JOSH GREEN, M.D.
GOVERNOR
KE KIAʻĀINA

STATE OF HAWAIʻI | KA MOKUʻĀINA ʻO HAWAIʻI
DEPARTMENT OF CORRECTIONS AND REHABILITATION
Ka ʻOihana Hoʻomalu Kalaima a Hoʻoponopono Ola
1177 Alakea Street
Honolulu, Hawaiʻi 96813

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DIRECTOR

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Sanna Muñoz
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Rehabilitation Services and Programs

No. _____

TESTIMONY ON SENATE BILL 1279, SENATE DRAFT 2, HOUSE DRAFT 1
RELATING TO PHARMACISTS.

by
Tommy Johnson, Director
Department of Corrections and Rehabilitation

House Committee on Consumer Protection and Commerce
Representative Scot Z. Matayoshi, Chair
Representative Cory M. Chun, Vice Chair

Wednesday, April 2, 2025; 2:00 p.m.
State Capitol, Conference Room 329 & via Videoconference

Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

The Department of Corrections and Rehabilitation (OCR) **supports** Senate Bill (SB) 1279, Senate Draft (SD) 2, House Draft (HD) 1, which proposes to authorize pharmacists under contract with covered entities in the 340B Drug Pricing Program to oversee prescriptions remotely improves healthcare access while maximizing resources.

Healthcare in corrections is deeply connected to community health. Individuals in our custody and care come from the community and will return to it. Many have chronic illnesses, mental health conditions, or substance use disorders, and ensuring consistent medication access reduces risks to both public safety and long-term healthcare costs.

The 340B program is essential in this effort by making medications more affordable for vulnerable populations and stretching limited state resources further.

Many of the individuals in our custody and care come from communities with limited access to healthcare providers and pharmacies. SB 1279, SD 2, HD 1 helps

address these disparities by extending the reach of qualified pharmacists through telehealth services, ensuring that patients-whether in a correctional facility or a rural community-receive the medications they need without unnecessary barriers.

The health of our correctional population is a shared responsibility, as these individuals reintegrate into our neighborhoods, workplaces, and healthcare systems. SB1279, SD 2, HD 1 strengthens Hawai‘i's commitment to equitable healthcare access, promotes fiscal responsibility, and supports public safety and health by ensuring that patients receive the medications they need in a timely and efficient manner.

Thank you for the opportunity to provide testimony in **support** for SB 1279, SD 2, HD 1.

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The State Legislature
House Committee on Consumer Protection and Commerce
Wednesday, April 2, 2025
Conference Room 329, 2:00 p.m.

TO: The Honorable Scot Matayoshi, Chair
FROM: Keali'i Lopez, State Director, AARP Hawai'i
RE: Support for S.B. 1279 SD2, HD1 – Tele Pharmacy

Aloha Chair Matayoshi and Members of the Committee:
My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports S.B. 1279, SD2, HD1 which authorizes a registered pharmacist under contract with a covered entity for purposes of the federal 340B Drug Pricing Program to supervise via telehealth the filling or receipt of a prescription in certain circumstances.

This bill will directly benefits consumers, especially those on the neighbor islands including kupuna. The Lanai Community Health Center's tele pharmacy pilot project successfully demonstrated a prototype for other remote communities or areas facing health provider shortages throughout the state. Under the Lanai model, a licensed pharmacist located on the island of Maui was able to supervise Lanai Community Health Center staff via tele health technology with the filling and dispensing of prescriptions to patients at the LCHC campus. This allowed Lanai patients to receive their prescriptions and refills more quickly than if they had needed to wait for the medications to arrive through the mail.

Covered entities under the federal 340B Program need to either operate a pharmacy at the location where the prescriptions are filled for distribution, or must contract with a participating third party pharmacy to fill and distribute the medications. For especially isolated communities, where there may only be one pharmacy servicing an entire island, should that pharmacy decide not to participate in the 340B Program, the entire community would not be able to receive the savings discounts nor the expanded health care services that the 340B Program was intended to provide.

The passage of this bill will allow tele-pharmacy services such as at Lanai Community Health continue to serve the island residents. Thank you very much for the opportunity to testify in support of SB 1279, SD2, HD1.

Testimony of the Board of Pharmacy
Before the
House Committee on Consumer Protection and Commerce
Wednesday, April 2, 2025
2:00 p.m.
Conference Room 329 and Videoconference
On the following measure:
S. B. 1279 S.D.2, H.D 1, RELATING TO PHARMACISTS

Chair Takayama and Members of the Committee:

My name is Alanna Isobe, Chair for the Board of Pharmacy (Board). The Board voted unanimously to oppose this bill.

The purpose of this bill is to authorize a registered pharmacist under contract with a covered entity for purposes of the Federal 340B Drug Pricing Program to supervise via telehealth the filling or receipt of a prescription in certain circumstances.

This measure is similar to House Resolution 124, which was adopted in 2024 to demonstrate a method of expanding the accessibility and affordability of prescription drugs to vulnerable populations and rural communities throughout the state. In response to House Resolution 124, the Board was required to file a report on the Lanai Community Health Center Pilot Project (LCHC), which allowed the use of telepharmacy as described in the bill.

In the report, the Board acknowledged the potential positive impacts of telepharmacy on the consumers of this State, including increased access to healthcare, particularly in rural areas, and expanding potential benefits of pharmacies which participate in the federal 340B Drug Pricing Program. Through numerous extensions and expansions of the LCHC pilot project, the Board has supported LCHC and exemplified its willingness to facilitate the investigation of a telepharmacy initiative. In addition, the Board has provided comment on draft legislation related to the allowances made under the LCHC project, and noted concerns it may have with the surrounding processes.

