

To: Committee on Health
From: Patrick Adams
Re: HB 64 testimony

2/6/2013

In Support:

HB 64 repeals a sections of the controlled substance law that allows mail order pharmacies to dispense controlled medications without insuring the medications are delivered to the correct patient. Presently all Hawaii based pharmacies must check a patients ID physically on each dispense of a controlled medication. The ID is viewed and the corresponding ID number is listed for verification that the recipient is correct for all controlled medications in the state. The only exception to this practice in Hawaii was given to mail order pharmacies through an exemption many years ago. Since that time diversion of controlled prescription medication has increase exponentially. Mail Order diversion is a serious problem in this country that affects drug abuse, hospitalizations and death. Internet pharmacies and mail order pharmacies fill prescription through mail services and do not insure the patients ever receives the medication. The law as it stands has made diversion easier and puts our children and other family members at risk. This bill would require out of state pharmacies to follow the same rules Hawaii based pharmacy follow today. This bill will reduce fraud and controlled medication diversion.

Sincerely,

Patrick Adams



Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice Chair

House Committee on Health

Friday, February 8, 2013, 8:00am
State Capitol Conference Room 329

RE: HB 64 – Relating to Controlled Substances – In Opposition

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

My name is Todd K. Inafuku and I am testifying on behalf of CVS Caremark (CVS) in opposition to HB 64, Relating to Controlled Substances.

This measure will prevent all pharmacies in Hawaii, including retail and mail facilities from mailing any controlled substance prescriptions to their patients. Many patients utilize their prescription drug benefit to have their controlled substance medications mailed to their residence due to limited access to a retail pharmacy (i.e. the island of Lanai has no retail pharmacy) or due to physical disabilities and other limitations.

CVS respectfully request that this measure be held as it will prevent patients from being able to access and obtain their prescribed controlled substance medication.

Thank you for the opportunity to testify on this matter,

Todd K. Inafuku
Cell (808) 620-2288

CVS Caremark is dedicated to helping people on their path to better health as the largest integrated pharmacy company in the United States. Through the company's more than 7,400 CVS/pharmacy stores including Longs Drugs in Hawaii; its leading pharmacy benefit manager serving more than 60 million plan members; and its retail health clinic system, the largest in the nation with more than 600 MinuteClinic locations, it is a market leader in mail order, retail and specialty pharmacy, retail clinics, and Medicare Part D Prescription Drug Plans. As a pharmacy innovation company with an unmatched breadth of capabilities, CVS Caremark continually strives to improve health and lower costs by developing new approaches such as its unique Pharmacy Advisor program that helps people with chronic diseases such as diabetes obtain and adhere to their medication therapies.



Cynthia M. Laubacher
Senior Director, State Affairs
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Cynthia_Laubacher@express-scripts.com

February 7, 2013

To: Representative Della Au Belatti , Chair
Members of the House Health Committee

Fr: Cynthia Laubacher, Senior Director, State Government Affairs
Express Scripts Holding Company

Re: House Bill 64
Hearing: February 8, 2013 8:00am

On behalf of Express Scripts I am writing to express our opposition to House Bill 64. Express Scripts administers prescription drug benefits on behalf of our clients – employers, health plans, unions, and government health programs including the Department of Defense TRICARE program. We provide integrated pharmacy benefit management services including pharmacy claims processing, home delivery, specialty benefit management, benefit-design consultation, drug-utilization review, formulary management, medical and drug data analysis services, as well as extensive cost-management and patient-care services.

Our clients – the plan sponsors – design their pharmacy benefit to meet their needs. They then seek bids from PBMs to administer the benefit. HB 64 proposes to eliminate a key tool used by our plan sponsors to control their prescription drug costs by prohibiting mail service pharmacies from dispensing controlled substances to our patients who reside in Hawaii. Express Scripts mail service pharmacies dispense prescription drugs, including controlled substances, to our patients located throughout the world. We only ship to “known” members, meaning patients who are covered under a prescription drug benefit we administer on behalf of a client. We do not serve cash-paying individuals.

We are perplexed as to the rationale behind, or need for, this legislation. We are unaware of any problems with mailing controlled substances into the state through our licensed mail service pharmacies.

