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December 18, 2024

TRANSMITTED VIA LEGISLATIVE WEBSITE

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

Enclosed is a copy of the 2024 report pursuant to House Resolution 124, requested from the Board of Pharmacy (Board) a report on the Lanai Community Health Center's (LCHC) telepharmacy pilot demonstration and research project (Project), including expressing an official position on whether the Board recommends that telepharmacy be authorized statutorily.

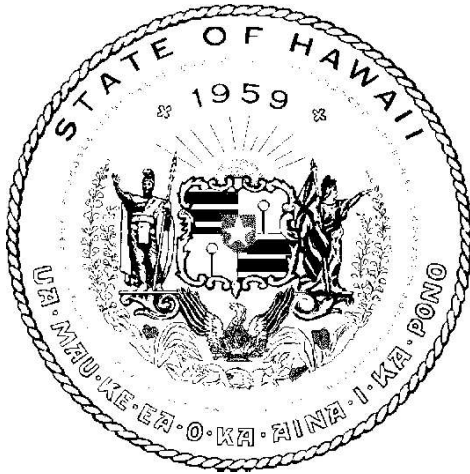
In accordance with section 93-16(a), HRS, a copy of this report will be transmitted to the Legislative Reference Bureau Library and viewable electronically at cca.hawaii.gov/pvl/reports/. Copies will also be transmitted to the State Publications Distribution Center and the University of Hawaii pursuant to section 93-3, HRS.

Sincerely,

NADINE Y. ANDO
Director

Enclosure

- c: Legislative Reference Bureau Library (1 hard copy)
- State Publications Distribution Center (2 hard copies, 1 electronic copy)
- University of Hawaii (1 hard copy)



THIRTY-THIRD STATE LEGISLATURE
REGULAR SESSION OF 2025

**Report Pursuant to
H.R. 124**

DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS STATE OF
HAWAII

Submitted December 2024

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Introduction

House Resolution 124 (H.R. 124), requested from the Board of Pharmacy (Board) a report on the Lanai Community Health Center's (LCHC) telepharmacy pilot demonstration and research project (Project), including expressing an official position on whether the Board recommends that telepharmacy be authorized statutorily.

As noted in H.R. 124, in January 2021, LCHC received the approval of the Board to conduct a pilot demonstration and research project for innovative applications in the practice of pharmacy.

The pilot project was further extended at the Board's August and September 2021, meetings, to include an expansion to allow the dispensation of controlled substance subject to a registration with the Narcotics Enforcement Division of the Department of Public and Safety¹. The extension was provided due to a delay in the implementation of the project due to issues regarding LCHC's ability to work with pharmacy benefit managers.

At the Board's June 2022, meeting, an additional extension was approved, with a request that an update and report be provided to the Board which was to address the successes of and any issues related to the project. The extension was given to provide LCHC with additional time to gather related data.

Following a report on the project at the June 2023, meeting, the Board informed LCHC that a pilot project is not a means for long term change and legislation must be introduced by the legislature to make the allowances provided in the pilot project permanent. LCHC noted its willingness to have legislation introduced during the 2024 legislative session. The Board requested a draft of the legislation be provided prior to the legislative session for review and comment.

At the December 2023, board meeting, the Board again extended the pilot project to June 2024, and after review of the draft legislation, the Board noted its appreciation and provided comments on the draft. The Board noted they would take a formal position on the bill following official introduction by the Legislature.

At the February 2024 meeting, the Board was informed no legislation was introduced and, instead, a draft resolution was presented to the Board.

The Board, in a good faith effort, is submitting this report as directed by this resolution.

¹ Effective January 1, 2024, the Department of Public Safety was redesignated as the Department of Corrections and Rehabilitation. At that time, all law enforcement personnel, including the Sheriff Division (SD) and Narcotics Enforcement Division (NED) will transition to the newly created Department of Law Enforcement (DLE).

Board Position on Telepharmacy

The Board acknowledges the potential positive impacts that of telepharmacy would have on the consumers of this State, including increasing access to healthcare particularly in rural areas, expanding potential benefits of utilizing pharmacies, which participate in the federal 340B Drug Pricing Program. Through various extensions and expansions of the LCHC pilot project, the Board has exemplified its willingness to facilitate the investigation of such an initiative and support of LCHC. Additionally, the Board has provided comment on draft legislation related to the allowances made under this project and noted concerns it may have with the surrounding processes.