However, the Board also identified that without proper implementation and assurances, 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. The high level of medication errors was extremely concerning to the Board, and 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 created additional barriers and potential delays to medication counseling that do not currently exist. The Board does not believe that telepharmacy as represented in the project and this measure is in the best interest of the patient.

The Board further notes pharmacists are not currently included under title 42 Code of Federal Regulations section 410.78(a), and thus are not eligible to be covered under this section as it relates to telehealth services through Medicare program. In addition, remote dispensing under certain circumstances as provided in Hawaii Revised Statutes 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.

Thank you for the opportunity to testify on this bill.

Pūlama Lānaʻi

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Wednesday, April 2, 2025, 2:00 P.M.
Conference Room 329 & Videoconference
SB 1279 SD2 HD1 RELATING TO PHARMACISTS
WRITTEN TESTIMONY IN <u>OPPOSITION WITH REQUEST FOR EXEMPTION</u>

Aloha Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

Pūlama Lānaʻi is in **<u>opposition of SB 1279 SD2 HD1 and respectfully requests your consideration of an amendment.</u>**

Lānaʻi is a small, rural community, and while this this bill aims to assist geographically isolated communities with limited healthcare and pharmacy access its current provisions would be detrimental to Lānaʻi.

Healthcare access on Lānaʻi
Lānaʻi is not like other rural communities. We have two health clinics: the Straub Clinic, which has operated for over 30 years with two (2) full-time resident physicians, and the Lānaʻi Community Health Center. While the Lānaʻi Community Health Center does not have full-time resident physicians, it still provides essential healthcare services to our residents, making Lānaʻi better equipped than many rural areas.

Pharmacy access on Lānaʻi, see map on page 2
Pūlama Lānaʻi recruited Rainbow Pharmacy in 2014 and since 2015, they call Lānaʻi home. Located just 580 feet from the Lānaʻi Community Health Center and 965 feet from the Straub Clinic, Rainbow Pharmacy offers convenient, in-person pharmacy services. Mr. Shuster, the resident pharmacist, is deeply integrated into our community, providing not only expert care but also a personal connection that our residents rely on. This local presence sets us apart from other rural communities that lack similar resources.

Requested amendment to SB 1279 SD2 HD1, exempt Lānaʻi
While we support the intent of this bill to aid other rural communities, its implementation would not benefit Lānaʻi. *<u>We respectfully request an exemption for Lānaʻi</u>*, given our existing healthcare infrastructure: two health clinics and a full-time, on-island pharmacy with a resident pharmacist.

Mahalo for your consideration of our request.

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LĀNAʻI OFFICE 1311 Fraser Avenue, PO Box 630310, Lānaʻi City, Hawaii 96763 • **TEL** 808.565.3000 • **FAX** 808.565.3881

Rainbow Pharmacy is conveniently located between the two health clinics.

House Committee on Consumer Protection & Commerce
Rep. Scot Matayoshi, Chair
Rep. Cory Chun, Vice Chair

Hearing Date: Wednesday, April 2, 2025

ACS CAN SUPPORTS SB 1279 SD2 HD1: RELATING TO PHARMACISTS

Cynthia Au, Government Relations Director – Hawaii Guam
American Cancer Society Cancer Action Network

Thank you for the opportunity to **SUPPORT** SB 1279 SD2 HD1: Relating to Pharmacists. This bill authorizes a registered pharmacist under contract with a covered entity for purposes of the federal 340B Drug Pricing Program to supervise via telehealth the filling or receipt of a prescription in certain circumstances.

The American Cancer Society Cancer Action Network (ACS CAN), the nonprofit, non-partisan advocacy affiliate of the American Cancer Society advocates for public policies to reduce the cancer burden for everyone. ACS CAN supports telepharmacy as a method of expanding the accessibility and affordability of prescription drugs to vulnerable populations and rural communities throughout the state. Everyone should have equitable access to prescription medications.

The intent of the bill is to put into law Lanai Community Health Center's (LCHC's) Telepharmacy Project which ended on June 1, 2024 so patients have access to timely affordable prescription medications. Currently, almost 80 percent of the population of Lanai relies on LCHC for primary care services but might have to wait for certain prescription medications to be received by mail. Federal qualified health centers are federally funded nonprofit health centers or clinics that serve medically underserved areas and populations. LCHC is the only 340B participating pharmacy on the Island of Lanai. If they are not able to provide discounted medications to patients, many of Lanai's uninsured or underinsured residents, including but not limited to LCHC's patients, will be forced to pay more for the prescription drugs they desperately need.

Thank you again for the opportunity to provide testimony in SUPPORT on this important matter. Should you have any questions, please do not hesitate to contact Government Relations Director Cynthia Au at 808.460.6109, or Cynthia.Au@Cancer.org.

HPCA
HAWAI'I PRIMARY CARE ASSOCIATION

Testimony to the House Committee on Consumer Protection and Commerce
Wednesday, April 2, 2025; 2:00 p.m.
State Capitol, Conference Room 329
Via Videoconference

RE: SENATE BILL NO. 1279, SENATE DRAFT 2, HOUSE DRAFT 1, RELATING TO PHARMACISTS.

Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1279, Senate Draft 2, House Draft 1, RELATING TO PHARMACISTS.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would allow a registered pharmacist under contract with a covered entity under the federal 340B Program to fill or receive a prescription for sale of drugs at a state where the contract pharmacist is not physically present but oversees operation at the site by way of a two-way, real-time, audio-visual conferencing-based communication system.

