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DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Wednesday, March 18, 2015
10:00 a.m.

TESTIMONY ON SENATE BILL NO. 301, S.D. 2 – RELATING TO HEALTH.

TO THE HONORABLE DELLA AU BELATTI, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner ("Commissioner"), testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department supports the intent of this bill, and submits the following comments on this bill.

The purpose of this bill is to require insurers offering or renewing individual or group accident and health or sickness insurance policies on or after January 1, 2017, to make available complete and updated formularies to enrollees, potential enrollees, and providers.

This bill would better ensure transparency of prescription drug benefits, and assist consumers with making more informed choices about health care coverage. As drafted, this requirement would apply to all insurers of accident and health or sickness policies, not only mutual benefit societies and health maintenance organizations. Therefore, the requirement should exclude limited benefit health insurance as set forth in section 431:10A-102.5, Hawaii Revised Statutes.

The Department notes that pursuant to proposed subsection (e), the Commissioner would apparently be required to define the drugs covered under the policy's pharmacy benefits and medical benefits. The Commissioner does not have the general authority to define such drugs or benefits which are defined by statute and regulation and by the insurers and their contracts.

We thank the Committee for the opportunity to present testimony on this matter.

An Independent Licensee of the Blue Cross and Blue Shield Association

March 18, 2015

The Honorable Della Au Belatti., Chair
The Honorable Richard P. Creagan, Vice Chair
House Committee on Health

Re: SB 301, SD2 – Relating to Health

Dear Chair Au Belatti, Vice Chair Creagan and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 301, SD2, which would require health plans to post drug formularies on their websites. HMSA has comments on this Bill.

We should first note that HMSA already posts our formulary on our website. We also make every attempt to provide advanced notice of formulary changes, and that is particularly true for a major drug change such as when Lipitor was taken off of the formulary. We also executed an elaborate and exacting communications plan for our Akamai Advantage members when changes were made to that formulary.

We are concerned that the requirements of this Bill, as drafted, do not fully contemplate our having to contend with the thousands of drugs in the formulary which may change on a daily basis. It would be extremely difficult to comply with the provisions of the legislation because reporting co-pay amounts in a uniform manner is virtually impossible. Some of our plans have co-pay amount based on percentages. And, the costs of drugs vary, and vary from pharmacy to pharmacy as well.

That said, we have had discussions with the proponents of this Bill and have worked on a draft of this measure that addresses our concerns. We are informed that the proponents have provided the Chair a copy of that draft for the Committee's consideration.

Thank you for allowing us to testify on SB 301, SD2.

Sincerely,

Jennifer Diesman
Vice President, Government Relations

KAISER PERMANENTE®

Government Relations

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

Before:
House Committee on Health
The Honorable Della Au Belatti, Chair
The Honorable Richard P. Creagan, Vice Chair

March 18, 2015
10:00 am
Conference Room 359

Re: SB 301, SD2 Relating to Health

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on this bill requiring insurers to post and update formulary information.

Kaiser Permanente supports the intent of this bill, but with amendments.

Kaiser Permanente Hawaii currently publishes formulary information on our KP.org website and believes it is good practice to provide information that will be useful to our members in a convenient and easy to use way. We are asking for amendments to this proposed bill to make it more user-friendly and more accurate for viewers. Our Pharmacy and Therapeutic ("P & T") Committee meets almost every month, and therefore, our formularies may change as frequently as monthly, which would make it extremely difficult, if not impossible, to meet the proposed short 72 hour turnaround time to update all the formulary information. Also, since we sell hundreds of different plans it is not possible to provide general cost and payment information, but each member may access that information in their evidence of benefits specific to each plan. In addition, as we note below some information is better accessed by calling us directly and letting us find the information that is specific to each member's plan. We urge you to accept our amendments.