The Board has also identified that without proper implementation, the level of care being provided to patients through telepharmacy may not be equal to what is currently provided in face-to-face interactions with pharmacists in a pharmacy setting. In regard to the LCHC pilot project, the Board received testimony from a pharmacy on Lanai which is willing to work with the health center to provide a physical location for patients to receive services from a pharmacist in person, who is readily available during pharmacy business hours. Utilizing telepharmacy as designed in this project required patients to schedule a time to speak with an off-island pharmacist during limited time periods. This process actually created additional barriers and potential delays to medication counseling that do not currently exist. The Board does not believe that telepharmacy as represented in this project is in the best interest of the patient.

At this time, the Board is not willing to initiate an administration bill to spearhead the implementation of such a change to Chapter 461, Hawaii Revised States (HRS), as it has not been identified as a priority of the Board. The Board further notes remote dispensing under certain circumstances as provided in HRS section 461-10.5 was repealed, via Act 184, of the 2013 Legislative Session. The primary purpose of the repeal was to address the location of remote dispensing pharmacies near retail pharmacies, which created operational challenges for retail pharmacies.

The Board will continue to review and take an official position on any introduced legislation related to amending Chapter 461, HRS at a properly publicly noticed meeting. The Board agrees that the proper forum for such a change is the legislature, as all relevant stakeholders are involved through the legislative process. The Board stands willing to work with entities such as LCHC to investigate potential ways to improve the healthcare system via a pilot project, but emphasizes that a pilot project is not a means for long term change and legislation must be introduced before the legislature to make the allowances provided in the pilot project permanent.

Appendix A

January 21, 2021, Meeting Minutes – Excerpt (Page 2)

Initial approval of the LCHC pilot project

Pilot Project Application

Telepharmacy for Lanai Community Health Center (LCHC)

The Chair asked if there was anyone in attendance wishing to address the Board/testify on this agenda item.

Staff reported that Mr. Abe raised his hand.

The Chair allowed Mr. Abe to address the Board.

Mr. Abe thanked the Board for this opportunity and explained that LCHC, a federally funded facility applying for a pharmacy permit is requesting a pilot project; to allow a pharmacist on a neighbor island to be the pharmacist overseeing the pharmacy activities at the LCHC via telepharmacy.

He explained that this would be a 340B pharmacy that would allow residents of Lanai to obtain their prescription drugs more timely. Currently, residents are obtaining their prescription drugs from a neighbor island pharmacy that can take up to 1-3 days; and that although there is one pharmacy on Lanai, that pharmacy is not a participating 340B pharmacy.

Currently, because there is no pharmacist on site at LCHC, they are not able to seek insurance reimbursement for the medications that are dispensed. He also stated that physician dispensed drugs only cover a few days. With this practice, LCHC is not able to sustain the other health care services that they are providing for the residents of Lanai.

Ms. Keefe asked why it is only 6 months for the pilot project.

The EO explained that if the Board approves this pilot project, LCHC will be providing a report of the project to see if prescription drugs could be dispensed safely via telepharmacy and report back to the Board around July or August which will allow time for discussion to determine if legislation should be introduced for the 2022 session to amend the pharmacy practice act to allow for telepharmacy.

Staff stated that Cory Lehano raised his hand and the Chair allowed him to address the Board.

Mr. Lehano introduced himself as the pharmacist on Maui who will be the pharmacist for LCHC.

He reiterated the same sentiments as Mr. Abe as for why he signed on to the project – a more timely delivery of medications, the ability to interface with the patients for more adherence.

The EO asked Mr. Lehano who will be responsible at the LCHC in dispensing the medications and what kind of oversight will be utilized.

Mr. Lehano explained that they are still working on the logistics, but should the Board approve, there would be training as well as technology, i.e. video to allow the technician and patients to consult with the pharmacist.

After further discussion, upon a motion by Ms. Keefe, seconded by Ms. Cross, it was voted on and unanimously carried to approve the proposed pilot project for LCHC.

The EO asked Mr. Abe if they would still be moving forward with the proposed legislation for telepharmacy.