This measure would take effect on July 1, 3000.

I. Background

Section 461-9, Hawaii Revised Statutes (HRS), requires a registered pharmacist to be physically present at the site where a prescription is filled for received or received for distribution to a consumer. Because of geographic isolation, the lack of health care professionals, and relatively small populations of rural communities, certain health care organizations (i.e., hospitals, federally qualified health centers, rural health centers, etc.) are not able to have a pharmacist who would consistently be present at a rural site.

Certain health care organizations are able to receive discounts on prescription drugs under the federal 340B Program. Under this program, these organizations contract with drug manufacturers to receive medications at discounted prices that were negotiated by the federal government. Under federal law, organizations that receive these discounts are required to pass along these savings to patients in the form of services for indigent populations or expanded health care services.

Covered entities under the 340B Program need to either operate a pharmacy at the location where the prescriptions are filled for distribution, or must contract with a participating third party pharmacy to fill and distribute the medications. For especially isolated communities, where there may only be one pharmacy servicing an entire island, should that pharmacy decide not to participate in the 340B Program, the entire community would not be able to receive the savings discounts nor the expanded health care services that the 340B Program was intended to provide.

Because the patient populations of some neighbor island health care organizations are too small to make employment of a full-time pharmacist cost-effective, these organizations must provide pharmacy services through contract pharmacies situated on other islands. While health care organizations situated on Oahu have more options to contract with or operate pharmacies participating in the 340B program, certain health care organizations situated on the neighbor islands have no option other than to contract with off-island pharmacies requiring patients to wait several days to receive their receive their prescriptions by mail. This is the case on the Island of Lanai, where there is only one retail pharmacy and that pharmacy has chosen not to participate in the 340B Program.

In 2021, Lanai Community Health Center (LCHC) received approval from the Hawaii State Board of Pharmacy pursuant to Section 461-4.5, Hawaii Revised Statutes, to conduct a pilot and demonstration project. Under this project, LCHC's contract pharmacist situated on the Island of Maui supervised staff at LCHC by way of audio-visual telecommunications in the storage, filling, and dispensing of prescription medications to patients at the LCHC campus. Between June 9, 2022, and June 15, 2023, LCHC processed 5,838 total prescriptions for 1,124 patients. These patients received their prescriptions and refills quicker than they would have had they need to wait for their medications to come through the mail. This led to improved health care outcomes.

Despite LCHC's success, the Board of Pharmacy terminated the demonstration project on June 1, 2024, stating that the authority to initiate pilot demonstration projects is not absolute. As such, LCHC has had to transport the contract pharmacist to Lanai from Maui each day to run the pharmacy at the LCHC campus at great expense. However, if ever the pharmacist is sick or misses the flight, LCHC cannot operate the pharmacy as the law presently stands.

This bill would allow a covered entity under the 340B Program to operate a pharmacy via telepharmacy. This will greatly improve access and affordability of prescription drugs in isolated geographical areas.

II. Recent Developments

On February 24, 2025, four days after this bill was heard and approved by the Senate Committee on Commerce and Consumer Protection, the Executive Director of the Board of Pharmacy sent LCHC an email stating:

> *"Allow this email to serve as a complimentary notification. It has been brought to my attention that PHY-941 was not closed on June 1, 2024, at the end of the pilot project. We will be closing the license immediately. . ."*

The email did not state any reason for the purported "closure" of LCHC's license (other than the end of the pilot program), and did not advise LCHC of its right to a hearing if it so desired.

A subsequent search on the Department of Commerce and Consumer Affairs' (DCCA's) Professional and Vocational Licensing Division's website revealed that LCHC's pharmacy license was terminated by a "Voluntary Request to Cancel/Terminate." This was totally untrue, as LCHC never requested that its pharmacy license be "closed", "cancelled" or "terminated".

LCHC was irreparably harmed by the "closure", "cancellation" or "termination" of its license because the Board prohibited LCHC from filling prescriptions for its patients. LCHC faced the loss of its accreditation as a patient-centered medical home (PCMH) through the National Committee on Quality Assurance. The termination of LCHC's license would have impacted its designation as a HealthMart Pharmacy and prevented it from receiving discounts pricing available through various Group Purchasing Organizations.

The patients LCHC serve were also irreparably harmed by their inability to easily access and receive medications at a lower cost, and within the PCMH model. The ability to receive needed medications directly from a medical provider without having to travel to a separate pharmacy location to fill their prescription greatly increased patient compliance in medication adherence, especially in patient populations who experience multiple chronic and systemic medical conditions requiring active monitoring and intervention.

Moreover, LCHC owns and operates its pharmacy as a 340B enrolled health center, eligible designated as a stakeholder in federal 340B program to participate in the federal 340B program. Participation in the federal 340B program allows certain pharmacies serving low-income, uninsured and underinsured patients to purchase prescription drugs from drug manufacturers at a discount. There is only one other pharmacy on Lanai, and that pharmacy does not participate in the federal 340B pharmacy program. This means that many of Lanai's uninsured or underinsured residents, including but not limited to LCHC's patients, will be forced to pay more for the prescription drugs they desperately need.

Because of this, on March 6, 2025, LCHC requested the Circuit Court of the First Circuit to:

(1) Declare the Board's unilateral "closing" of LCHC's pharmacy license without adequate notice or an opportunity to be heard to be null and void;

(2) Temporarily restrain and preliminarily and permanently enjoin enforcement of the "closure of LCHC's License and order the reinstatement of LCHC's license pending an appeal from the Board's decision; and

(3) Grant LCHC equitable relief.

