



March 29, 2023

[submitted electronically via: capitol.hawaii.gov]

The Honorable Kyle T. Yamashita
Chair, Committee on Finance
Conference Room 308
415 South Beretania Street
Honolulu, HI 96813

RE: SB 693 – SUPPORT FOR THE PREVIOUS LANGUAGE - passed by two Senate Committees, the full Senate, and the House Committee on Health & Homelessness

Dear Chair Yamashita, Vice Chair Kitagawa, and members of the Committee on Finance:

The American Pharmacists Association (APhA) appreciates the opportunity to submit testimony on [Senate Bill \(SB\) 693](#) (Senator Lee). The version of SB 693 that was passed by two Senate Committees, the full Senate, and the House Committee on Health & Homelessness would have increased patient access to health care services provided by pharmacists practicing within their scope of practice in a state facing a significant health care workforce shortage. Following amendments by the House Committee on Consumer Protection & Commerce, SB 693 has been transitioned to an audit that will result in a report being submitted to the Legislature prior to the 2024 Regular Session. **We are supportive of the language that was passed by two Senate Committees, the full Senate, and the House Committee on Health & Homelessness, and are concerned about the new language for three reasons.**

First, we feel that such a significant change in the legislation is misaligned with the intent of the majority of Hawai'i lawmakers when they supported and passed SB 693 through the Senate. Second, since the intent of this legislation is to treat pharmacists as other health care providers in the state are treated, we feel that the precedent should be followed that was set in Hawai'i when advanced practice registered nurses passed comparable legislation in 2009¹ and an audit was not required. Finally, the services pharmacists will be providing are within Hawai'i pharmacists' state scope of practice which are already being provided by many pharmacists in Hawai'i. Thus, there is expected to be minimal negative financial impact from this legislation, which is justified by evidence from comparable programs established in other states.

To exemplify the low cost of comparable legislation and the lack of a need for an audit to be conducted, APhA submitted a public records request in Ohio, where comparable legislation had been passed in 2019 and had gone into effect in January 2021. According to the State of Ohio Board of Pharmacy, there are 23,267

¹ HB1378 HD2 SD2 CD1. Hawai'i State Legislature. Available at: https://www.capitol.hawaii.gov/session/archives/measure_indiv_Archives8-12.aspx?billtype=HB&billnumber=1378&year=2009.

active license pharmacists in Ohio.² The response to the public records request was received on March 28, 2023, reported that in the first two years of implementation of a comparable program there was a total of 26,607 claims paid for a net payment of \$500,359.53.³ This does not take into account cost savings and avoidance of hospital admissions and expensive emergency department visits, which would further justify the low cost of the legislation. According to the U.S. Bureau of Labor Statistics there are 900 licensed pharmacists in Hawai'i.⁴ Using the evidence from the Ohio program to proportionally estimate, we expect the direct provider costs to Hawai'i to increase access to healthcare services provided by pharmacists would be \$19,354.60 over two years. Taking cost savings into account, we expect the costs to be less with the potential for a positive budget impact for Hawai'i .

Substantial published literature clearly documents the proven and significant improvement to patient outcomes⁵ and reduction in health care expenditures⁶ when pharmacists are optimally leveraged as the medication experts on patient-care teams. The expansion of programs that increase patient access to health care services provided by their pharmacist in Hawai'i is aligned with the growing trend of similar programs in other states, such as: California, Colorado, Idaho, Kentucky, Minnesota, Missouri, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and others. In states where such programs have already been implemented, we are observing health plans recognizing the value of the pharmacist and investing in the services they provide in order to capitalize on the positive therapeutic and economic outcomes associated with pharmacist-provided patient care services.⁷

Given the unique patient population and barriers to care due to the primary health care worker shortage⁸ in Hawai'i (**3 of the top 14 counties in the U.S.**), we strongly believe considering a payment model that includes reimbursement for pharmacists' services is the missing piece to allow other professionals to utilize pharmacists as the medication experts. As the most accessible healthcare professionals, pharmacists are vital providers of care, especially for those living in underserved and remote communities. Patient access to pharmacist-provided care can address health inequities while reducing hospital admissions, increasing medication adherence, and decreasing overall healthcare expenditures by recognizing and covering the valuable health care services pharmacists provide, similar to Hawai'i's recognition of many other health care providers.

