

MINUTES OF THE FORMULARY ACCESSIBILITY WORKING GROUP

Thursday, October 1, 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), Rebecca Kang, R.N. (Director of Health designee)

Member Excused: Cory Chun (American Cancer Society Cancer Action Network – Hawaii Pacific Region)

Others Present: Monica Ko and Andrew Zehnder (CVS Health), John Kirimitsu (Kaiser Permanente), Michael Madix (Family Health Hawaii), 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 2:09 p.m.

II. Approval of minutes of 9/24/15 meeting

A draft of the proposed minutes was circulated prior to this meeting. One deletion was made on the second page, section V., Discussion of Formulary Templates Currently Being Used. The last sentence of the first paragraph was corrected to read "Ms. Diesman also distributed an HMSA Medical Specialty Drug List for review."

There was a motion to approve the proposed minutes as amended, seconded, and approved by the Working Group.

III. Continued Discussion of Formulary Templates Currently Being Used

Kaiser:

- Posts III and IV tiers and federal formularies;
- Notes that with hundreds of plans, that it would be difficult to immediately post pricing changes;
- Has its committee meet every month and posts updates quarterly;
- Changes are made throughout the year;
- Posts a Hawai`i specific formulary and while it doesn't list prices, clients may call for pricings;
- Cannot post pricings on its website;

FORMULARY ACCESSIBILITY WORKING GROUP

- Has a separate formulary for the ACA; and
- Would have to build a system to comply with Act 197.

Discussion by the Working Group also discussed the following issues:

- That the intent of Act 197 was to inform consumers and to make health information more transparent;
- That limited English and computer literacy skills may prevent the clients from accessing formularies;
- That target groups are not clearly identified;
- That drug prices change every day;
- That the volatility of drug prices render information useless in a short period of time;
- That the changes in drug prices probably will not accurately reflect true drug costs from the time the formulary is accessed to when drugs are purchased;
- That all insurers will need to have a static template to comply with Act 197;
- That the "\$" category is not beneficial to consumers as drugs vary day-to-day from plan-to-plan and a range might be more appropriate;
- That a formulary shows the total cost for a drug and costs for different drugs cannot be added together on the formulary;
- That insurers' templates differ from the CMS template;
- That clients will have to call insurers directly if they want to check on a drug not on the formulary;
- That there might be an economic and technological burden on insurers in creating formularies which have to configure hundreds of plans with innumerable variables; and
- That the State should consider building and upkeeping a formulary site for insurers to use;
- That manufacturers issue coupons for their clients to use.

It was also discussed that those affected insurers not present be reinvited to attend the next meeting and that the Working Group be prepared to discuss recommendations to be made for a standardized template.

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.

VI. Scheduling of Next Meeting

The next meeting will take place on Thursday, October 15, 2015, at 2 p.m., location TBA.

VIII. Adjournment

The meeting was adjourned at 2:55 p.m.