On March 21, 2025, Judge Shirley M. Kawamura issued a stipulated order restoring LCHC's pharmacy license and dismissing action. Specifically, the order:

(1) Restored LCHC's license unconditionally, effective immediately, and continuing through and including December 31, 2025;

(2) Required the Board to cause the Professional and Vocational Licensing section of DCCA to update its records to indicate that LCHC's license is active and in good standing; and

(3) Dismissed further court action without prejudice.

It should be noted that at no time had any complaint been filed against LCHC during the period it conducted pharmacy operations, nor has any disciplinary action ever been taken by the Board against LCHC. **Any public assertion made by the Board that could be construed as contrary to LCHC's license being other than "active and in good standing" could constitute a violation of the March 21, 2025, Stipulated Order, and may precipitate further engagement with the courts.**

III. The Need for Senate Bill No. 1279, Senate Draft 1

When this bill was heard by the Senate Committee on Commerce and Consumer Protection on February 20, 2025, the Board of Pharmacy testified:

> *". . . [W]ithout proper implementation and assurances, 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. 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 created additional barriers and potential delays to medication counseling that do not currently exist. The Board does not believe that telepharmacy as represented in the project was in the best interest of the patient. . ."* [**See**, Testimony of the Board of Pharmacy to the Senate Committee on Commerce and Consumer Protection, on Senate Bill No. 1279, Senate Draft 1, dated February 20, 2025, p. 2.]

This statement, more than any other, emphasizes the need for this bill. From a policy standpoint, Congress and this Legislature have acknowledged the importance of telehealth in light of the severe shortages in health care providers in rural and isolated areas. Technological advances allow for underserved and unserved communities to receive essential services that would not normally be provided under ideal circumstances.

No one would disagree that services provided in-person would be better than services provided over a computer. But if those services cannot or will not be provided in person, than telehealth, or in this case telepharmacy, is an effective lifeline for those communities and constituencies.

LCHC is the only 340B participating pharmacy on the Island of Lanai. If they are not able to provide discounted medications to patients, there would be no way for them to get what they need.

The Board of Pharmacy's statement also does not take into account that the medications are provided at LCHC's campus that is staffed by the physician or advanced practice registered nurse who prescribed the medication. If a patient has questions concerning the medication that was prescribed, who would the patient be better off posing the question to, the physician or advanced practice registered nurse who prescribed the medication and has the patient's medical history or a pharmacist who the patient may not know who does not have the patient's background history nor any expertise other than that related specifically to medications?

And because the Board has no authority to require a pharmacy to participate in the 340B or any rebate program for that matter, what guarantee is there if the owner of a pharmacy says they are willing to participate in the program but doesn't?

That is the situation that has occurred on Lanai. To justify eliminating the telepharmacy pilot project, the lone pharmacy said they were willing to participate in the 340B program. Once the project was eliminated, nothing changed and the residents of Lanai were left without an access point to receive discounted medications on the same day those medications are prescribed.

In other words, should a single business be able to deny discounted medications to nearly 80% of the residents of an island because it may interfere with their bottom line?

IV. Cost Savings for Patients

In 2024, of the more than 4,000 prescriptions filled by LCHC, 1,781 were for patients who were either uninsured or underinsured. These patients were provided discounted medications through the 340B program through LCHC.

By federal law, FQHCs are allowed to charge not less than $5 and not more than $30 for each prescription filled for persons who are uninsured or underinsured on a sliding fee scale based on the patient's ability to pay. For these 1,781 discounted prescriptions, even if each prescription was charged $30 per prescription, the total out-of-pocket payment made by these underinsured or uninsured patients would be $53,430.

Because these patients are uninsured or underinsured, they would be charged the full price at retail from a non-340B pharmacy. For these 1,781 prescriptions, the total retail price was $427,480.71. If you subtract the $53,430 out-of-pocket payment, the total savings achieved was $374,020.71, or $210.00 per prescription.

The savings experienced is significant. For patients who are economically-challenged, the reduction in price might make the difference between a patient consuming the medication they need but also having to eliminate another family necessity such as food or rent, or going without the medication altogether. Also, by having these medications dispensed from the same site and at the same time that the medication is prescribed, these patients are able to consume these discounted medications on a more timely basis, which ultimately benefits the patient's health care outcome.

V. Concluding Remarks

As mentioned in various hearings this year, the HPCA firmly believes that this bill, along with Senate Bill No. 1281, pertaining to telephonic telehealth, are the two most consequential measures the Legislature will address this year concerning rural and isolated communities, the economically disadvantaged, kupuna, the sick, and the disabled. This bill in particular brings to the forefront whether programs intended to make essential medications affordable and accessible for the uninsured and underinsured should be implemented as how they were intended.

Should an important program like 340B be implemented to make medications affordable and accessible to patients, or is it better for these benefits to be misappropriated or disregarded for the sake of protecting a particular business, profession, or interest?

Ultimately, that is the policy question that is presently before this Committee.

For the foregoing reasons, the HPCA urges your favorable consideration of this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.

ALZHEIMER'S ASSOCIATION®

Testimony to the House Committee on Consumer Protection & Commerce
Wednesday, April 2, 2:00 PM Hawaii State Capitol
Conference Room 329 and Videoconference

RE: SB1279 SD2 HD1 – RELATING TO PHARMACISTS

Chair Matayoshi, Vice Chair Chun, and Members of the Committee,

Thank you for the opportunity to testify on the critical issue of access to prescription drugs. My name is Coby Chock, Director of Public Policy and Advocacy for the Alzheimer's Association. I write in strong support of SB1279 SD2 HD1, Relating to Pharmacists, which will ensure access to prescription drugs in geographically isolated areas.