On Page 1, paragraph (a)(2), lines 11-13, change the 72 hour deadline for insurers to update the formularies on their website as this is too short of a turnaround time for insurers to adequately respond. Kaiser Permanente recommends its current practice of updating its formulary changes within 30 days of a formulary decision. Therefore, this section should be amended as follows:

> (2) Update the formulary on the insurer's website no later than ~~seventy-two hours~~ [thirty days] after making a change to the

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Honolulu, Hawaii 96813
Telephone: 808-432-5224
Facsimile: 808-432-5906
Mobile: 808-282-6642
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formulary;

On Page 2, paragraph (b)(1), lines 6-8, delete this paragraph in its entirety because the pre-authorization, step and utilization management edit requirements are practitioner valued information, i.e., important to practitioners, but not patient useful. These special requirement types of information are oftentimes complex and practitioner focused, and not easily understood or useful to patients. Instead, Kaiser Permanente recommends that members access the user friendly toll free customer service number for any special inquiries on a particular drug. Therefore, this section should be amended as follows:

(b) Each insurer posting the formulary pursuant to subsection (a) shall include all of the following:

(1) ~~Any prior authorization, step edit requirements, or utilization management edits for each specific drug included on the formulary~~ [Any information on prior authorization, step edit requirements, or utilization management edits may be provided via a toll free number that is staffed at least during normal business hours];

With respect to the pricing language in this bill, specifically referenced below, remove all references to "co-payments," and "cost-sharing" disclosure requirements because health plans are unable to provide general price comparisons that are plan specific. Kaiser Permanente sells hundreds of health plans to individuals and commercial groups, with a variety of different deductibles, i.e., medical deductible, pharmacy deductible, or combination of both. Since this cost sharing information is so plan specific, each member acquires this cost information through the individual's Evidence of Coverage. If a Kaiser Permanente member desires information on drug cost-sharing, the member can request a simulation claim by calling the customer service number and identifying the member's specific type of plan to get a cost estimate. Therefore, the following sections should be amended as follows:

- On Page 2, paragraph (b)(2), lines 9-13, remove the "co-payments" disclosure requirement This section should be amended as follows:

  (2) If the plan uses a tier-based ~~formulary~~ [benefit design], the plan shall specify for each drug listed on the formulary the specific tier the drug ~~occupies~~ [is placed in] ~~and list the specific co-payments for each tier in the evidence of coverage~~;

- On Page 2, paragraph (b)(3), lines 12-21, remove the "cost-sharing" disclosure requirement and instead directing members to call the toll free number for additional information. This section should be amended as follows:

(3) For prescription drugs covered under the plan's medical benefits and typically administered by a provider, ~~plans shall disclose to insureds and potential insureds, all covered drugs and any cost-sharing imposed on such drugs.~~ ~~T~~[t]his information may be provided ~~as part of the plan's formulary pursuant to paragraph (1) or~~ via a toll free number that is staffed at least during normal business hours:

- On Page 3, paragraph (4), lines 1-20, <u>delete this paragraph in its entirety</u> because it contains unidentifiable "cost-sharing" requirements. This section should be amended as follows:

~~(4)~~ ~~For each prescription drug included on the formulary under paragraph (1) or (2) that is subject to a coinsurance and dispensed at an in-network pharmacy; the plan shall:~~

~~(A) Disclose the dollar amount of the insured's or potential insured's cost-sharing, or~~

~~(B) Provide a dollar amount range of cost sharing for an insured or potential insured of each specific drug included on the formulary, as follows:~~

~~(i) Under $100 - $;~~

~~(ii) $100 - $250 - $$;~~

~~(iii) Over $250 - $500 - $$$;~~

~~(iv) Over $500 - $1,000 - $$$$; and~~

~~(v) Over $1,000 -- $$$$$.~~

~~If the insurer allows the option for mail order pharmacy, the insurer shall separately list the range of cost-sharing for an insured or potential insured if the insured or potential insured purchases the drug through a mail order facility utilizing the same ranges as provided in this subsection; and~~

- On Page 4, paragraph (5), lines 3-5, <u>delete this paragraph in its entirety</u> because it contains unidentifiable "cost-sharing" requirements.

~~Detail whether the prescription drugs are included or excluded from the deductible and detail whether cost-sharing applies to the deductible.~~

On Page 4, paragraph (c), lines 4-7, delete this paragraph in its entirety because this attestation requirement is overly burdensome to the insurers. As stated earlier, Kaiser Permanente sells hundreds of individual and commercial health plans, which would then require it to file hundreds of attestations covering each plan with the commissioner under this section.

