be a better approach to providing pharmacists with real time reimbursement information for a given prescription.

PCMA is the national trade association for America's Pharmacy Benefit Managers (PBMs), which administer prescription drug plans for more than 266 million Americans with health coverage through independent businesses, health insurers, labor unions, and federal and state-sponsored health programs.

Each PBM develops and maintains its own confidential MAC list derived from its specific proprietary methodologies. MAC pricing information is proprietary due to the highly competitive environment PBMs operate in. Therefore, it is essential to ensure that their contractors (pharmacies) compete with each other to get the lowest price possible. If MAC information is forcibly disclosed, it would have an anti-competitive effect on insurers and employers, as well as PBMs. Competing PBMs would have access to others' pricing information and competing pharmacies would have access to others' reimbursement calculations, allowing both to price fix. This would drive up drug prices for employers and consumers.

Under the current law in Hawaii, a pharmacy is prohibited from disclosing MAC lists from pharmacy benefit managers or pharmacy services administrative organization. This provision was negotiated as a critical component in the original law passed in 2015 in order to protect proprietary information. S.B. 3104 strikes this important protection on Page 13, lines 13 -18. We would like to see a confidentiality provision added to S.B. 3104.

Lastly, there is a great deal of volatility in manufacturer drug pricing, meaning the price from the manufacturer may change at any time. If pharmacies are provided any and all list files for any and all patients served by the pharmacy, the lists would only serve as a snapshot of pricing at the time the lists were generated, thus may not be representative of the price when the drug is being dispensed. Therefore, we request the following amendment to Section 2(c):



(c) The pharmacy benefit manager shall make available to a contracting pharmacy, ~~no less than once per quarter, and~~ upon request, a comprehensive report for all drugs on the maximum allowable cost list for a plan, which contains the most-up-to-date maximum allowable cost price or prices used by the pharmacy benefit manager for patients served by the pharmacy, in a readily accessible; and secure; electronic ~~and~~ or usable web-based ~~or other comparable~~ format.

We appreciate your consideration of our comments.

Sincerely,

Lauren Rowley
VP, State Affairs

cc: Senate Commerce, Consumer Protection and Health Committee Members

SB-3104

Submitted on: 2/5/2018 12:47:32 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard S. Mejia	Times Supermarket Pharmacy	Support	No

Comments:

As a small-chain Community Pharmacy in the State of Hawaii, we are seeking legislative support to increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communities.

We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony.

Richard S. Mejia

SB-3104

Submitted on: 2/5/2018 1:22:02 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Allan Matsukado	Shiigi Drug Co., Inc.	Support	No

Comments:

Toward the end of 2017 from approximately September to December, we began to see a drastic reduction in reimbursement from Pharmacy Benefit Managers (PBMs), particularly Caremark. Caremark has even acknowledged that the reduction in reimbursement was "intentional to see how the market responds". There were countless prescriptions daily that would yield no profit or we would lose money by filling. On some prescriptions, the amount lost would be more than \$50 and into the \$100s.

Our approach to this situation and the results would be somewhat like the following:

- When contacting the PBM directly to dispute the reimbursement or ask for clarification, no assistance was provided.
- The PBM would not consider reviewing and/or reversing the reimbursement amount, nor would they communicate why the reimbursement amount had dropped by such a large amount.
- The PBM would not state where we could obtain the drug from (cheaper vendor), which would help offset the decrease in reimbursement.
- We would be left with the task of trying to source a cheaper drug at that moment, which of course utilizes more time, energy and resources. And a cheaper drug was rarely found to the point where it would have flipped the profit margin on the prescription.

Another problem we encountered was that while attempting to report a PBM for non-compliance, we ran into a wall. No one within the different government agencies seemed to know who had oversight of the PBMs. We tried Department of Health, Commerce and Consumer Affairs and the Insurance Commission, but no one could assist and hold the PBM accountable.

To date, the money lost while the PBMs intentionally dropped their reimbursement rates has not been recouped, nor have the PBMs given any indication that they intend to repay or even reconsider the claims that were "underwater". The implementation of SB3104 would help with transparency and accountability and hopefully deter PBMs from taking such unfair, unethical and drastic actions in the future.

