



TESTIMONY OF THE STATE ATTORNEY GENERAL TWENTY-FOURTH LEGISLATURE, 2008

ON THE FOLLOWING MEASURE:

H.B. NO. 1598, H.D. 1, RELATING TO HEALTHCARE.

BEFORE THE:

HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

DATE: Wednesday, February 13, 2008 **TIME:** 2:00 PM

LOCATION: State Capitol, Room 325
Deliver to: Committee Clerk, Room 315, 5 copies

TESTIFIER(S): Mark J. Bennett, Attorney General
or Lee-Ann N.M. Brewer, Deputy Attorney General.

Chair Herkes and Members of the Committee:

The Department of the Attorney General has a number of concerns with this bill.

House Bill No. 1598 seeks to establish a system of universal healthcare insurance in the State of Hawaii, by creating a new entity that will ultimately be the single payer for healthcare financing in the State. This is a complex issue, and the bill as written does not provide sufficient information to appropriately evaluate the programmatic and legal impact. Our most significant concerns are set forth below.

Placement Within Department of Taxation:

The bill creates the State healthcare insurance planning and financing authority ("the Authority"), established within the Department of Taxation for administrative support purposes. Pursuant to section 26-10, Hawaii Revised Statutes, the Department of Taxation is charged with administering and enforcing the tax revenue laws of the State and collecting all taxes and other payments payable thereunder. Except for the anticipated imposition of income and general excise taxes (page 19, lines 12-17), the Authority's duties as defined in this bill are outside the scope of the Department of Taxation's statutory authority.

Moreover, the State Constitution at article VII, section 2, provides that the Legislature shall set the rate or rates of any tax. This measure charges the Authority with assessing temporary progressive income and general excise surtaxes, but does not set the rate of the tax. (Page 19, line 12-17) The bill also contemplates other revenue collection activities, with possible sources including medicare/medicaid, prepaid healthcare act, and employee union trust fund. (Page 9, lines 7-14) Similar measures introduced in past legislative sessions have identified the medical portion of workers compensation, no fault insurance, and other insurances as possible funding sources. Depending on how these revenues are identified and collected, they may be an unlawful tax under article VII, section 2 of the State Constitution.

The members of the Authority will be responsible for determining costs of the system, and methods of financing and transition mechanisms, including retraining of affected personnel. (Page 17, lines 6-11) The Authority will also, among other things, maintain a trust fund, negotiate and receive all healthcare revenue, be the single-payer of universal healthcare financing, and conduct enrollment activities. (Page 19, line 7 to page 20, line 4) Because its primary function is the provision of health insurance, much of which will be for Hawaii's low income population, it would be more appropriate to place the Authority within the Department of Health or the Department of Human Services, which share common purposes and related functions, as required by article V, section 6 of the State Constitution.

Transition Provisions

The Authority is not given authority to adopt rules. Even if rule-making authority were granted, a transition of the various functions described below would involve substantial rights and responsibilities documented in administrative rules adopted by no less than four different agencies. Given the complexity and importance of the programs involved, very careful attention must be

given to the transition mechanisms to avoid negative impact on the State and its residents. This includes, but is not limited to, effective transfer of resources, personnel, policies and procedures, and contracts.

State Health Planning and Development Agency (SHPDA)

This bill makes no provision for systematic transfer of SHPDA functions from the Department of Health, including, among other things, oversight of the state health planning and development special fund, operation of the statewide health coordinating council, and administration of the Department of Health's certificate of need program. This bill does not repeal chapter 343D, part II of the Hawaii Revised Statutes, nor provide another mechanism for the Authority to perform these functions under SHPDA's current statutory authority.