~~(c)~~ ~~Each insurer subject to this section shall, no later than thirty days after the offer or renewal date, attest to the~~ insurance commissioner that the insurer has satisfied the ~~requirements of this section~~.

On Page 4, paragraph (c), lines 8-11, remove the "standard formulary template" requirement and instead, assign the commissioner the responsibility to create the standard elements necessary to comply with this section. With these set standards, the health plans will have the flexibility to create a more user friendly template, with the option to add more useful information, as the health plans desire. This section should be amended as follows:

(d) The commissioner may develop ~~a~~ standard [elements] ~~formulary template~~ [that must be met to comply with this section]. ~~pursuant to this section~~ [The health care service plans may use these standards to create its own template to comply with this section]. ~~If the commissioner develops a template, the health care service plan shall use the template to comply with this section~~.

Thank you for your consideration.

HAWAII MEDICAL ASSOCIATION
1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

COMMITTEE ON HEALTH
Rep. Della Au Belatti, Chair
Rep. Richard P. Creagan, Vice Chair

DATE: Wednesday, March 18, 2015
TIME: 10:00 a.m.
PLACE: Conference Room 329

FROM: Hawaii Medical Association
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: SB 301

Position: SUPPORT

Hawaii Medical Association supports this measure. This measure will require entities that offer or renew health plans on or after January 1, 2017, to make available a complete and updated formulary to enrollees, potential enrollees, and providers.

Many patients have specific drug needs and choose a health plan that promises to cover their drugs. Unfortunately, plans can change their formularies at any time, leaving patients with significantly higher co-pays than they had budgeted for when they originally contracted with their health insurance plan.

We think this is unfair to patients. We believe this bill will go a long way to remedy this issue.

Thank you for the opportunity to submit testimony.

Officers
President - Robert Sloan, MD, President-Elect – Scott McCaffrey, MD
Immediate Past President – Walton Shim, MD, Secretary - Thomas Kosasa, MD
Treasurer – Brandon Lee, MD Executive Director – Christopher Flanders, DO

ARTHRITIS FOUNDATION
Hawaii Office
2752 Woodlawn Drive
Suite 5-204B
Honolulu, Hawaii 96822
808-596-2900 Phone
808-596-2904 Fax
www.arthritis.org/hawaii

March 17, 2015

The Honorable Della Au Belatti, Chair
House of Representatives
Committee on Health
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: SB 301 (Green) - Support

Dear Representative Belatti,

The Arthritis Foundation asks that you urge the members of the House of Representatives Committee on Health to support this important bill. Senate Bill 301 will make drug coverage and drug formularies readily available and understandable to patients, allowing them to make informed decisions on their health care coverage. Specifically, SB 301 would enable consumers to view a comprehensive, and standardized, drug formulary before they purchase a plan. It would rquire the standardized template to include 1) cost tiers and approximate dollar amount that the patient will pay; 2) the Utilization Management Requirements they will have to undergo; and 3) would use the United States Pharmacopeia classification system.

Patients with complex medical conditions rely on prescription drugs in order to maintain their health and remain a productive member of society. Ensuring their prescription drug is covered is essential to the management of their condition. In many cases, these prescriptions are vital to ensuring the long term control of their arthritis conditions. However, ensuring one's prescription is covered does not go far enough; the challenge patients face is knowing how much their medication will cost.

Senate Bill 301 takes the first step to ensure patients will be able to make informed decisions through about their health care choices and ensure there isn't an interruption in the management of their disease. For these reasons, the Arthritis Foundation urges your support of SB 301.

Sincerely,

Krystin Mieko Herr
Vice President, Government Relations & Advocacy
Cell (916) 502-2979
kherr@arthritis.org

cc: Representative Richard Creagan, Vice Chair, House Committee on Health
Members, House Committee on Health
Senator Josh Green

Hawaii Association of Health Plans

March 18, 2015

The Honorable Della Au Belatti, Chair
The Honorable Richard Creagan, Vice Chair
House Committee on Health

Re: SB301 SD2 – Relating to Health

Dear Chair Belatti, Vice Chair Creagan and Members of the Committees:

The Hawai'i Association of Health Plans (HAHP) respectfully submits comments in opposition of SB301 SD2, which requires entities that offer or renew certain health plans on or after January 1, 2017, to make available a complete and updated formulary to enrollees, potential enrollees, and providers.