People living with dementia and Alzheimer's, along with their caregivers, rely heavily on these prescriptions to manage the symptoms of the disease. These medications are essential for maintaining their cognitive function, managing behavioral symptoms, and improving their overall quality of life. Without easy access to necessary medications, their health and well-being can significantly deteriorate, leading to increased hospitalizations and a higher burden on healthcare systems.

Geographically isolated areas often face unique challenges, including limited healthcare facilities and longer travel times to access medical services. This bill will help bridge the gap in healthcare access by allowing registered pharmacists to oversee the filling and receipt of prescriptions via telehealth. This provision ensures that individuals in remote locations can obtain the medications they need without undue hardship. By supporting this bill, we can provide much-needed relief to those affected by Alzheimer's and dementia, allowing them to live more comfortably and with dignity.

We urge you to support this bill and help improve the lives of individuals affected by Alzheimer's and dementia. Mahalo for the opportunity to testify in support! If you have questions, please contact me at 808-451-3410 or ckchock@alz.org

Coby Chock

Coby Chock
Director of Public Policy and Advocacy
Alzheimer's Association - Hawaii

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Removing barriers to Hawaii's prosperity

April 2, 2025 2 p.m.
Hawaii State Capitol
Conference Room 329 and Videoconference

To: House Committee on Consumer Protection & Commerce
Rep. Scot Z. Matayoshi, Chair
Rep. Cory M. Chun, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

COMMENTS IN SUPPORT OF SB1279 SD2 HD1 — RELATING TO PHARMACISTS

Aloha Chair, Vice Chair and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer its **support** for SB1279 SD2 HD1, which would allow pharmacists serving certain eligible facilities and patients to supervise via telehealth the filling or receipt of prescriptions in certain circumstances.

The expanded use of telehealth that would be enabled by this bill unfortunately would be limited to pharmacists under contract with and helping patients at facilities designated as helping medically underserved communities as defined by federal law. But even with that limitation, SB1279 would represent an important step forward for telehealth in Hawaii.

Greater use of telehealth involving pharmacists would be an easy, practical way to mitigate the problems related to healthcare access and staffing shortages that have had a significant effect on healthcare in Hawaii. These issues are especially prevalent in rural areas and the underserved communities addressed in this bill.

We hope this bill will be the first of many to expand the use of telehealth in Hawaii.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

Testimony in Strong Opposition to SB1279 SD2 HD1 Relating to Pharmacists

Hearing Date: April 1, 2025
Committee: House Committee on Consumer Protection & Commerce
Submitted by: Alanna Isobe
Position: Board of Pharmacy Chair

Chairperson Matayoshi, Vice Chairperson Chun, and Members of the Committee,

Thank you for the opportunity to provide testimony on SB1279, which would authorize a pharmacist to supervise the filling or receipt of prescriptions via telehealth for the purposes of participation in the federal 340b drug pricing program.

The board voted unanimously to oppose this bill for several reasons. Despite the countless mentioned benefits to the 340B program and the impact to rural and underserved areas and access to healthcare, the board felt that the main purpose of the board was to ensure the public's safety and the patients' best interest.

For historical purposes, the board notes that a similar remote dispensing function was repealed in 2013 from HRS 461-10.5, via Act 184. The purpose of the repeal was to address the location of these remote dispensing pharmacies and the vicinity to nearby retail pharmacies. This bill is similar to that function that was repealed in that both Molokai and Lanai have brick and mortar retail pharmacies within walking distance.

Pharmacists serve a much more critical, valuable role and telepharmacy would be a disservice to these communities that already have a shortage of primary care providers. Face to face interactions with pharmacists, especially those that are embedded in their communities is an intangible asset that these rural communities need and want.

We heard prior testimony from both Molokai Drug and Rainbow Pharmacy owners who are willing and able to participate with the health center's 340B program. Mr Abe testified that Rainbow Pharmacy didn't participate with 340B, but HRSA requires both parties to register and the Covered Entity to add the pharmacy, so the two parties need to collaborate and work together to make that happen.

The board provided LCHC pilot projects extra time and expansions to truly test the concept, but at the end of the day, we ended the pilot project because our main focus is to protect the consumer, and since there is clearly a safer option, we cannot put finances above patient safety.

Hawai‘i Psychological Association

For a Healthy Hawai‘i

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HOUSE COMMITTEE ON CONSUMER PROTECTION

Representative Scot Z. Matayoshi, Chair
Representative Cory M. Chun, Vice Chair
April 2, 2025 2:00 P.M. - VIA VIDEO CONFERENCE – ROOM 329
SUPPORT FOR HB700 HD1, SD1 RELATING TO PHARMACISTS AND TELEPHARMACY ACCESS FOR MEDICALLY UNDERSERVED COMMUNITIES

The Hawai‘i Psychological Association (HPA) strongly supports SB1279, HD1, which authorizes licensed pharmacists to supervise the filling or receipt of prescriptions via telehealth—including audio-only telecommunication—in specific circumstances serving medically underserved patients.

This bill is especially critical for the rural and isolated communities across our state, including those on Moloka‘i and Lāna‘i. As mental health professionals, we are acutely aware of how gaps in access to care—including access to psychiatric medications—directly impact the mental and physical well-being of our patients. We have seen firsthand the consequences when individuals are unable to access life-saving or stabilizing medications due to logistical and regulatory barriers.