Medicaid Program

Appointing the Authority as the State of Hawaii "liaison" with the federal Centers for Medicare and Medicaid Services appears intended to designate the Authority as the state Medicaid agency. The State Attorney General must certify the identification of the designated state Medicaid agency and the legal authority under which it administers or supervises administration of the program, including the power to adopt binding administrative rules. 42 C.F.R. §431.10(b). Currently, section 346-14(7), Hawaii Revised Statutes, gives the Department of Human Services the authority to administer the medical assistance programs, and the Attorney General has so certified. This bill does not repeal section 346-14(7), nor does the bill specifically authorize the Authority to administer the medical assistance programs, either by creating new statutory authority or by making the section 346-14(7) authority applicable to the Authority.

Additionally, the designated state Medicaid agency must submit and follow a State Plan under Title XIX of the Social Security Act, which is subject to approval by the Centers for Medicare and

Medicaid Services. Failure to comply with an approved State Plan can result in the loss of federal Medicaid funding. Appointing the Authority as the new state Medicaid agency requires that a State Plan amendment be filed by the Governor and approved by the Centers for Medicare and Medicaid services.

This bill also contemplates absorbing federal Medicaid funds into the Authority's trust fund (page 9, lines 7-16; page 19, lines 7-9); however, this does not appear to be possible under Medicaid law. Such a novel use of Medicaid funds would require approval by the Centers for Medicare and Medicaid Services which, if approved, will likely include significant restrictions on how funding is calculated and utilized.

Hawaii Prepaid Health Care Act & Hawaii Employer Union Health Benefits Trust Fund

The bill at page 18, lines 12-21, anticipates transfer of prepaid health care act and Hawaii employer union health benefits trust fund functions to the Authority. The Employee Retirement Income Security Act ("ERISA") contains a sweeping preemption provision that provides ERISA "shall supersede any and all State laws insofar as they may now or hereafter relate to any employee benefit plan." 29 USC § 1144(a). The Hawaii Prepaid Health Care Act exists pursuant to a congressional exemption from ERISA, and any substantive amendments to the Hawaii Prepaid Health Care Act are subject to preemption by ERISA.

It is not clear whether the bill intends for the Authority to assume the Prepaid Health Care Act functions by continuing its existence under the current ERISA exemption, or for the Authority to replace the Prepaid Health Care Act's employer-sponsored coverage, resulting in elimination of the Prepaid Health Care Act. As noted above, any substantive amendments to the Prepaid Health Care Act are subject to preemption by ERISA.

Likewise, transfer of the functions currently performed by the Hawaii employer union health benefits trust fund ("the trust fund"),

which provides health benefits for public employees, must ensure seamless transfer of members, compliance with applicable state statutes and rules, and transition of obligations currently addressed by collective bargaining agreements and health plan contracts. The existing statutory authority for the trust fund under chapter 87A, Hawaii Revised Statutes, is not repealed, and the bill does not provide any other guidance as to how the trust fund's functions are to be transferred to the Authority.

No Requirements for Expertise

The Authority trustee-members are elected. Except for age and residency requirements, there are no standards for professional qualifications for any trustee-members. Professional qualifications for some or all of the trustee-members would appear to be advisable considering the magnitude of the Authority's responsibilities.

Implementation Deadlines are Insufficient:

Effective November 5, 2008, after election of the Authority trustee-members, the Authority is to (1) assume the functions of SHPDA, (2) become "the new State of Hawaii liaison with the centers for medicare and medicaid services and other federal healthcare agencies," and (3) assume prepaid health care act functions and the Hawaii employer union health benefits trust fund. (Page 18, lines 12-21)

Major modifications to the Hawaii Revised Statutes, Hawaii Administrative Rules, and contractual relationships would be required in order for the Authority to assume any or all of these functions. In addition, the Medicaid program may not be changed except in compliance with federal law and approval from the centers for medicare and medicaid services, and substantive changes to the Prepaid Health Care Act are subject to preemption by ERISA.

Changes of this magnitude, if allowed by applicable law, will require substantial planning, and could not commence by November 5, 2008, as provided in this bill. Failure to appropriately transition these functions could result in, among other things, interruption of

health care services to Hawaii residents, including current Medicaid recipients and public employees, and loss of federal Medicaid funding.