Express Scripts' mail service pharmacies are licensed by the Hawaii Board of Pharmacy. We follow Hawaii state laws when dispensing prescription drugs to our patients who reside in the state. At a minimum we require a signature on all Schedule II drugs mailed into the state. We have extensive

policies in place regarding the mailing and tracking of all controlled substances mailed to our patients. Any lost controlled substance mailed to a patient is tracked and reported to the DEA. Our systems allow us to quickly identify patterns, e.g. a patient who reports their prescription lost in the mail.

A major problem with HB 64 is that there are some controlled substances only available through a mail service pharmacy. They are high-risk/low volume drugs that treat rare diseases. Therefore, the manufacturer contracts exclusively with one provider and, in some cases that only through a mail service delivery channel. For example, Express Scripts mail service is the exclusive provider for Xyrem, a drug used to treat narcolepsy. Osymia, used to treat obesity, and Testopel, used to treat testosterone deficiencies in men, are only available through mail service, though not limited to one distributor. Thus, under HB 64, patients in Hawaii in need of any of these three drugs would lose access.

For these reasons we must respectfully oppose HB 64. Thank you for the opportunity to provide testimony on this measure.



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
1050 Bishop St. PMB 235
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DATE: Feb 8, 2013 TIME: 8:00 AM PLACE: CR 329

TO: COMMITTEE ON HEALTH

Representative Della Au Belatti, Chair
Representative Daynette "Dee" Morikawa, Vice Chair

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

Re: HB 64 RELATING TO CONTROLLED SUBSTANCES

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

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

I am writing on behalf of HFIA members across the State of Hawaii regarding Pharmacy Benefit Managers, (PBM's) and the importance of increasing oversight by repealing the mail order pharmacy exemption from controlled substances act.

Thank you for the opportunity to provide this testimony.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 8, 2013

The Honorable Della Au Belatti, Chair
The Honorable Dee Morikawa, Vice Chair

House Committee on Health

Re: HB 64 – Relating to Controlled Substances

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 64 which would repeal the exemption that allows mail order pharmacies to ship controlled substances into the State. HMSA opposes this Bill.

HMSA's goal in the provision of outpatient pharmacy services is to ensure our members have access to affordable, high quality medication. HMSA believes that optimal drug therapy results in positive medical outcomes, which helps to manage overall health care costs.

Many of our members require these medications on a long-term or life-time basis. These include members suffering from chronic pain and members who have an attention deficit disorder. These members appreciate the convenience of receiving their medications via mail every 90-days. This Bill will prevent these members from the option of having these medications mailed to them.

Thank you for the opportunity to testify in opposition to this measure.

Sincerely,

A handwritten signature in black ink that reads "Mark K. Oto".

Mark K. Oto
Director
Government Relations

To whom it may concern

I would like to start by explaining what a local pharmacy/retail pharmacist does.

- o We counsel patients on proper use of their medicines
- o We build face to face relationships patient to pharmacist
- o We build relationships pharmacist to doctor.
- o This builds triage--patient--doctor--pharmacist
- o This allows us to individualize the correct and most beneficial therapy rather than based on a formulary from an insurance company.
- o We are easily accessible, our advice is free.
- o We are members of our community(create jobs locally, including jobs that support our industry)
- o We are immunizers--flu shots, tetanus, shingles
- o We are health care screeners--blood pressure, osteoporosis, medication reviews
- o We organize and are part of health fairs--women's health, falls prevention program.
- o We are there for routine over-the-counter questions. "My baby has a fever", "I have a cold", "and I don't understand the label on this medicine."
- o We are the last line of defense between potential medication errors--some that could be fatal!
- o We are CPR certified--"nice to have in every community"
We help MD's get insurance companies to pay for medications not on formulary--also known as Prior Authorization.
- o We are the most trusted face of health care.

If mail order and exclusive contracts are forced on to our patients all the above is gone. Local pharmacies, even chain pharmacies cannot survive on acute (emergency) meds. All those services, all those convenient locations are lost to the community forever. Including jobs lost, wages lost, tax revenues lost.

It has come to my attention that Longs/CVS/Caremark has forced state

employees to mandatory mail order. Furthermore HMSA has made a special deal with Longs/CVS/Caremark for both its mail order and retail settings. Having worked for Longs/CVS/Caremark I am concerned about the following patient safety issues.