Historically, programs allowing telepharmacy services under the federal 340B Drug Pricing Program helped bridge these gaps. For elderly patients on Lāna‘i, where there is no full-time pharmacist, the ability to consult with a pharmacist via audio or video from another island made it possible to access affordable medications, including those necessary for managing chronic physical and mental health conditions.

Unfortunately, we understand that due to concerns from some in the pharmacy profession, and actions by the Board of Pharmacy, such programs were halted. As a result, many kūpuna lost access to discounted medications they previously relied on—simply because an in-person pharmacist consultation was no longer possible on their island.

This bill restores a common-sense solution by affirming that pharmacists may engage in telepharmacy, including audio-only consultations, under specified conditions and through covered entities. It reflects the reality of modern healthcare delivery in our state: not every community can or will have an on-site pharmacist, but that should not disqualify residents from receiving essential medications.

Psychiatric medications are often time-sensitive and critical to mental health stability. Ensuring patients on Lāna‘i, Moloka‘i, and other underserved areas can safely receive medications through a regulated telepharmacy process is essential to equitable care. Thank you for the opportunity to provide input on this important bill.

While we defer to pharmacy professionals on operational logistics, we recognize that rural clinics often face severe cost and staffing limitations that make on-site pharmacy services unsustainable. For our patients, especially those managing chronic mental health conditions,

consistent access to medication—whether facilitated in person or via telepharmacy—can mean the difference between stability and crisis.

Mahalo for your consideration of this important bill.

Sincerely,

Alex Lichton, Ph.D.

Alex Lichton, Ph.D.
HPA Legislative Chair

LATE

MOLOKA'I DRUGS, INC.
EST. 1935

April 1, 2025

Testimony in Opposition for SB1279, SD2: RELATING TO PHARMACISTS

Dear Chair Matayoshi, Vice Chair Chun, and House Consumer Protection & Commerce Committee Members:

On behalf of our employees and patients, I am testifying in opposition to SB1279, SD 2 because we want the best care for our residents. We also stand in agreement with the unanimous opposition vote by the seven-member Hawaii Board of Pharmacy, which falls under the jurisdiction of the Hawaii Department of Consumer and Consumer Affairs.

For 12 years, bills have been introduced to allow telepharmacy into Hawaii. Before allowing this bill to pass out of committee, I ask you to do research on telepharmacy in the U.S. 22 states do not allow telepharmacy. Of the 28 states that permit telepharmacy, there are strict requirements in place. Attached is a "State-by-State Whitepaper" on telepharmacy.

Telepharmacy sometimes requires mail order to a patient's home or office. One Maui medical contact stopped mail order when their facility's package of Fentanyl was blown off the porch of the patient and ended up down the street at a neighbor's hedge. She said that she was so scared if those Fentanyl patches ended up in the hands of children and they placed those patches on their bodies. This organization now requires their patients to pick-up the Fentanyl patches in person or a delivery person takes these Class II narcotics to the person's home or office.

Why do telehealth on the islands of Molokai and Lanai when there are brick-and-mortar, face-to-face pharmacists at community pharmacies on each island? On Molokai, Molokai Drugs is less than ¼ of a mile away from the Molokai Community Health Center and is open six days per week. On Lanai, Rainbow Pharmacy is about 200' from the Lanai Community Health Center. Instead of using locally-owned small businesses, both CHCs decided to go with a Maui-based pharmacy for their patients' prescriptions. If there were no pharmacies on Molokai and Lanai, this measure may make sense. However, you have one pharmacy that has served Molokai for 90 years and another pharmacy on Lanai with an owner who has been a pharmacist for 28 years. We have also volunteered for no fee to help Rainbow Pharmacy on Lanai with their 340B application.

In testimony to the House Health Committee last month, the Hawaii Primary Care Association states that... "On Molokai, there is only one retail pharmacy and they do not participate in the 340B program. Molokai Community Health Center is currently working with Lanai CHC's contract pharmacy to develop a similar telepharmacy program that was so successful on Lanai."

For the record, we would like to state Molokai Drugs' 340B relationship with both the Molokai Community Health Center and the Lanai Community Health Center. We were the **original** 340B pharmacies for both entities. From July 1, 2006 through September 30, 2019, Molokai Drugs had a contract with Molokai CHC. From January 1, 2013 to February 29, 2020, we had a 340B contract with the Lanai CHC. Our contract was terminated when the Lanai CHC went with the Maui-based pharmacy, Maui Pharmacy Solutions LLC (aka Mauiliola Pharmacy).

We have been working with a 340B consultant and trying to garner a 340B contract with the Molokai CHC since 2019. On September 4, 2024, I personally reached out to the new Molokai CHC Chief Executive Officer to start conversations. On January 6, 2025, the Molokai CHC CEO said they "will not be able to work with Molokai Drugs. The decision is based on financial matters." Eight days later, on January 14, 2025, there was an approval on the Federal government's Health Resources and Services Administration website (hrsa.gov) to use Maui Pharmacy Solutions LLC as the Molokai CHC's contract pharmacy effective on Tuesday, April 1, 2025. Molokai CHC is hoping this telepharmacy measure passes so they can use a Maui-based pharmacy to service the 7,000+ residents of Molokai. For the record, for 13 ½ years, the Molokai Community Health Center received positive income every, single month from Molokai Drugs for their participation in the 340B discount drug program.

We humbly ask that you do additional research on what 28 states have done to implement a telepharmacy law that will be safe and why 22 states do not have this law. We ask that you vote against this measure and provide policies and laws that are safe for our communities. Thank you.