Other concerns

The Medicaid program and other health insurers are "covered entities" subject to the administrative simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA), which establishes protections for the privacy and security of health information. The Authority would be a covered entity that must comply with HIPAA privacy and security regulations. Compliance requirements are extensive. The bill should build in time and resources for the Authority to evaluate and implement required HIPAA compliance measures.

There is no appropriation included in this bill, although it specifies blank salaries for the executive director, Authority chairperson, and other member-directors. The bill also fails to provide for administrative support costs, including costs related to the central unified electronic health information system database.

(Page 13, line 20)

As noted above, we are unable to evaluate the full legal impact of this bill because it does not provide sufficient detail regarding how the Authority is to perform the numerous functions contemplated by this measure. Nonetheless, even as written, the bill presents numerous concerns, both legal and programmatic.

Thank you for the opportunity to testify on this bill.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
ON
HOUSE BILL NO. 1598, H.D. 1

February 13, 2008

RELATING TO HEALTH CARE

House Bill No. 1598, H.D. 1, proposes to create a single-payer, universal healthcare insurance system to provide health care to all “permanent residents” of Hawaii. The healthcare system is intended to be financed by the universal healthcare provision fund although the bill does not contain language establishing such a fund. The State Healthcare Insurance Planning and Financing Authority would be responsible for implementing the provisions of the Act and would be comprised of seven elected members. After the November 4, 2008 election, the Authority would assume the functions of the State Health Planning and Development Agency, assume the prepaid health Act functions and the Hawaii Employer-Union Health Benefits Trust Fund, and serve as the State liaison with the federal Centers for Medicare and Medicaid Services.

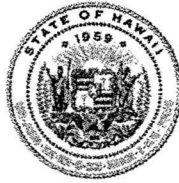
We are opposed to this bill and offer the following comments.

We have concerns on the feasibility of establishing State-funded universal health care for all of Hawaii’s “permanent residents”; we note that the bill does not contain a definition of “permanent residents,” making it difficult to ascertain the size of the intended target group and thus the projected costs.

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The bill intends for the universal healthcare provision fund to be capitalized by taxes and/or revenue raising measures implemented by the Authority. It is unclear whether this would divert existing taxes or allow the Authority to impose taxes, which may be in conflict with Article VII, Section 1 of the Constitution of the State of Hawaii. We defer to the Department of the Attorney General on this matter.

It is unclear how the healthcare plans of the Employer-Union Health Benefits Trust Fund and the plans of private employers will be combined into a single entity. We also note that although the bill attempts to designate the Authority as the “liaison” with the federal Centers for Medicare and Medicaid, the State Department of Human Services is presently the official Medicaid State agency. Unilaterally designating the Authority as a “liaison” may jeopardize the receipt of hundreds of millions of dollars in Medicaid reimbursement presently received by the State.



LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
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LAWRENCE M. REIFURTH
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RONALD BOYER
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Wednesday, February 13, 2008
2:00 p.m.

TESTIMONY ON HOUSE BILL NO. 1598, H.D. 1 – RELATING TO HEALTHCARE

TO THE HONORABLE ROBERT N. HERKES., CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is J. P. Schmidt, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department opposes this bill, which creates a state agency to operate a single payer system to provide health care to all of Hawaii’s people.

The problem with single payer systems is that they are often under funded. In Medicare, for example, there is chronic under-reimbursement of doctors. In Canada and Britain there are long waiting periods for treatment, so long that some people die while they’re waiting. In addition, because of the limited budgets, the medical care differs somewhat from the kind of extensive choices in healthcare we get in the United States. For example, in Canada there are very few MRI units and elective hip surgery is a rarity. We are concerned that there is no guarantee that the Legislature will have a commitment to full funding of a single payer system year in and year out as medical costs rise. If there is inadequate funding, then healthcare for all will suffer.