MOLOKAI DRUGS, INC.
P.O. Box 558
Kaunakakai, HI 96748-0558
Phone 808-553-5790

February 5, 2018

Re: Testimony in Support of SB3104

Dear Members of the Senate Commerce, Consumer Protection, and Health Committee:

For 83 years, Molokai Drugs has provided pharmacy services on Molokai. We are open from Monday to Saturday. Our main owner will come in on Sundays and holidays for medical emergencies. He maintains a listed phone number in the phone book so our customers have access. Even his cell number is public to our customers.

Until Medicare Part D started 12 years ago, we had one main medical and drug provider (HMSA) on Molokai. They provided the drug benefits for the majority of our residents. Every quarter, our pharmacy would receive a MAC drug list in a mailed manila envelope. We knew for the entire three months what price we could buy a drug at because the "Maximum Allowable Cost" (MAC) pricing was set. MAC prices are the top limits that a PBM or prescription drug benefit plan will pay Molokai Drugs for generic brands and brand name drugs that have generic drugs available (multi-source brands).

However, HMSA does not maintain its pharmacy benefits management (PBM) in Hawaii. HMSA as well as other insurance companies all use companies away from Hawaii. We have many contracts with PBMs that mandate what we can and cannot say to you. Because of these contracts, I cannot show them to you or risk of pharmacy being taken out of the Hawaii network.

Our drug contracts mandate that we cannot deny any prescription. Molokai Drugs will fill every prescription sent to us, even medicine under cost.

Earlier today, Molokai Drugs filled a prescription at a loss of -\$7.31.

We filled and dispensed the prescription. Without this medicine for a chronic situation, the patient could have gotten sick, gone to the emergency room (which would have cost the insurance company even more), been air-ambulated off-island or something even worse.

In the past, we have filled single prescriptions at a loss of over -\$25.00 or more. We fill these prescriptions not knowing what we will be paid because the "Maximum Allowable Cost" (MAC) pricing can change at any time with no warning. MAC prices are the top limits that a PBM or prescription drug benefit plan will pay Molokai Drugs for generic brands and brand name drugs that have generic drugs available (multi-source brands).

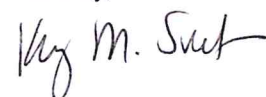
We will never say no.

As a rural pharmacy, we are asking for your support of SB3104 to help us manage the cost and access to prescription drugs for our rural, Molokai consumers. We are told by the PBMs what we should be able to find a drug priced at. We are not told where to buy the drug. SB3104 will also tell us where we can buy the drug.

In conclusion, we believe SB3104 will help Hawaii residents by allowing community pharmacies to dispense medicine safely and at the right price (consumer protection); provide patients with access to their medicines since community pharmacies will know the price of the drug and will be able to maintain appropriate inventories (commerce and health); and, finally, help Hawaii's 74 community pharmacies provide employment to over 700 employees (commerce).

Mahalo for allowing me to submit testimony on behalf of the 7,400 residents of Molokai.

Sincerely,



Kimberly Mikami Svetin
President
Molokai Drugs, Inc.

SB-3104

Submitted on: 2/5/2018 4:27:14 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
terry	Northshore pharmacy	Support	No

Comments:

SB-3104

Submitted on: 2/5/2018 2:19:30 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
greg harmon	kAMEHAMEHA pHARMACY	Support	No

Comments:

aloha, it is very important that PBM's become more transparent when doing business here in Hawaii. There needs to be accountability for any violations and bad behavior affecting members

obtaining prescriptions at their local pharmacy. Currently the state agency's Health, FDA, Sanatation division are unable to enforce violations beginning in 2017 to my rural pharmacy on the Big Island. I strongly recommend this new legislation to protect public health in Hawaii and to preserve rural pharmacy providers survival given this current business model.