Sincerely,
/s/ Kimberly Mikami Svetin
Kimberly Mikami Svetin, President
Molokai Drugs, Inc.
P.O. Box 558
Kaunakakai, HI 96748
(808) 553-5790

State-by-State Telepharmacy Regulation Analysis Whitepaper

INTRODUCTION

The pharmacy field is dynamic, and as it evolves, it presents various challenges and opportunities. These include staffing shortages, reimbursement for services, new technologies, and advancements in drug therapies. Pharmacists must navigate these dualities while managing an ever-increasing workload and ensuring optimal health outcomes for their patients—all without burning out.

Expectations are high for pharmacy professionals, and a lack of resources can make achieving success difficult. One crucial asset that offers valuable support is telepharmacy. The practice of telepharmacy enhances the role of pharmacy technicians and enables pharmacists to provide services in communities with limited access, such as rural or medically underserved areas.

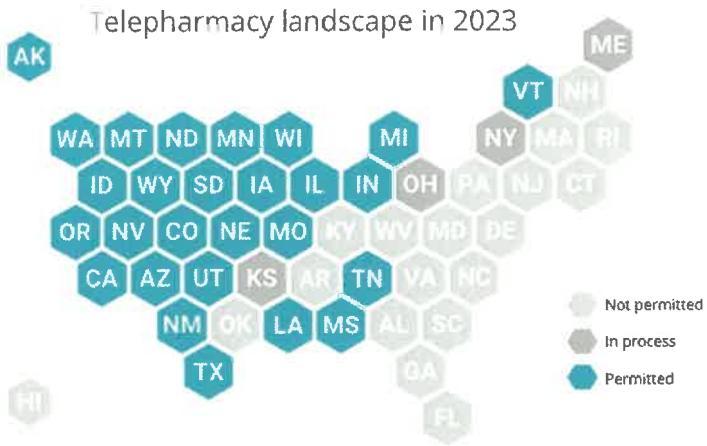
TELEPHARMACY AND TELEHEALTH

The National Association of Boards of Pharmacy defines the practice of telepharmacy as "the practice of pharmacy by registered pharmacists located within US jurisdictions through the use of telepharmacy technologies [secure electronic communications, information exchange, or other methods that meet applicable state and federal requirements] between a licensee and patients or their agents at distances that are located within US jurisdictions."

In addition to telepharmacy, telehealth—the use of telecommunications to distribute health-related services and information—aims to provide patients with convenient access to health services through technology. The integration of technology continues to gain traction in all sectors of healthcare, including pharmacy. It offers convenience for patients and providers while also demonstrating the potential to enhance workflow efficiency and safety. A notable example is ePrescribing, which has been found to increase adherence, reducing errors and adverse reactions.[1]

Telehealth is allowed in some form in all 50 states and experienced significant growth during the COVID-19 pandemic.[2] However, while telepharmacy has gained popularity, it has not received the same level of support as telehealth. Although over half the country does permit the practice on some level, 22 states have either not implemented telepharmacy in any capacity or have done so with policies that significantly limit the practice.

This is despite studies demonstrating the safety and effectiveness of telepharmacy and its ability to promote medication adherence and appropriate medication use in rural areas.[3],[4]



Regardless of the continued reliance on technology, increased use of telehealth, and the benefits to patients and pharmacies, many states continue to restrict telepharmacy, hindering its implementation and adoption.

KEY AREAS ANALYZED

To demonstrate the impact of policy on limiting the adoption of telepharmacy, a comprehensive analysis was conducted. This examination focused on four key areas of telepharmacy policy in all 50 states and assigned a rating to each state based on these areas. Regulations included mileage, facility, staffing ratio, and interstate accessibility. The grading table was adapted from a survey by Manatt Health[5] that analyzed common regulatory parameters for telehealth and factors related to Medicaid.

In the process of calculating the ratings for each state, weights were assigned to the four key areas, considering their influence on the permissibility of telepharmacy. Mileage was deemed the most crucial factor in implementation and accorded the highest value due to its significance in limiting the location of a telepharmacy.

Facility restrictions followed closely, as these constraints also have the ability to impede the opening of a telepharmacy if it fails to meet facility and/or licensing requirements. Equal weight was assigned to staffing ratio and interstate accessibility considering their lesser significance. These factors may pose challenges in establishing a telepharmacy, but they do not necessarily hinder its opening.

Policies in each state were analyzed and rated based on the following scale:

Restrictive: state laws and regulations are prohibitive and inhibit the broad use of telepharmacy.
Moderate: state laws and regulations allow the use of telepharmacy with various restrictions.
Progressive: state laws and regulations enable the broad use of telepharmacy.

KEY AREAS RATED

Mileage restrictions are defined as the distance limitation between a telepharmacy and the nearest pharmacy. Of the states permitting telepharmacy, 11 have moderate restrictions on mileage.

These restrictions include provisions such as maintaining a radius of one to 19 miles between the telepharmacy and the nearest traditional pharmacy.

Another five states have restrictive mileage regulations of 20 miles or more, severely limiting opportunities for access. Alaska, Arizona, Illinois, Idaho, and Washington are considered progressive because they have no mileage restrictions and continue to maintain the safety and integrity of the profession while providing pharmacy access.

Facility restrictions are described as the requirements on the type of facility where a telepharmacy can operate, or the requirement of specific licensing. Facility requirements for a telepharmacy are generally the same as those for a traditional pharmacy. Some states do require specific provisions, like a minimum pharmacy size of 300 square feet in Arizona and Mississippi.

Colorado, North Dakota, South Dakota, and Utah allow telepharmacies to open within areas of need, which is further defined in law or regulation.

But, they do require approval from the Board of Pharmacy. Wisconsin and Tennessee require a telepharmacy to be located within a clinic or FQHC.