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About half of the 9 percent of the population that is uninsured is eligible for some type of government program. In addition, there are incremental changes that can be made to reduce the number of uninsured. For example, last session the Administration introduced HB 1320 to provide guaranteed issue of health insurance to sole proprietors and part time workers of small businesses. These are the kinds of measures that we should be pursuing before considering a more radical change like a shift to a single payer system.

It should also be noted that health insurance expenses are deductible for federal income tax purposes when the employer pays for it. This represents a significant subsidy of healthcare costs from the federal government that could be lost in a switch to an employee financed single payer system, if the Prepaid Health Care Act is repealed as is suggested by the bill.

Finally, we point out that the issue of single payer was studied by the Hawaii Healthcare Task Force in 2005. The Task Force submitted a report to the Legislature including a feasibility study. No conclusions regarding single payer were reached except to say that further study was needed.

We thank this Committee for the opportunity to present testimony on this matter and ask that this bill be held.

BOB JACOBSON
Councilmember

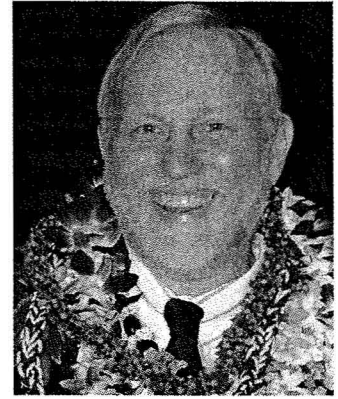
Chair, Environmental Management Committee
Vice-Chair, Finance Committee



HAWAI'I COUNTY COUNCIL

County of Hawai'i

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February 12, 2008

Rep. Robert N. Herkes, Chair
Rep. Angus L.K. McKelvey, Vice Chair
And Members
Committee on Consumer Protection & Commerce

Support Testimony regarding House Bill 1598, Hearing on Wednesday, February 13, 2008, 2:00 p.m.

Conference Room 325
State Capitol
415 South Beretania Street

Aloha Chairpersons, and Committee Members,

I urge you to pass House Bill 1598. House Bill 1598 establishes an agency to operate a single-payer universal healthcare insurance system. I've been a Registered Nurse for thirty years working in Hawai'i and Minnesota. One common problem that all communities face is the crisis of uninsured residents. This problem bankrupts families, creates homeless individuals and bankrupts the institutions that are charged with providing care for those without resources. Unless something is done by us in this state, I don't believe that anything is going to solve this problem anywhere. All politics are local. We need to solve this problem here and now.

I like to change the effective date on this act from 2050. This is far in advance and we need the single-payer universal healthcare insurance system today! I urge you to pass House Bill 1598.

Mahalo nui loa,

A handwritten signature of Bob Jacobson in cursive script.

House of Representatives
Twenty-Fourth Legislature
Regular Session of 2008

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Hearing
Wednesday, February 13, 2008
2:00 p.m.

Testimony by: Ralph C. Boyea, Legislative Advocate, Hawai'i County Council

Testimony relating to HB 1598 RELATING TO HEALTHCARE

Chairperson Herkes
Honorable Representatives,

On behalf of the Hawai'i County Council, I urge you to pass House Bill 1598. House Bill 1598 establishes an agency to operate a single-payer universal healthcare insurance system.

On February 6, 2008, the Hawaii County Council passed Resolution 491-08. Resolution 491-08 urges the Hawai'i State Legislature to pass HB1598.

Hawaii health care is fast approaching a crises situation. This fact was recently emphasized by Hawaii County Mayor Harry Kim. Mayor Kim held a "Hawaii Island Healthcare Conference" on Saturday, December 1, 2007. Over 300 people were in attendance at that conference. They included Mayor Kim, State of Hawaii Director of health Chiyome Fukino, physicians, nurses, other health care providers, representatives of the insurance industry, politicians, hospital executives and interested community members. The conference addressed shortages in providers, facilities and long term care. Participants formed work groups that continue to work on these issues.