Greg Harmon, Pharm Kamehameha Pharmacy President

SB-3104

Submitted on: 2/5/2018 3:18:39 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
magdi latif	bb inc	Support	No

Comments:

Aloha,

As an independent pharmacy in the state of Hawaii on the north shore of Kauai. we have been in business in our location in Kilauea for 30years. We need your help in leveling the playing field which we believe SB3104 is good start towards increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communiy.

We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony.

SB-3104

Submitted on: 2/5/2018 1:12:11 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ashok		Support	No

Comments:

As a small-chain Community Pharmacy in the State of Hawaii, we are seeking legislative support to increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communities.

We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Current scenario, PBMs have no oversight and Pharmacies & regulatory agencies unable to question their practices. The only option provided to Pharmacies was simply appeal to the PBM company themselves!

SB-3104

Submitted on: 2/5/2018 12:42:05 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elena Brown		Support	No

Comments:

I strongly support this bill.

SB-3104

Submitted on: 2/5/2018 12:40:11 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Annie Brown		Support	No

Comments:

I strongly support it.

SB-3104

Submitted on: 2/5/2018 10:27:21 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joo Kim		Support	Yes

Comments:

SB-3104

Submitted on: 2/2/2018 5:53:28 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

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

Comments:

SB-3104

Submitted on: 2/5/2018 12:31:53 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Brown		Support	No

Comments:

I strongly support this bill.

SB-3104

Submitted on: 2/5/2018 11:34:49 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elissa-Marie Brown		Support	No

Comments:

I support SB3104

SB-3104

Submitted on: 2/5/2018 10:14:43 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauri Madanay		Support	Yes

Comments:

SB-3104

Submitted on: 2/5/2018 10:13:57 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Keri Oyadomari		Support	Yes

Comments:

SB-3104

Submitted on: 2/5/2018 9:31:28 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Derek Tengan		Support	No

Comments:

SB-3104

Submitted on: 2/5/2018 10:01:37 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dayna Wong-Otis		Support	No

Comments:

SB-3104

Submitted on: 2/5/2018 4:07:48 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hilary Viernes	NORTHSHORE PHARMACY	Support	No

Comments:

As an independent pharmacy in the state of Hawaii on the north shore of Kauai. we have been in business in our location in Kilauea for 30years. We need your help in leveling the playing field which we believe SB3104 is good start towards increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communiy.

We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony.

SB-3104

Submitted on: 2/3/2018 10:49:40 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Carter		Support	No

Comments:

SUPPORT SB3104

I find it interesting that a contract for my pharmacy has 35 pages of things I must do to fulfill my obligations to the PBM or insurance company and the payment responsibility of the PBM is summed up in 3 letters, MAC.

MAC is a mystery term used to mean maximum allowable cost. It is a mystery how it is calculated and changes at the whim of the insurer or PBM (most often the PBM).

In what industry does someone sign a contract that has no rationale for determining payment? The pharmacy has things they HAVE to do but the PBM pays.....well....whatever they want. Even better the PBM which is determining payment for my pharmacy has a pharmacy of their own right up the street and there is NOTHING preventing them from paying themselves twice to three times as much for the same services.

This situation is unfair and needs to be corrected as soon as possible.

Aloha,

Brian Carter RPh

808.645.0491

SB-3104

Submitted on: 2/2/2018 6:34:32 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Glick		Support	No

Comments:

This bill has as its purpose the clarification of pricing fairness that has been side stepped by the pharmacy benefit managers in Hawaii. Community pharmacy is an important part of the healthcare system in Hawaii and there is an urgent need to assure that Hawaii continues to have access to the care pharmacists provide without being subjected to severe underpayment of their claims. Please support this legislation as it is written.

SB-3104

Submitted on: 2/5/2018 3:45:50 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Baysa	NORTHSHORE PHARMACY	Support	No

Comments:

1. an independent pharmacy in the state of Hawaii on the north shore of Kauai. we have been in business in our location in Kilauea for 30years. We need your help in leveling the playing field which we believe SB3104 is good start towards increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communiy.

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Thank you for the opportunity to submit testimony

SB-3104

Submitted on: 2/5/2018 3:43:50 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
sheree latif	northshore pharmacy	Support	No

Comments:

1. an independent pharmacy in the state of Hawaii on the north shore of Kauai. we have been in business in our location in Kilauea for 30years. We need your help in leveling the playing field which we believe SB3104 is a good start towards increased transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our community.