Temperature control—how long do items sit in a P.O. Box or mail room. Can mail order guarantee these temperatures follow Hawaii guidelines for storage such as controlled room temperature? On that subject how about refrigerated items such as xalatan, insulin, and other temperature sensitive meds. How long are these sitting in a mailbox, store room, etc. Do the patients have the knowledge to know not to use these if they are not stored properly? Do we depend on UPS, DHL, and the Post Office to safely monitor this?

Diversion---mail order typically allows the patient 21 days or more to refill meds. This includes controls. This means excess narcotics, sedatives, and amphetamines are being stockpiled in patient's homes and possibly hitting the streets. How are we identifying who is actually receiving these meds. DPS requires we check ID on all controls. Do we again depend on UPS, DHL, and the Post office to check ID's? Will Longs/CVS/Caremark send a pharmacist to each and every home to check ID? Is this not a violation of Hawaii control laws?

Accuracy--- The average retail pharmacist verifies 150-200 prescriptions daily. Mail order pharmacists are required to check 1000's of prescriptions daily. . However mail order is not referred to as a pharmacy in industry speak. It is referred as production or production line. Their pay is based on numbers, numbers, and numbers. They are allowed so many Class I errors per 1000 prescriptions verified. A class I error is defined as wrong drug, drug strength, patient, or directions. Again if they verify more correctly than they mess up it is acceptable. ---IS THIS SAFE???

High doses are often allowed to be filled and shipped. Many with just a courtesy call to a medical receptionist to verify what was written in the chart. Other times no call at all; the pharmacist just uses "judgment". "Judgment is encouraged it gets work/prescriptions out the door. Again not a pharmacy a production line... Do you think effexor 300mg/day does not need a call to MD? How about 600mg/day, 900mg/day? I have seen it, and yes this happens. No call to MD no contact to patient. Just judgment. IS THIS SAFE???

Red vs. Blue—No this is not a political statement. Caremark uses a computer program that uses several different colors for its verification process. Pt name,

drug, drug strength, directions in blue (class I errors). All other info such as refills, MD, date written in red (class II or III) errors. There are Pharmacists who ignore the info in red. Why you ask? "You can't get fired for class II errors only class I errors. Again not a pharmacy a production line. It's simply Herd mentality. I have seen many of good pharmacist start out trying to do the right thing but in order to keep up with the high rates of production must join the herd in order to survive. Their pay, their job depends on their numbers.
IS THIS SAFE???

Denying access to health care and access to choice is not good for anyone. Punishing patients with higher copays that use their local neighborhood pharmacies, and talk to their local pharmacist. With whom they have a pharmacist/patient relationship. We know their disease states, preferences, and needs this is built up over time and handwork.

This begs the question "is Hawaii becoming a one pharmacy state?" Currently 90% of the island uses HMSA. Add this to state and County and it's looking like one big CVS/Longs/Caremark production line. If CVS/Longs/Caremark is the Pharmacy benefits manager (insurance), mail order, and local pharmacy then Hawaiian's are being denied choice. If one operation has all the control is this not Socialized medicine?

Additionally we are accessible where mail order is not. We have counseled many of CVS/Longs/Caremark's patients on proper use of their medications because they cannot reach anyone at mail order. They just sit on hold for hours being bounced around to different departments. This is a BARRIER to good health care!

This will probably anger you even more. Hawaii may not be the priority of mail order. You see companies like Caremark have several contracts. Many of those contracts are much bigger than this current contract. Those bigger contracts take priority over Hawaii. Sorry it's a money thing. Ask CALPERS (California teachers association). They became a back seat for customer service when Caremark/CVS/Longs landed the FEP contract (Federal employees). Again not a pharmacy a production line.

There is some precedence in reviewing and changing course. The state of New York passed S3510B/A5502 which prevents health insurances from mandating that customers purchase prescriptions from mail order pharmacies. It was the

state of New York's opinion that mail order pharmacies present unreliable service, barriers to traditional health care, and the diversion of prescription drugs to the streets.

I implore you to sponsor legislation similar to that of New York bill S3510B/A5502 to stop mandatory mail order and exclusive behind the door contracts

I thank you for your time and consideration: feel free to contact me on this email or at 808-895-2201 cell phone or at work 808-885-2075

Aloha and Mahalo

PS see additional info for New York legislation on following page.

S3510B/A5502--bill

Nicole Malliotakis

New York State Assembly member Nicole Malliotakis 718-987-0197 or 518-455-5716 district 60
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Also Senator Marty Golden(R, C, I-Brooklyn)

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Senator Marty Golden

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