² State of Ohio Board of Pharmacy Annual Report FY 2021 & FY 2022. Available at:

<https://www.pharmacy.ohio.gov/documents/pubs/reports/annualreports/fy%202021%20and%202022%20annual%20report.pdf>.

³ American Pharmacists Association Public Record Request of Ohio Department of Medicaid received on March 28, 2023.

⁴ 29-1051 Pharmacists. U.S. Bureau of Labor Statistics. Last modified: March 31, 2022. Available at:

<https://www.bls.gov/oes/current/oes291051.htm#st>.

⁵ Giberson S, Yoder S, Lee MP. Improving Patient and Health System Outcomes through Advanced Pharmacy Practice. A Report to the U.S. Surgeon General. Office of the Chief Pharmacist. U.S. Public Health Service. Dec 2011. Available at:

https://www.accp.com/docs/positions/misc/improving_patient_and_health_system_outcomes.pdf

⁶ Murphy EM, Rodis, JR, Mann HJ. Three ways to advocate for the economic value of the pharmacist in health care. Journal of the American Pharmacists Association. August 2020. Available at:

<https://www.sciencedirect.com/science/article/abs/pii/S1544319120303927>

⁷ CareSource Launches Pharmacist Provider Status Pilot. Published August 4, 2020. Available at

<https://www.caresource.com/newsroom/press-releases/caresource-launches-pharmacist-provider-status-pilot/>

⁸ Counties with the biggest primary health care worker shortages. NursingEducation. Published August 25, 2021. Available at

<https://nursingeducation.org/counties-with-the-biggest-primary-health-care-worker-shortages/>.

The creation of programs that allow for the direct reimbursement of services provided by pharmacists through Med-Quest, Medicaid Managed Care Organizations, and private health plans is expected to increase access to health care services in a state facing a significant health care workforce shortage while causing minimal negative social and financial impact. Given the precedent set in Hawai'i with other health care professionals, the documented evidence of minimal negative social and financial impact of programs in other states, and the significant need for Hawai'i, we feel that an audit is not necessary, and SB 693 should be amended to the language passed by two Senate Committees, the full Senate, and the House Committee on Health & Homelessness.

If the Committee on Finance is unable to make such amendments, we recommend that the study period of the audit be conducted over a 5–10-year period and there be allocated enough appropriations to support the development and implementation of the program across the state. It will take time for providers to implement the administrative and operational workflow updates necessary. Additionally, this study period reflects one that is more appropriate to account for the reduction in long-term healthcare expenditures, such as reducing hospital admissions and impacting societal factors, such as a reduction in non-productive workdays.

Thank you for this opportunity to submit testimony on SB 693. If you have any questions or require additional information, please do not hesitate to contact E. Michael Murphy, PharmD, MBA, APhA Advisor for State Government Affairs by email at mmurphy@aphanet.org.

Sincerely,



Michael Baxter
Acting Head of Government Affairs
American Pharmacists Association

cc: Representative Lisa Kitagawa, Vice Chair
Representative Micah P.K. Aiu
Representative Cory M. Chun
Representative Elle Cochran
Representative Andrew Takuya Garrett
Representative Kirstin Kahaloa
Representative Darius K. Kila
Representative Bertrand Kobayashi
Representative Rachele F. Lamosao
Representative Dee Morikawa
Representative Scott Y. Nishimoto
Representative Mahina Poepoe
Representative Jenna Takenouchi
Representative David Alcos III
Representative Gene Ward