We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony.

SB-3104

Submitted on: 2/5/2018 1:16:34 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael	Times Pharmacy	Support	No

Comments:

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We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony.

Michael Hisaka

SB-3104

Submitted on: 2/5/2018 3:08:08 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ryan P Wilkin	Times Supermarket RX	Support	No

Comments:

As a small-chain Community Pharmacy in the State of Hawaii, we are seeking legislative support to increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communities.

We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony

SB-3104

Submitted on: 2/5/2018 7:53:17 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Aaron Brown		Support	No

Comments:

I support SB3104.

SB-3104

Submitted on: 2/5/2018 8:29:25 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Chun		Support	No

Comments:

February 5, 2018

Jennifer L Chun

45-1031B Waialele Rd

Kaneohe, HI 96744

(808) 634-9112

Dear Senator Baker, and the members of the Senate Committee on Commerce, Consumer Protection, and Health:

I am writing to express my SUPPORT for Senate Bill 3104 relating to Pharmacy Benefit Managers.

As a mother of five children three of whom are affected with a severe Bleeding disorder (Hemophilia B - Factor 9 deficiency), I am seeking legislative support to increase transparency and regulation to manage the cost and access to prescription drugs for not only my children but all patients here in Hawaii.

Our family uses a small local Community Pharmacy in Hanapepe, HI. In 2015 we changed to a small community pharmacy from a large PBM. The PBM used to send us different brands of drugs for our our children. At times they would send it to me without even taking the time to notify me. They even tried to persuade me not to have my

children join a study that would give my boys a better quality of life with less infusions per week. Of course I did not stay with this PBM and enrolled my children into the study that ultimately changed their lives for the better. They went from getting two shots a week now to only once a week.

I believe that strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Mahalo for allowing me this time to submit my testimony.

SB-3104

Submitted on: 2/5/2018 11:31:08 PM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sue-Ann Yasuoka	Public Citizen	Support	Yes

Comments:

As a retail pharmacist on the front line, formerly in management and involved in the State Pharmacy Association, **our products and services have always been about the patient first.** The introduction of Pharmacy Benefit Managers (PBMs) has created an entity between an insurance company and the contracted pharmacies. They are either integrated or contracted by the insurance company to manage the prescriptions being filled by our pharmacies. Any regulations that have been imposed on them, like that of Hawaii Revised Statutes Chapter 328-106 passed into law in July of 2015, have done nothing but erode the practice of pharmacy into a commodity. Pharmacists, who truly care about their patients have been forced to close or sell to larger chain pharmacies due to the inability to compete and the lack of transparency in the methodology of reimbursement. **Patient's have been unable to obtain the medications they need, have been forced to turn to mail-order, have been forced to go to a pharmacy not of their choosing, all due the PBMs practice of elusive MAC lists, untimely responses to appeals, and lack of response when asked for sources of medications at the costs they feel is adequate.**

I wish to thank you for the introduction of this Bill. I thank you for the opportunity to submit testimony. **I SUPPORT SB 3104 and ask you to SUPPORT it too.**

Sincerely,

Sue-Ann Yasuoka, Pharmacist

SB-3104

Submitted on: 2/6/2018 7:18:25 AM

Testimony for CPH on 2/6/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ashley Lelepali	Times Pharmacy	Support	No

Comments:

Testimony presented before the

Senate Committee on Commerce, Consumer Protection, and Health

February 6, 2018

by

ASHLEY LELEPALI

Times Pharmacy

SB 3104 – RELATED TO PHARMACY BENEFIT MANAGERS

As a small-chain Community Pharmacy in the State of Hawaii, we are seeking legislative support to increase transparency and regulation to manage the cost and access to prescription drugs for the patients we serve in our communities.

We believe strengthening the bill will promote better transparency of prescription drug pricing for patients, healthcare providers and legislators in our State.

Thank you for the opportunity to submit testimony.