



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Finance
Thursday, March 30, 2023 at 3:00 p.m.

By

Bonnie Irwin, Chancellor

and

Miriam Mobley Smith, Interim Dean
Daniel K. Inouye College of Pharmacy
University of Hawai'i at Hilo

SB 693 SD1 HD2 – RELATING TO PHARMACISTS

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to submit testimony on SB 693 SD1 HD2. The University of Hawai'i at Hilo (UH Hilo) supports SB 693 SD1 HD2, which requests the auditor conduct a social and financial assessment of proposed mandatory health insurance coverage for services provided by certain pharmacists.

Our original testimonies in support of the evolving drafts of SB 693 were based on the value in mandating reimbursement for services provided by pharmacists within their state scope of practice by private and public health plans in Hawai'i. We do recognize this assessment as being a necessary step to take prior to mandating the reimbursement as in the prior versions of the bill.

Under the prior draft of this bill, SB 693 SD1 HD1, services will be reimbursed under the medical benefit using current procedural terminology (CPT) codes similar to those used by other health care professionals (physicians, advanced practice registered nurses, physician assistants, etc.) providing outpatient services.

Under Medicaid, it is intended for pharmacists to be able to render and be reimbursed for services provided to both Medicaid fee-for-service and managed care beneficiaries. It is intended that reimbursement for pharmacist services would apply to the managed care organizations medical loss ratio and not their administrative costs similar to other health care professionals, like physicians, advanced practice nurses, physician assistants, etc. Mandating pharmacy services reimbursement can clarify expectations and prevent confusion for pharmacists, patients and health plans.

It is intended for pharmacists to be able to render and be reimbursed for services provided via telehealth or in-person in the pharmacy, office, home, walk-in retail health clinic, federally qualified health center, rural health clinic, skilled nursing facility, assisted living facility, or other place of service not identified in prior versions of the bill.

SB 693 SD1 HD1 would align with and not change the pharmacist state scope of practice.

BENEFIT OF LEGISLATION

A variety of stakeholders that will benefit from legislation mandating reimbursement for services provided by pharmacists, including patients, health plans, and pharmacists.

Patients. Within the next 10 years, the U.S. could see a shortage of over 55,000 primary care physicians.¹ In Hawai'i there are 31 areas that are designated as health professional shortage areas.² All Hawai'i counties include areas designated as "medically underserved" with limited access to healthcare. There were over 2,600 pharmacists in Hawai'i who stepped up to provide high level health care services during the COVID-19 pandemic and are ready to provide valuable healthcare services to communities that have limited access to care. By realigning financial incentives and reimbursing pharmacists for their services similar to other health care professionals there will be greater access to the vital health care services pharmacists provide. Pharmacists are currently permitted to provide a variety of patient care services including hormonal contraception, Paxlovid™ for COVID-19, naloxone education, tobacco cessation, and medication management. However, patients may have little access to these services because a payment pathway is lacking. Extensive published evidence, such as the hundreds of studies highlighted in the Report to the U.S. Surgeon General: Improving Patient and Health System Outcomes through Advanced Pharmacy Practice showcase the positive therapeutic outcomes for patients that come when pharmacists are more involved in their care.³

Public and Private Health Plans. Exhaustive published literature has shown there is a significant return on investment and long-term cost savings when pharmacists are more involved in the provision of patient care. Compilation of studies have found themes in these cost savings, including "decreased total health expenditures, decreased unnecessary care (e.g., fewer hospitalizations, emergency department [ED] visits, and physician visits), and decreased societal costs (e.g., missed or nonproductive workdays)."⁴ By investing in the pharmacist, health plans will see a return on their investment in increased access to medical services throughout the state, decreased health care expenditures, more controlled chronic conditions, and decreased hospitalizations.

¹ Association of American Medical Colleges. 2019 UPDATE The Complexities Of Physician Supply And Demand Projections From 2017 To 2032. Available at: https://aamcblack.global.ssl.fastly.net/production/media/filer_public/31/13/3113ee5c-a038-4c16-89af-294a69826650/2019_update_-_the_complexities_of_physician_supply_and_demand_-_projections_from_2017-2032.pdf Accessed 3/11/20.

² Kaiser Family Foundation. Primary Care Health Professional Shortage Areas (HPSAs). Timeframe: as of September 30, 2019. Available at: <https://www.kff.org/other/stateindicator/primary-care-health-professional-shortage-areashpsas/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>. Accessed 3/11/2020

³ 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.

⁴ Murphy EM, Rodis JL, Mann HJ. Three ways to advocate for the economic value of the pharmacist in health care. *Journal of the American Pharmacists Association*. 2020;e116ee124. <https://doi.org/10.1016/j.japh.2020.08.006>.

Pharmacists. As the only College of Pharmacy in the State of Hawai'i, our mission is to educate pharmacy practitioners and leaders who will improve health in Hawai'i and throughout the Pacific through education, research and service. We prepare our student pharmacists to serve patients in pharmacies and as members of interprofessional health care teams. However, a great number of our students, upon graduation, will be employed as pharmacists in pharmacy and health care settings where the current business models of those practices are financially unsustainable. As pharmacists' roles have evolved to encompass a greater focus on the provision of services, a reimbursement methodology has not been created for pharmacists providing these services in addition to the primary way they generate revenue, by dispensing medications. For example, it is difficult for pharmacists to be integrated into primary health care clinics without the clinics' ability to submit reimbursement claims for services provided by those pharmacists. In addition, the practices of other entities in the drug supply chain, such as pharmacy benefit managers (PBMs), have prevented the dispensing of medications alone to sustainably generate revenue for the variety of services pharmacists provide to their communities. This has resulted in pharmacies closing, often those concentrated in racial and ethnic minority⁵ and rural communities⁶, dramatically limiting patient access to care. The pandemic has exacerbated this problem as there have been reports across the country of pharmacies closing and patients not being able to fill their medications.⁷

The lack of access to pharmacist services disproportionately affects Hawai'i patient populations in the most isolated areas of the state. Aligning the pharmacist reimbursement practices with the provision of their services, comparable to other health care professionals will allow many of these cornerstones of communities to remain open and providing vital care to their patients. Pharmacists work closely with other health care providers to enhance quality of care delivery to all patients and improve their health care outcomes. Mandating reimbursement for pharmacy services is an important step toward those goals.

Thank you for the opportunity to testify in support of SB 693 SD1 HD2.

⁵ Guadamuz JS, Wilder JR, Mouslim MC, et al. Fewer Pharmacies In Black And Hispanic/Latino Neighborhoods Compared With White Or Diverse Neighborhoods, 2007–15. *Health Affairs*. May 2021;40(5). <https://doi.org/10.1377/hlthaff.2020.01699>

⁶ Hawryluk M. Large parts of rural America are becoming drugstore deserts. These small towns found an escape. *The Washington Post*. Published December 15, 2021. Available at <https://www.washingtonpost.com/business/2021/12/03/drugstore-desserts-rural-america/>. Accessed December 21, 2021.

⁷ Richardson M. The Pillbox Pharmacy, a Kaimuki fixture for 46 years, to close its doors. *Hawaii News Now*. Published September 4, 2020. Available at <https://www.hawaiinewsnow.com/2020/09/04/pillbox-pharmacy-plans-shut-down-after-years/>. Accessed March 1, 2021.