Mr. Abe replied that he feels that this legislation is premature and will be requesting the legislators withdraw this legislation for the 2021 session. He also thanked the Board for this opportunity as well as Mr. Redulla, Administrator for the Narcotics Enforcement Division, Department of Public Safety for his assistance in clarifying the controlled substances aspect and Mr. Kim, Department of Health.

Appendix B

August 19, 2021, Meeting Minutes – Excerpt (Page 3)

First Extension of the LCHC pilot project

Pilot Projects: Erik Abe, Public Affairs and Policy Director for the Hawaii Primary Care Association (“HPCA”), was promoted to a panelist. He stated that he is in attendance to support LCHC’s request to extend their telepharmacy pilot demonstration project. Over the past 6 months, LCHC has done all they could to make the project work. They established protocols and procedures, purchased equipment and trained staff, and despite this they ran into problems with the pharmaceutical distributors and insurers in allowing them to participate. As such, they are unable to provide medications to patients and fulfill prescriptions by telepharmacy. The HPCA strongly supports this concept and believes this could serve as a model not only isolated communities in Hawaii but throughout the nation. The HPCA is closely monitoring this project and will continue to provide support to LCHC and their efforts. The HPCA agrees that more time is needed to see if this concept works and believes an extension is needed to give LCHC the best opportunity to succeed and to compile data to see if the patient outcomes improved over time.

The Chair noted that the Board typically allows a 6-month approval and then will reevaluate and extend accordingly at the end of the period.

Diana Shaw, Executive Director for LCHC, was promoted to a panelist. Ms. Shaw reemphasize how difficult it has been to establish their telepharmacy pilot project and that they have encountered many roadblocks along the way. One issue is that in order to get the Pharmacy Benefit Managers (“PBMs”) involved, one is requiring LCHC to be in business for 6-months. Another issue is that when LCHC did their initial pilot study, they agreed to not dispense controlled substances through telepharmacy so they did not require a United States Drug Enforcement Administration (“DEA”) registration. However, PBMs are now requiring that they obtain a DEA. LCHC approached the State to obtain a DEA, however they were denied since they are not dispensing controlled substances. LCHC wants to move forward and be able to serve patients, thus requesting for a full year extension because it will allow them time to focus on the project and obtain the proper required permits.

Ms. Cross empathized with the logistical issues that are delaying the process and understands the logistical set up that needs to take place before testing the model to see how effective it is. She agrees that the 1-year extension is reasonable.

The Chair asked for confirmation that LCHC will not be dispensing controlled substances.

Ms. Shaw replied they do not provide controlled substances as it is out of their philosophy. However, due to the PBMs requirement, they are asking for the Board’s assistance with working with the State to obtain their DEA. Earlier this week, LCHC’s pharmacist and medical manager had an interview with a State

representative who refused to move forward since they will not be dispensing and distributing controlled substances.

EO Skizewski asked if the DEA is required for billing purposes?

Ms. Shaw explained that the DEA is required by CVS and Health Mart to become part of the PBM. As they are trying to move forward with enrollment in each one of these programs to be affiliated with the PBM, the DEA permit is required.

The Vice-Chair expressed her support of LCHC's pilot project. She had the opportunity to serve at LCHC and knows first-hand how great the need is and how difficult it can be in neighbor island community with limited resources. The Vice-Chair had a question regarding the pilot study side and if there is an Institutional Review Board ("IRB") or comparable review and oversight that approved this pilot study to begin with?

Ms. Shaw replied that they did not seek IRB's approval because she did not think that they would publish anything. However, since that might change, she will look into it. She thanked the Vice-Chair for raising that concern.

Mr. Adams asked if they have a pharmacist involved in the project? He stated that he has personal experience with this and understands how difficult the process is.

Ms. Shaw explained that LCHC has had an in-house dispensing program, under the guidance of Dr. Cory Lahano, pharmacist of Mauiola Pharmacy on Maui, a 340B contracted pharmacy. Dr. Lahano has always been interested in telepharmacy so LCHC contracted with him to be their telepharmacist. Dr. Lahano set up his own pharmacy and has been functioning under rules and regulations under his authority.

The Chair asked Ms. Shaw if she foresees this project taking more than 6-months.

