

MINUTES OF THE FORMULARY ACCESSIBILITY WORKING GROUP
Thursday, November 5, 2015
Queen Kapi'olani Conference Room
King Kalakaua Building
335 Merchant Street, 2nd Floor
Honolulu, HI 96813

Members Present: Paul Yuen (on behalf of 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: Barbara Kashiwabara (Kaiser Permanente), James Nelson (Hawaii Public Policy Advocates), Chen Dongping and Ann Le Lievre (Insurance Division)

I. Call to Order

Pursuant to written notice, the meeting of the Formulary Accessibility Working Group (the "Working Group") was called to order and chaired by Paul Yuen at 2:04 p.m.

II. Approval of minutes of 10/15/15 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. Demonstration on navigating Kaiser Permanente's formulary on its website

Ms. Kashiwabara displayed and commented on Kaiser Permanente's (KP) Hawaii Marketplace Drug Formulary through its website at KaiserPermanente.org. Key highlights are as follows:

- KP membership is not required in order to access the formulary.
- The formulary lists over 4,000 drugs and is sorted alphabetically by the generic drug names. Also provided are the most common brand names.
- The drugs are categorized into tiers which design is not merely about cost but considers other factors as well.
- At minimum, the formulary is updated every month due to CMS requirements.
- If a particular drug is not on the list, KP provides contact information to request staff to look into the status of the drug.

Ms. Diesman said HMSA's formulary may also be reviewed by nonmembers; however, the drug prices are only be available to its members because they are adjusted according to the members' plans.

IV. Continued discussions of formulary templates

Discussion on the Pricing Structure

- For KP, it would be difficult to include the drug prices on its formulary with thousands of drugs and various dosages listed on the formulary. The bill requires posting within 72 hours for new or deleted drugs and 14 days for changes. Also, even within the same plan, there could be different benefits which would result in different costs.
- HMSA has an open formulary which changes constantly; the posting requirements causes concerns.
- It would be helpful to have a broad-enough range, especially with specialty drugs, so it would not require constant changes to the formulary.
- The intent of the bill is to require the display of drugs with the range of costs so people can make informed decisions on choosing a plan and treatment options.
- In regards to the dollar amount range, the bill mentions "cost sharing" which is interpreted to mean "out-of-pocket" costs.
- Medicare already uses a built-in calculator to determine prices by using information inputted into its formulary. This mechanism is not yet available to the insurers.

Discussion on Standardized Template

- If it is recommended to use a standardized template, insurers may have to start from scratch to create its formulary.
- It is feasible to add the range of dollar signs to the current formularies.
- It would be better to define required elements rather than standardize the template.
- Formularies can be difficult to understand, so an explanation on how to use it would be helpful.

Recommendations for the Working Group Report

- The Working Group recommends against requiring a standardized template. Each insurer should be allowed to maintain its own formulary and include the range of costs.
- There should be standard language, similar to a legend, to explain the formulary and to include contact information. Joan Takamori, Department of Health, agreed to draft the standard language.

V. Submissions of testimony by interested parties and members of the public regarding formulary templates.

None.

VI. Scheduling of Next Meeting

The next meeting will take place on Monday, November 16, 2015, at 1 p.m., in The Queen Kapi`olani Conference Room, King Kalakaua Building , 2nd floor.

VIII. Adjournment

The meeting was adjourned at 2:47 p.m.