Staffing ratio, or the number of pharmacy technicians that a pharmacist can oversee, is an example of a regulation that can be a challenge when operating a telepharmacy.

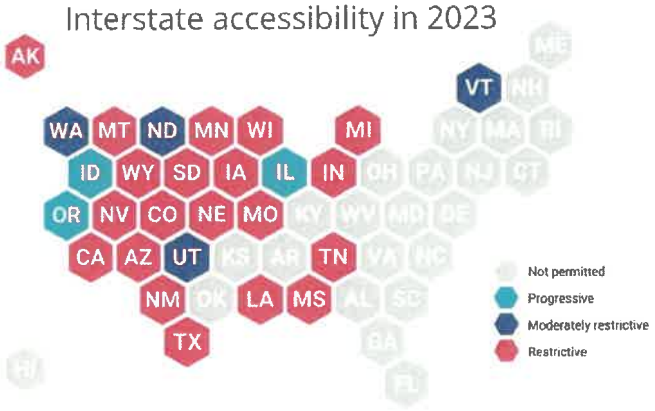
Fifteen states that permit telepharmacy have specific language for the practice regarding the staffing ratio of pharmacists to technicians. Four states are considered restrictive: California limits the ratio to two technicians per pharmacist, Louisiana and Mississippi enforce a 1:1 ratio, and Utah permits no more than two technicians at a telepharmacy location.

On the other hand, 11 states are considered moderate, with ratios ranging from 1:3 to 1:6. Meanwhile, 13 states do not mention any specific staffing ratio requirements.

Interstate accessibility is the ability of a telepharmacy to operate beyond the borders of a particular state. While most states that permit telepharmacy mandate that both the telepharmacy and host pharmacy be located and licensed within the same state, there are

a few exceptions that permit interstate accessibility. These include Illinois, Idaho, and Oregon. North Dakota allows host pharmacies to be located in contiguous states.

Interstate accessibility in 2023



Pharmacy access may be increased when a state is able to open a telepharmacy across borders. Towns that are located in often forgotten areas can receive much needed services in a convenient setting. It also stands to reason that patients in states not permitting telepharmacy may be able to visit a location in a nearby state with a less restrictive interstate accessibility rating.

POLICY OVERVIEW

As of July 2023, 22 states do not permit telepharmacy, and seven states have an overall telepharmacy grade of restrictive. These 7 states allow the practice, but their regulations are prohibitive and inhibit telepharmacy on a broader scale. Fifteen states have an overall telepharmacy grade of moderate. These states have more permissive regulations, but there is room for improvement, especially when it comes to mileage. When policy is progressive, such that there is no mileage restriction, pharmacists can provide convenient pharmacy access to patients across the state without unnescessary barriers to their provision of care.

Overall telpharmacy grades in 2023

Only six states have an overall telepharmacy grade of progressive: Alaska, Arizona, Idaho, Illinois, Oregon, and Washington. These states have no mileage limits and are not restrictive concerning facilities, which is important as these two categories tend to have a large impact on patient health outcomes. Illinois, an early adopter of the practice, has no mileage restrictions and has seen a high adoption rate of the practice, with around 200 telepharmacies operating in 2023.

CONCLUSION

Telepharmacy has grown and will becomeeven more vital in the coming years as pharmacists and pharmacy owners search for safe and effective ways to expand their patient reach, mitigate staffing challenges, remain financially viable amid external threats to their industry and businesses, and provide essential pharmacy services to their

communities. Since our last white paper in 2018, Washington, Oregon, Missouri, and Michigan have adopted the practice of telepharmacy, Colorado and Alaska have removed their previous mileage restrictions, and Vermont is in the process of loosening restrictions. However, 22 states still do not allow telepharmacy, even though it has been demonstrated to be safe and effective.

The information in this analysis is meant to educate key stakeholders about the current state of telepharmacy regulations and serve as a baseline for marking the progress of more progressive telepharmacy regulations to come.

Notes: Telepharmacy in this analysis refers to remote dispensing and remote counseling in an outpatient or retail setting.

Although Kansas law was effective in 2023, parameters were pending at the time of this white paper.

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SB-1279-HD-1
Submitted on: 3/31/2025 11:24:38 AM
Testimony for CPC on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronald Taniguchi, Pharm.D., MBA	Individual	Support	Written Testimony Only

Comments:

I am in full support of SB1279 SD2 HD1. Mahalo!

SB-1279-HD-1
Submitted on: 3/31/2025 1:51:30 PM
Testimony for CPC on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Valerie Janikowski	Individual	Oppose	Remotely Via Zoom

Comments:

I am opposed to telepharmacy because there are good long standing pharmacists available on the islands.

SB-1279-HD-1
Submitted on: 3/31/2025 2:33:00 PM
Testimony for CPC on 4/2/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John Janikowski	Individual	Oppose	Remotely Via Zoom

Comments:

I am writing in oppostion of bill SB1279 because I have direct experience with medication dispensing as a physician in remote locations. I am opposed to telepharmacy as it would be inadequate coverage particulalry when you have a pharmacy, with an in person Pharm D or RPh, within walking distance. This is asking for errors where it could be mitigated using common sense and collaboration.

Working with "on the ground"/in person pharmacies allows for immediate or expeditious access to a wide variety of medications. Collaboration with long standing pharmacist/pharmacies in rural communities is not only best practice but is also necessary.

Molokai Drug and Rainbow pharmacy have both provided exemplary services to which I have first hand knowledge of. Avoiding access to the in person pharmacist just to use telepharmacy could be negligent.