HAHP appreciates the intent of this measure to provide more transparency and uniformity in formulary information to consumers. However, the bill in its current form does not take into account the rate at which drug formulary information changes (sometimes on a daily basis), what type of information that is currently provided by health plans to consumers via their websites and tele-information systems, and that the cost of drugs can vary from pharmacy to pharmacy.

If this measure advances, we urge the committee to adopt the recommendation to establish a working group composed of industry experts and advocates to make a policy recommendation for how best to provide transparency and uniformity in reporting while also taking into account the significant variability built into formularies, what formulary information health plans already share with consumers, and who should ultimately be tasked with monitoring/evaluating the benefits of posting this information for the consumer.

Thank you for allowing HAHP to testify on SB301 SD2.

Sincerely,

Wendy Morriarty
Chair, HAHP Public Policy Committee

Cc: HAHP Board Members

American Cancer Society
Cancer Action Network
2370 Nu`uanu Avenue
Honolulu, Hawai`i 96817
808.432.9149
www.acscan.org

House Committee on Health
Representative Della Au Belatti, Chair
Representative Richard Creagan, Vice Chair

SB 301, SD2 - RELATING TO HEALTH.
Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in support of SB 301, SD2, which requires specific information provided in drug formularies more consumer friendly and easily accessible. Attached for your committees' consideration is a proposed HD1 version of the bill, which addresses concerns raised in previous drafts of the measure and tries to balance the need for transparency with the potential operational and implementation issues.

Persons living with serious and chronic conditions like cancer need to be sure that the health insurance plan they choose covers the medicine they need. All of the health plans available in the current individual and small group market must provide a benefit package that includes a minimum standard of prescription drug coverage, but the specific drugs covered will vary by plan.

Full formulary information is not currently available on all insurance carrier websites. As a result, patients must track down each plan's formulary to see if their medication is covered. Often formularies are not exhaustive of all covered drugs, in particular, formularies are much less likely to list drugs typically administered in a provider's office and covered under a plan's medical benefit. Adding another layer of difficulty, plan formularies are displayed in different formats making it very time consuming to compare different plans.

Even if a patient is able to find their drug on a plan's formulary, they have no way to compare out of pocket costs across available plans. Adding to this difficulty, quite often cancer drugs are placed on the specialty drug formulary tier. In some cases, the patient cost for these drugs can be up to 30% or more of the total cost of the drug as opposed to a flat dollar amount. Not knowing the total cost of the drug makes it very difficult for the patient to know how much they will have to pay out of pocket. For many patients,

the cost of that drug could mean their ability to pay for groceries or a rent payment that month.

When adequate formulary information is unavailable to consumers, people are more likely to choose plans that don't actually cover the medicine they need, or don't cover their drugs at a cost they can afford. For a cancer patient, access to drugs can be the difference between possible life saving treatment, or the alterative, going without. Patients need formulary transparency so they can avoid ever having to face that alternative.

The proposed draft will make drug formularies to be more consumer friendly, while also giving interested parties a chance to further examine the issue through the working group. Patients in need of specific medications will be able to identify which plan covers their drug and how much it will cost them. For cancer patients, access to life saving drugs can make all the difference in their survival of the disease.

Thank you for the opportunity to submit testimony on this measure.