Ms. Shaw replied that they've had to communicate all of their doing to the National Council for Prescription Drug Programs ("NCPDP"), who is drastically behind. Ms. Shaw anticipates that it will take 2-months before they obtain their DEA, assuming that they can overcome that hurdle. They are actively testing protocols and policies behind the scenes and will not be able to obtain the 6-month data collection needed if the extension is not approved by the Board.

Ms. Shaw added that currently the few controlled substances they have (sinus and cough medication) are locked up in a cabinet. All other prescriptions are sent to the contracted pharmacy, who dispenses it. No controlled substances would come through LCHC however, they are unsure how to prove to the State that they are abiding by that.

The Chair stated that she is aware of other consultant pharmacies that do not dispense controlled substances and believes those entities are participating with CVS. These entities do not dispense a single drug, do not have DEA

numbers, and are able to bill for services.

Ms. Shaw added that she has reached out numerous times to McKesson, since they are responsible for Health Mart, and asked them for assistance with Humana and CVS. McKesson stated that they are unable to assist until LCHC gets their DEA.

Mr. Adams suggested that they could tell Narcotics Enforcement Division (“NED”) that they plan to dispense controlled substances in order to obtain their DEA but have a locked cabinet with nothing in it. LCHC could use the DEA at a later time if they plan to dispense controlled substances in the future.

The Chair clarified that the Board approved this pilot project with the understanding that LCHC would not dispense controlled substances. The terms are stated in the approval letter and she does not want to put the NED into a position to make exceptions.

EO Teshima wanted to clarify that the Board is NOT making any recommendations on how to “circumvent” any laws, including obtaining a registration with the NED in order to obtain a DEA registration to satisfy the PBM’s requirement for reimbursement.

Mr. Adams clarified that he meant to suggest obtaining a full license, not to circumvent any laws.

EO Teshima explained that it is her understanding that there are other options besides a DEA registration such as obtaining a National Provider Identifier (“NPI”) number.

Ms. Shaw confirmed that they already have an NPI number and the distributors will not accept that.

EO Teshima asked Ms. Shaw to provide the contact information of those she has been communicating with so that the Board can reach out.

EO Teshima was told that an NPI number can be used in lieu of a DEA so she is a little concerned why they are unable to get what they need with an NPI number.

Ms. Shaw thanked EO Teshima for the suggestion and will try to list the NPI number into the document to see if it will be accepted.

Mr. Brown asked if they are having issues with the PBM side or wholesaler side?

Ms. Shaw responded that she is having issues with both. Their wholesaler account is set up and they are going through the wholesaler’s organization which connects to the various PBMs. However, Health Mart, which is the wholesaler group that connects to the PBMs isn’t connected to Humana Pharmacy, so they have to do that one separately. CVS Caremark also has a

separate pre-application. There are 3 entities that will not proceed without the DEA.

The Chair asked if anyone attending wanted to address the Board on this agenda item.

Staff reported that no one raised their hand.

Upon a motion by Ms. Cross, seconded by the Vice-Chair, it was voted on and approved by a majority, with the exception of Mr. Adam who voted, "no", to approve the 1-year extension of LCHC's pilot project.

The Chair requested a 6-month update to be provided to the Board in February 2022.

The Chair resumed the agenda in order.

Appendix C

September 16, 2021, Meeting Minutes – Excerpt (Page 3)

Expansion of the LCHC pilot project scope

Pilot Projects: Erik Abe, Public Affairs and Policy Director for the Hawaii Primary Care Association (“HPCA”) and Diana Shaw, Executive Director for Lanai Community Health Center (“LCHC”), were promoted to panelists.

EO Skizewski stated that Mr. Abe and Ms. Shaw were in attendance to discuss the one-year extension for LCHC’s pilot project, which was granted by the Board at its August 19, 2021 meeting. Since then, LCHC was informed by multiple pharmacy benefit managers that they would not enter contractual agreements with LCHC unless it first obtains a Drug Enforcement Agency (“DEA”) permit. They are in attendance to request approval of an amendment to the scope of their telepharmacy project to include controlled substances.

Mr. Abe introduced himself and stated that HPCA is in strong support of proposed scope amendment and stated that he is available if the Board has any questions.

Ms. Shaw introduced herself and explained that she is also in attendance with her staff to answer the Board’s questions.

Ms. Teshima noted that LCHC provided a list of controlled substances they would like to dispense however the Board is not in a position to approve the list. The Board can only approve the request to amend the original pilot project application to include controlled substances.

