

MINUTES OF THE FORMULARY ACCESSIBILITY WORKING GROUP

Thursday, October 15, 2015  
Prince Lelei`ohoku Conference Room  
King Kalakaua Building  
335 Merchant Street, 3rd Floor  
Honolulu, HI 96813

**Members Present:** Gordon I. Ito (Insurance Commissioner and Working Group Chair), Jennifer Diesman (Hawaii Association of Health Plans/Hawaii Medical Service Association), Lee Ann Teshima (Professional and Vocational Licensing Division, DCCA/Board of Pharmacy), Joan Takamori (Director of Health designee), and Cory Chun (American Cancer Society Cancer Action Network – Hawaii Pacific Region)

**Member Excused:** Dr. Christopher Flanders (Hawaii Medical Association)

**Others Present:** Andrew Zehnder (CVS Health), Barbara Kashiwabara and Phyllis Dendle (Kaiser Permanente), James Nelson (Hawaii Public Policy Advocates), and Paul Yuen (Insurance Division)

**I. Call to Order**

Pursuant to written notice, the second meeting of the Formulary Accessibility Working Group (the "Working Group") was called to order and chaired by Gordon I. Ito, Insurance Commissioner, at 2:03 p.m.

**II. Approval of minutes of 10/01/15 meeting**

A draft of the proposed minutes was circulated prior to this meeting. There was a motion to approve the proposed minutes, seconded, and approved by the Working Group.

**III. Continued Discussion of Formulary Templates Currently Being Used**

HMSA provided a "Comparison of ACA Regulatory Guidance & Proposed State Law: Formulary Publication" and "Formulary Posting: Federal v. State Requirements" for the WG reference, discussion, and consideration.

The WG members' and attendees' made the following observations:

- There is no ACA template, that there is only federal guidance on the creation of templates;
- That Act 197 (2015) requires all health insurers to be in compliance with the Act's requirements;
- That the Act's requirement for a "price" category is problematic since the prices on drugs change frequently, without notice, and are impacted by clients' plan coverages;
- That a client's determination of the price of a drug through the formulary is only for that period of time and may not apply when the client actually purchases the drug in the future;
- That the elderly will probably have a difficult time accessing, understanding, and navigating formularies on insurers' websites;

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- That, currently, non-members of certain health plans may look at formularies but no prices are attached;
- That Texas passed a similar bill to Act 197 but no WG was created. The requirements in the bill starts in 2017. Cory Chun stated that he would try and get a copy of the bill for the WG;
- Kaiser is currently working on posting changes within 30 days. Posting changes within 14 days as required by Act 197 would require changes in its operations;
- Two options for the WG in its approach to meet Act 197's directive:
  1. Recommend to the Legislature that health insurers just comply with the ACA and work with existing tools; or
  2. Develop a template;
- That consumers would be very confused if health insurers had different formularies; and
- That standardizing the most popular formularies and not others, as a compromise, would not work.

HMSA stated that it preferred not to have a standardized template, that it would be a step backward. HMSA requires a team to make a 72 hour turnaround on all drug changes since it has an open formulary.

Kaiser stated that it would take time, work and money in developing a template different from what it has

#### **IV. Submissions of testimony by interested parties and members of the public regarding formulary templates.**

#### **V. Recommendations for a standard formulary template to be used by insurers on their own respective websites.**

It was agreed upon that for the next meeting insurers would either bring in screen shots of their existing formularies or be allowed to demonstrate their formularies through a computer-projector hook-up to the WG. The screen shots might be included in the report to the Legislature.

Notice of the next meeting will be sent to all domestic health insurers.

#### **VI. Scheduling of Next Meeting**

The next meeting will take place on Thursday, November 5, 2015, at 2 p.m., in The Queen Kapi`olani Conference Room, King Kalakaua Building , 2<sup>nd</sup> floor.

#### **VIII. Adjournment**

The meeting was adjourned at 2:56 p.m.