

MINUTES OF THE FORMULARY ACCESSIBILITY WORKING GROUP

Thursday, September 24, 2015
Queen Kapi`olani Conference Room
King Kalakaua Building
335 Merchant Street, 2nd Floor
Honolulu, HI 96813

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

Member Excused: Dr. Virginia Pressler (Director of Health)

Others Present: Monica Ko and Andrew Zehnder (CVS Health) and Paul Yuen (Insurance Division)

I. Call to Order

Pursuant to written notice, the first meeting of the Formulary Accessibility Working Group (the "Working Group") was called to order and chaired by Gordon I. Ito, Insurance Commissioner, at 2:15 p.m.

The Working Group was established pursuant to Act 197 (H.B. No. 261, H.D.2, S.D. 2, C.D. 1) which became law on July 6, 2015. Act 197 requested the Insurance Commissioner to convene a working group to make recommendations for a standard formulary template to be used by insurers on their own respective websites and to serve as its chair.

II. Public Notice/Sunshine Law

The meeting was held pursuant to the public notice filed with the Lieutenant Governor's Office on September 15, 2015.

Commissioner Ito noted that while the Working Group was convened pursuant to Act 197, the Working Group does not fall within the statutory definition of a "board" as defined in the State's Sunshine Law (Chapter 92, Hawaii Revised Statutes). However, in the interest of promoting open government Commissioner Ito said the Working Group would follow the Sunshine Law. Discussions among members should occur in open hearing.

III. Introduction of Working Group Members

Act 197 specified that the Working Group be composed of the following:

- (1) Insurance Commissioner;
- (2) the Director of Health or designee;
- (3) A representative from the health care provider community;

- (4) A representative from the Board of Pharmacy;
- (5) A representative from the Hawai'i Association of Health Plans; and
- (6) A representative from the American Cancer Society Cancer Action Network – Hawai'i Pacific Region.

All of the members in attendance introduced themselves.

IV. Scope of Work and Deadlines

Act 197 directs the working group to make recommendations for a standard formulary template to be used by insurers on their own respective websites and requires the working group transmit a final report of its recommendations no later than 20 days prior to the convening of the 2016 Regular Session (December 25, 2015).

V. Discussion of formulary templates currently being used

Jennifer Diesman introduced Andrew Zehnder who gave a presentation of a tool that HMSA currently uses. The tool is member and plan specific and takes the member through different steps in figuring out the eventual cost of a specific drug. Key elements in determining the eventual cost were the type of drug, dosage strength, frequency of use, and type of health insurance plan being used. An additional feature was the notification to the member if prior authorization was needed before obtaining the drug. Ms. Diesman also distributed an HMSA Medical Specialty Drug List for review.

Discussion by members also noted that:

- A. Some members of the public had health savings accounts and that it would be difficult for them to access an insurer's formulary;
- B. Different insurers would build different formularies based on their needs and economic circumstances;
- C. Act 197 required use of "\$" categories which are different from what some insurers are currently using;
- D. Every FDA drug has to be on an "open" formulary which will then require insurers to each maintain a team to constantly monitor the formulary and update all changes to the formulary;
- E. That specialty and non-specialty drugs' prices fluctuate constantly;
- F. That for ACA purposes, a formulary must be created so that everyone can come in and see what's on it; and
- G. That while the spirit of Act 197 makes sense, the implementation of all its requirements is problematic.

It was discussed and agreed upon by members that invitations be extended to smaller health insurance plans to attend the next meeting

VI. Submission of Testimony by Interested Parties and Members of the Public

No written testimony was presented by interested parties or members of the public at the meeting.

VII. Scheduling of Next Meeting

The next meeting will take place on Thursday, October 1, 2015, at 2 p.m. at this same location.

VIII. Adjournment

The meeting was adjourned at 2:50 p.m.