Upon a motion by Ms. Cross, seconded by Ms. Tokumaru, it was voted on and unanimously carried to approve the amendment to allow LCHC to include controlled substances to their pilot project application.

The Chair reiterated that the Board’s approval only includes adding controlled substances to their pilot project application and that they still need to apply for their DEA permit with the Narcotics Enforcement Division.

The Chair asked if anyone attending wanted to address the Board on this agenda item.

Staff reported that no one raised their hand.

Appendix D

June 16, 2022, Meeting Minutes – Excerpt (Page 3)
Second Extension of the LCHC pilot project scope

Lanai Community Health Center

Mr. Abe introduced himself as the Public Affairs and Policy Director of Hawaii Primary Care Association and introduced Diana Shaw, Director of Lanai Community Health Center.

Staff promoted Ms. Shaw to panelist.

Mr. Abe provided a status update on the Tele Pharmacy Pilot Project and asked the Board to extend the length of the pilot project by one year, to June 2023.

Ms. Shaw stated that due to the lack of response from the pharmacy benefit manager (“PBM”), this delay given them time to make sure that they have their systems safe and secure, they have on-going training to ensure the workers are up-to-date and know what they are doing and making sure their patients are safely being provided with their medications. She stated that they are hoping with the success of the program they will be able to publish a report.

Mr. Brown noted in their timeline that they provided, they had a soft grand opening and asked for an overall update on the center and what medications are being provided for their patients.

Ms. Shaw stated she will provide the Board a list of the medications that are being prescribed and dispensed to their patients but currently patients do not pick up their medications because the PIC only is there periodically.

Mr. Brown asked what the volume of prescriptions are provided.

Ms. Shaw responded that the volumes are low, because of the patient count due to the limited space at the health center, and that they are limited to the number of patients they see on a daily basis and not every patient will be prescribed medications.

The Chair asked the Board if they had any further questions.

There being none, upon a motion by Ms. Cross, seconded by the Vice Chair, it was voted on to approve the request for extension until June 2023.

EO Teshima asked how long is the extension?

Chair confirmed they are requesting a 1 year, June 2023 extension.

EO Teshima asked if the Board would like a status report six (6) months later or wait for a report at the end of the year.

Mr. Brown suggested Lanai Community Health Center provide a report in December as to the status of the project.

The DAG advised the Board that a motion was made but before it was voted on, it appears that there is an addition to the motion.

Ms. Cross withdrew her motion.

Upon a motion by Mr. Brown, seconded by the Vice Chair, it was voted on and unanimously carried to approve the request for a one-year extension until June 2023 and that a status report on the pilot project be provided in December 2022.

EO Skizewski thanked Ms. Shaw.

Ms. Shaw and Mr. Abe thanked the Board for their support in their program.

The Chair announced the next agenda item and asked if anyone attending wanted to address the Board.

Stacy Pi raised her hand and was promoted to panelist.

Appendix E

June 15, 2023, Meeting Minutes – Excerpt (Page 4)

Third Extension of the LCHC pilot project and request for draft legislation

Lanai Community Health Center Pilot Project Update

Erik Abe and Jared Medeiros were promoted to panelist.

EO Skizewski noted that the Board provided an extension to the Lanai Community Health Center (“LCHC”) related to their tele pharmacy pilot project in June of 2022. LCHC has submitted their findings report to the Board highlighting data gathered over the first year of the project.

Eric Abe, Public Affairs and Policy Director, Hawaii Primary Care Association (HPCA), noted that HPCA stands in strong support of the Lanai Community Health Center tele pharmacy pilot project and urged the Board to consider continuing the project.

Jarod Medeiros, Associate Medical Director here at LCHC noted that they approached the Board back in 2021 with the goal of helping our patients on Lanai

through telemedicine. LCHC has utilized telemedicine since 2014 to provide various services to patients that are not readily available on Lanai. It took about a year for LCHC to work with pharmacy benefit managers (“PBM”) to get approved. The first prescription was dispensed in June 2022. Corey Lehano a pharmacist at Mauiola Pharmacy, has been integral in helping LCHC implement the project and provide medication verifications along with the pharmacists at the Mauiola location on Maui. A total of 5838 prescriptions have been dispensed in the first year which averages 486 prescriptions per month. LCHC services over 75 percent of the island of Lanai as it applies to medical, dental, behavior health, and optometry.