A BILL FOR AN ACT

RELATING TO HEALTH.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

"**§431:10A- Formulary; accessibility requirements.** (a) Each insurer offering or renewing an individual or group accident and health or sickness insurance policy on or after January 1, 2017, shall provide the following information required by this section via a public website and through a toll-free number that is posted on the insurer's website:

(1) Its formulary, provided that any changes due to the addition of a new drug, or deletion of any existing drug, shall be made no later than seventy-two hours after the effective date of the change, provided further that other changes,

including drug strength or form, shall be made within 14 calendar days of the effective date of the change;

(2) Provide a system that allows an insured or potential insured to determine whether prescription drugs are covered under the plan's medical benefits and typically administered by a provider, along with any cost-sharing imposed on such drugs;

(3) Provide a dollar amount range of cost sharing typically paid by an insured of each specific drug included on the formulary based on the information the insurer has available, as follows:

(i) Under $100 – $;

(ii) $100-$250 – $$;

(iii) Over $250-$500 – $$$;

(iv) Over $500-$1,000 – $$$$; and

(v) Over $1,000 -- $$$$$.

(4) Display standardized content for the formulary for each product offered by the plan pursuant to recommendations made by the Formulary Accessibility Working Group.

(b) For the purposes of this section, "formulary" means the complete list of drugs preferred for use and

eligible for coverage under a policy including drugs covered under the policy's pharmacy benefit and medical benefit as defined by the health care service plans.

(c) This section shall not apply to limited benefit health insurance as provided in section 431:10A-102.5. Provided further, that this section also shall not apply to Medicare, Medicaid, or other federally financed plan. "

SECTION 2. Chapter 432, Hawaii Revised Statutes, is amended by adding a new section to article 1 to be appropriately designated and to read as follows:

"**§432:1- Formulary; accessibility requirements.** (a) Each mutual benefit society offering or renewing an individual or group accident and health or sickness insurance policy on or after January 1, 2017, shall provide the following information required by this section via a public website and through a toll-free number that is posted on the mutual benefit society's website:

(1) Its formulary, provided that any changes due to the addition of a new drug, or deletion of any existing drug, shall be made no later than seventy-two hours after the effective date of the change, provided further that other changes, including drug strength or form, shall be made within 14 calendar days of the effective date of

the change;

(2) Provide a system that allows an insured or potential insured to determine whether prescription drugs are covered under the plan's medical benefits and typically administered by a provider, along with any cost-sharing imposed on such drugs;

(3) Provide a dollar amount range of cost sharing typically paid by an insured of each specific drug included on the formulary based on the information the mutual benefit society has available, as follows:

(i) Under $100 – $;

(ii) $100-$250 – $$;

(iii) Over $250-$500 – $$$;

(iv) Over $500-$1,000 – $$$$; and

(v) Over $1,000 -- $$$$$.

(4) Display standardized content for the formulary for each product offered by the plan pursuant to recommendations made by the Formulary Accessibility Working Group;

(b) For the purposes of this section, "formulary" means the complete list of drugs preferred for use and eligible for coverage under a plan, including drugs covered under the plan's pharmacy benefit and medical benefit as

defined by the health care service plans.

(c) This section shall not apply to limited benefit health insurance as provided in section 431:10A-102.5. Provided further, that this section also shall not apply to Medicare, Medicaid, or other federally financed plan. "

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

"**§432D- Formulary; accessibility requirements.** (a) Each health maintenance organization offering or renewing an individual or group accident and health or sickness insurance policy on or after January 1, 2017, shall provide the following information required by this section via a public website and through a toll-free number that is posted on the health maintenance organization's website:

(1) Its formulary, provided that any changes due to the addition of a new drug, or deletion of any existing drug, shall be made no later than seventy-two hours after the effective date of the change, provided further that other changes, including drug strength or form, shall be made within 14 calendar days of the effective date of

the change;

(2) Provide a system that allows an insured or potential insured to determine whether prescription drugs are covered under the plan's medical benefits and typically administered by a provider, along with any cost-sharing imposed on such drugs;

(3) Provide a dollar amount range of cost sharing typically paid by an insured of each specific drug included on the formulary based on the information the insurer has available, as follows:

(i) Under $100 – $;

(ii) $100-$250 – $$;

(iii) Over $250-$500 – $$$;

(iv) Over $500-$1,000 – $$$$; and

(v) Over $1,000 -- $$$$$.

(4) Display standardized content for the formulary for each product offered by the health maintenance organization pursuant to recommendations made by the Formulary Accessibility Working Group.