LCHC delivers prescriptions to those without transportation as well as provide transportation to patients to come to the health center for appointments. Tele pharmacy has helped increase access to medication and increase medical compliance. The 340B program has also benefited patients as it relates to cost saving. LCHC has complied with all regulations related to the security and storage of controlled substances. Since June 2022, only a small number of controlled substances have been dispensed. LCHC utilizes two (2) verification times with Cory Lehano and Mauiola Pharmacy. A pharmacist will utilize tele-verification through working with LCHC pharmacy technicians. Patients have enjoyed pharmacy care being provided in the same place that they receive their other medical services. Cory Lehano and Mauiola staff has been readily available to bridge the patient relationship gap through being available via tele-conference with patients to answer any questions regarding medications. Medeiros concluded that this model could benefit other rural areas that have limited access to medical care.

Chair Isobe asked and Medeiros responded that LCHC came to the Board in 2021 for approval to expand the pilot project to include controlled substances. Once approved by the Board, LCHC worked with regulators to obtain controlled substance dispensing authority.

Erik Abe noted that the Federally Qualified Health Center (“FQHC”) model of care discourages controlled substance. LCHC dealing with controlled substances in relation to this pilot project were highlighted in the report as extremely low. LCHC stressed that they would continue to follow the FQHC model of practice and only use or prescribe controlled substances when it was necessary. Abe used cough medicine as an example. Abe concluded that they do not anticipate a large influx in controlled substance prescriptions.

EO Skizewski asked if LCHC is requesting an extension of the pilot project.

Abe responded that LCHC is before the Board to discuss how the Board would like to proceed. Abe added that LCHC has shown that this concept can work and has gathered objective data that would allow the Board to make a decision regarding the viability of tele pharmacy. LCHC is willing to continue the project and to gather additional information. HPCA is committed to supporting LCHC in this project and its benefits for the people of Lanai.

Chair Isobe noted that the intent of the pilot project is to work toward legislation that will initiate permanent change through the legislative process. Chair Isobe added she did not believe controlled substances were initially permitted in the pilot project.

Erik Abe noted that the pilot project was amended in 2022 to allow controlled substances. LCHC was having issues obtaining a PBM which led to a delay in the pilot project start. LCHC worked with the Drug Enforcement Agency (“DEA”) to address issues related to the security and storage of controlled substances. Once the controlled substance approval was obtained, LCHC was able to acquire a PBM and begin the implementation of the pilot project.

Catalina Cross asked and Chair Isobe responded that this is the first update from LCHC since the extension provided in June 2022.

Chair Isobe requested additional information on the controlled substance approval issued by the DEA.

Erik Abe noted that in regard to public policy, if the Board acknowledges the merit of the concept, LCHC and HPCA could work with the Board to draft legislation.

Chair Isobe stated that a pilot project’s intent is to demonstrate a change that could be made permanent through the legislative process.

Chair Isobe asked Medeiros for information on the DEA approvals and information on their tele pharmacy services.

Medeiros noted that medical verifications are arranged with offsite pharmacists. Refill and acute medications are being provided. LCHC functions as a normal pharmacy with chronic medication being refilled and urgent medication being provided if needed.

Cory Lehano was promoted to panelist.

Cory Lehano, of Mauiola Pharmacy, noted that has had lengthy conversations

with the DEA, Honolulu Office, and worked closely with the State of Hawaii, Department of Public Safety, Narcotics Enforcement Divisions (“NED”). PBMs were not willing to contract with them until a DEA number and a Hawaii controlled substance permit was obtained. The process to obtain those items took seven (7) months. Once issued, they were able to bill PBMs for services. Cory Lehano added that this project is extremely beneficial and serves as an example for the rest of the state on how to provide quality care to underserved areas.

Chair Isobe noted the next step would be to draft legislation.

EO Skizewski highlighted that the pilot project extension was provided to June 2023.

Chair Isobe noted that draft legislation needs to be drafted if this project is working to make the project permanent. Chair Isobe asked that LCHC draft legislation.

Chair Isobe added that she would like to see that tele pharmacy be limited to rural areas and not serve as a loophole for all pharmacies to eliminate on site pharmacists.

Erik Abe requested that the Board consider granting LCHC the ability to continue the pilot project for a period or at least through the 2024 legislative session. HPCA and LCHC will work with the Board to draft legislation.

Chair Isobe asked HPCA and LCHC to take the lead on drafting the proposal for Board review.

Erik Abe asked about the timeline related to the legislation being included in the 2024 administration package.

EO Skizewski noted he would look into the timeline but added most proposed initiatives are currently going through the review process.

Erik Abe asked the Board to show their willingness to support the initiative through a motion of support for the concept of tele pharmacy.

EO Skizewski noted his concern over the appropriateness of such an action as the Board listed this agenda item as only an update on the pilot project and not possible Board action on the concept of tele pharmacy as a whole.

Chair Isobe thanked HPCA and LCHC for attending and for the information provided.

Erik Abe, Jared Medeiros, and Cory Lehano were returned to attendee.

At 9:53 a.m., upon a motion by Ms. Cross, seconded by Ms. Tokumaru, it was voted on and unanimously carried to move into Executive Session in accordance with HRS, 92-4 and 92-5(a) (1) and (4), “To consider and evaluate personal information relating to individuals applying for pharmacy licensure,” and, “To consult with the board’s attorney on questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities”.

At 10:28 a.m., upon a motion by Ms. Tokumaru, seconded by Mr. Rabang, it was voted on and unanimously carried to move out of executive session.

It was moved by Chair Isobe, seconded by Ms. Tokumaru, and unanimously carried to extend the Lanai Community Health Center Pilot Project to the Board's meeting date of October 19, 2023, at which the proposed draft legislation must be submitted for Board review; if no proposed legislation is presented, the Lanai Community Health Center Pilot Project will end on October 19, 2023.

Appendix F

February 1, 2024, Meeting Minutes – Excerpt (Page 2)

Discussion on the LCHC presented resolution

Lanai Community Health Center Proposed Legislation

EO Skizewski stated that the Board extended the Lanai Community Health Center (“LCHC”) remote dispensing pilot project at their last meeting to June 2024. The extension allowed for LCHC to propose legislation during the 2024 Legislative Session to make allowances permitted under the pilot project permanent. The Board reviewed draft legislation and voted at their last meeting to appreciate the intent of the draft legislation but awaited review of the introduced version of the bill to make a formal decision. The Board also requested at the December 2023 meeting that compounding be removed from the version that was to be introduced before the legislature.

EO Skizewski updated the Board that no bill was introduced before the legislature this session. Included in meeting distribution packet was a letter addressed to Chair Isobe, Governor Ige, and others which included a draft resolution related to the urging of the Board to support the project.

Erik Abe was promoted to panelist.

Patrick Adams noted there was a discussion at the last meeting related to immunizations which were provided at the health center but billed through the pharmacy. Vice-Chair Adams noted his concern with the pharmacy getting the benefit of billing for services that were provided at the health center by health center staff.

Erik Abe stated that following the December 2023 meeting of the Board, the HPCA met with LCHC and based on the requests by the Board, it was not appropriate for the draft legislation to be introduced. They decided to memorialize the actions that have taken place regarding the history of the pilot project in a letter that was sent to the Board Chair and the Governor. Mr. Abe added that they were worried if the legislation did not pass, the fault would lay with the legislature. The letter and included draft resolution would ask the legislature to evaluate the history of the project and if passed would urge the Board to take a position on an initiative that supports seventy percent of Lanai. Mr. Abe stated that there has been discussion with American Association of Retired Persons, labor unions, and service providers that if this pilot project would end prescription drugs costs would rise for Lanai residents and could result in the delay of medications. Mr. Abe concluded that HPCA and LCHC is still willing to work with the Board to address any concerns.

Chair Isobe noted that the letter was received and noted that the Board did not take a position on the draft legislation as they awaited the introduced version of the bill. No bill was introduced. Chair Isobe added that the Board has been accommodating of LCHC’s requests throughout the pilot project. Chair Isobe

stated that there is currently a pharmacy on Lanai which would help mitigate any issues related to medication delays.

Kent Kikuchi noted that along with the letter sent to Chair Isobe a draft resolution noted that the sole pharmacy on Lanai is not interested in working with LCHC. Kikuchi asked if there has been a follow up or any dialogue with the pharmacy on Lanai related to their willingness to provide LCHC with 340B program medications.