(b) For the purposes of this section, "formulary" means the complete list of drugs preferred for use and eligible for coverage under a policy including drugs

covered under the policy's pharmacy benefit and medical benefit as defined by the health care service plans.

(c) This section shall not apply to limited benefit health insurance as provided in section 431:10A-102.5. Provided further, that this section also shall not apply to Medicare, Medicaid, or other federally financed plan. "

SECTION 4. **Formulary Accessibility Working Group.** (a) there is established a Formulary Accessibility Working Group to be appointed and administered by the Insurance Commissioner for the purpose of making recommendations for a standard formulary template pursuant to subsection (a) 431:10A, and shall include the following members:

(1) Insurance Commissioner, or designee, who shall serve as chair;

(2) Director of Health, or designee;

(3) Representatives from the health care provider community;

(4) Representatives from the Board of Pharmacy;

(5) Representatives from the Hawaii Association of Health Plans;

(6) Representative from the American Cancer Society Cancer Action Network – Hawaii Pacific Region;

(b) The Formulary Accessibility Working Group shall make its recommendations to Legislature no later than twenty

days prior to the convening of the Regular Session of 2016.

SECTION 5. Section 432D-23, Hawaii Revised Statutes, is amended to read as follows:

"**§432D-23 Required provisions and benefits.** Notwithstanding any provision of law to the contrary, each policy, contract, plan, or agreement issued in the State after January 1, 1995, by health maintenance organizations pursuant to this chapter, shall include benefits provided in sections 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120, 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-122, and 431:10A-116.2,~~] 431:10A- , and chapter 431M."

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

SECTION 7. This Act shall take effect on July 1, 2112.

March 17, 2015

TO: Chair Della Au Belatti and Members of the Senate Committee on Health

FROM: Pharmaceutical Research and Manufacturers of America
(William Goo)

RE: **SB 301 SD2** - Relating to Health
Hearing Date: March 18, 2015
Time: 10:00 am

My name is William Goo. I represent the Pharmaceutical Research and Manufacturers of America (PhRMA).

PhRMA supports passage of **SB 301 SD2**. Attached is PhRMA's testimony in support.

Thank you for considering this testimony.

STATEMENT

PhRMA
RESEARCH • PROGRESS • HOPE

In Support of Hawaii Senate Bill 301
March 17, 2015

Position: PhRMA supports Hawaii SB 301, which requires entities that offer or renew health plans on or after January 1, 2017, to make available a complete and updated formulary to enrollees, potential enrollees and providers.

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country's leading innovative biopharmaceutical research and biotechnology companies, which are devoted to discovering and developing medicines that enable patients to live longer, healthier, and more productive lives. In 2013, biopharmaceutical companies invested more than $51.1 billion in the discovery and development of medicines.

Providing Accurate Formulary and Benefit Design Information to Patients and Providers

In addition to formulary transparency, PhRMA is concerned that patients have necessary information available to them prior to purchasing a plan on or off of the Exchange. Without such information, consumers may not have access to important information that is key to choosing the plan that best meets their individual needs. If a consumer does not have the necessary information to select the right plan they face being underinsured, having higher out of pocket costs than they can afford, or may jeopardize their health because financial hardships may keep them from accessing needed care. Enabling the consumer to access information in a clear, transparent, simple, and accurate manner will allow for better understanding of coverage and cost sharing responsibilities prior to purchasing insurance.

Given that lack of transparency practice in formulary design has been documented in Exchange plans across the nation, PhRMA believes that SB 301 takes a good first step at making formularies more accessible to patients by posting it on the insurer's website that is accessible and easy to search by patients and providers. In addition, formularies will be updated in a timely manner (within 72 hours after a change is made), further ensuring that providers and patients will have accurate information on which to base their treatment plan.

This legislation helps meet this objective by requiring that access to information about each plan's formulary be posted publicly on its website, as well as the utilization management tools that are applied and corresponding cost-sharing for each drug. PhRMA would also like to see information that includes, but is not limited to, the providers and hospitals in the plan's network and the process for a patient to receive an exception to a denied service or appeal for coverage of a non-covered, but medically necessary service.

PhRMA strongly urges Hawaii legislators to support Senate Bill 301.