Erik Abe responded that the Board should speak with Rainbow Pharmacy. LCHC has tried in the past to partner with Rainbow Pharmacy, but the pharmacy declined to be a part of the 340B program. That decision led LCHC to look for alternate ways to provide patients with medications under the 340B program. LCHC is always willing to meet with potential partners. Mr. Abe noted his concern with the Board leaving LCHC out of any discussions with Rainbow Pharmacy as LCHC is unable to respond and the discussion may be subject to Sunshine Law requirements.

Mr. Kikuchi stated that LCHC informed the Board at the December 2023 meeting, they would reach out to Rainbow Pharmacy to see if there was an opportunity to partner going forward and added that the Board has not received an update on that discussion.

Chair Isobe stated that the LCHC remote dispensing pilot project was originally approved based on the provided information that no pharmacy on Lanai would aide LCHC in the provision of medications under the 340B program.

Erik Abe was returned to

attendee. Kurt Shuster was

promoted to panelist.

Kurt Shuster introduced himself as the owner of Rainbow Pharmacy on Lanai. Shuster noted that they work closely with LCHC. Mr. Shuster noted he spoke with Jared Medeiros of LCHC and informed him that Rainbow Pharmacy since 2015 has been willing to partner with them to provide medication under the 340B program. Mr. Shuster explained that since management at LCHC has changed, LCHC's willingness to partner has improved. Mr. Shuster noted his support of the current remote dispensing initiative as he is the only pharmacist on the island. Mr. Shuster added that although it is said there exists conflict between the two entities, it is not true. Rainbow Pharmacy has a long-standing history of working with LCHC. Mr. Shuster apologized for not being able to attend sooner to provide the Board with his understanding of the situation on Lanai.

Vice-Chair Adams noted that he is unaware of any unpermitted discussion between the Board and Rainbow Pharmacy. Vice-Chair Adams added that the Board's decision to approve the pilot project was attributed to the provision of 340B discounted medication to Lanai residents. Vice-Chair Adams explained that Veteran's Affairs ("VA") does provide mail order

prescriptions across the nation and that the situation on Lanai is not unique. There are patients in more remote locations that receive 340B medications through the mail. Vice-Chair Adams also noted his concern with the quality of service provided through a remote pharmacy

Vice-Chair Adams requested information on how LCHC preforms vaccinations through the health center but is billed through the pharmacy. This process allows LCHC staff to provide services that should be provided through the pharmacy for which it is being billed.

Kent Kikuchi asked LCHC to respond to Shuster's willingness to partner as a 340B medication provider. Mr. Kikuchi added that having services provided through a pharmacy on Lanai would provide for a safer process which will further benefit the Lanai community.

Erik Abe was promoted to panelist.

Erik Abe noted that HPCA advised LCHC to not attend today's meeting as they were not prepared to respond to questions and their position was made clear through the submitted letter. Mr. Abe requested that if the Board would like HPCA or LCHC to respond to questions, it be put in writing and submitted.

EO Skizewski asked, and Mr. Abe responded that he drafted the draft resolution that accompanied the letter sent to Chair Isobe and the Board.

EO Skizewski asked, and Mr. Abe responded that Rainbow Pharmacy is the pharmacy referenced on page three of the resolution that relates to the sole pharmacy of Lanai not being a 340B program affiliated pharmacy.

The Chair asked if there were any further questions from the Board. Seeing none, the Chair asked for a motion to move into Executive Session in accordance with HRS, 92-4 and 92-5(a) (4), "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities".

Erik Abe and Kurt Shuster was returned to attendee.

At 9:36 a.m., upon a motion by Chair Isobe, seconded by Mr. Kikuchi, it was voted on and unanimously carried to move into Executive Session in accordance with HRS, 92-4 and 92-5(a) (4), "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities".

Hearing no objections, it was unanimously carried to move out of executive session at 9:54 a.m.

Chair Isobe thanked attendees for their testimony and encouraged continued dialogue between LCHC and Rainbow Pharmacy.

EO Skizewski added that the Board's ability to exempt applicants of a

pilot project from portions of laws is not a means to make permanent change. The Board looks forward to addressing any legislation or resolutions related to the project. The LCHC pilot project was extended until June 1, 2024.