One of the problems addressed was medical insurance. Uninsured, underinsured, insured but not fully covered. It is clear, something has to be done to provide all of Hawai'i's residents with medical coverage. The situation as it currently exists adversely affects all of us.

The Hawaii Council requests that you pass House Bill 1598. We urge the Legislature to reconsider the new effective date of July 1, 2050 contained in HB1598, HD1. An earlier effective date would benefit all Hawaii's residents.



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February 12, 2008

To: Representative Robert N. Herkes, M.D., chair
Representative Angus L.K McKelvey, Vice Chair
Committee on Consumer Protection & Commerce

From: Cynthia Goto, M.D., President
Linda Rasmussen, M.D., Legislative Co-Chair
Philip Hellreich, M.D., Legislative Co-Chair
Dick Botti, Government Liaison

Re: HB1598 HD1 RELATING TO HEALTH (Establishes agency to operate a single payer universal healthcare insurance system.)

HMA is opposed to HB 1598 HD1 that would create a single payer healthcare system.

The HMA strongly believes that every member of our society needs and deserves a core group of medical and surgical benefits, including Psychiatry and addiction medicine. Over and above these benefits, the HMA generally favors free market solutions and opposes mandated benefits.

Because there is an infinite demand for healthcare, placing the decisions in the hands of our government and insurers will not increase the effectiveness of healthcare. Instead, it will result in the rationing of health care services, long delays for needed elective surgery, denial of necessary but expensive high tech therapies and diagnostic procedures, and inhibit the development of new therapies and diagnostic procedures.

In Canada, thousands of wealthier Canadians head south to the U.S. for many needed services unavailable in Canada. In both UK and Canada, open heart surgery, kidney transplants, etc are unavailable to patients over the age of 65. In the UK, 40% of the population now purchase private health insurance, over and above the high taxes they pay for government health care, because necessary therapies are denied or delayed.

If we adopt a government run system, we will have constant battles in the legislature about what benefits should be available, what reimbursements should be made, etc. and the whole health care delivery system will be politicized.

PLEASE DELIVER

**To rm 325 for:
CPC Committee**

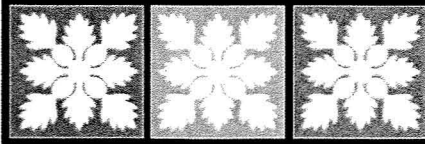
Wednesday
2/13/2008
2:00PM

Hawaii Medical Association
1360 S. Beretania St.
Suite 200
Honolulu, HI 96814
(808) 536-7702
(808) 528-2376 fax
www.hmaonline.net

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Millions of dollars are spent each year in Hawaii in the practice of defensive medicine because physicians & hospitals are fearful of medical lawsuits. Rather than create a government controlled healthcare system, we suggest this measure be redirected into something that will address the tort reform situation that is a major cause of the existing symptoms of our healthcare problems. Fixing our medical tort system will reduce costs and increase access to healthcare.

We conclude our testimony by stating that the laws of supply and demand apply to the delivery of health care. In health care we have unlimited demand for services but limited resources, and that we prefer that decisions be made by patients and their physicians, rather than insurance company clerks, or government.



Hawaii Association of Health Plans

February 13 2008

The Honorable Robert N. Herkes, Chair
The Honorable Angus L.K. McKelvey, Vice Chair

House Committee on Consumer Protection and Commerce

Re: HB 1598 HD1 – Relating to Healthcare

Dear Chair Herkes, Vice Chair McKelvey and Members of the Committee:

My name is Rick Jackson and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare
Hawaii Medical Assurance Association
HMSA
Hawaii-Western Management Group, Inc.

MDX Hawai‘i
University Health Alliance
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

Thank you for the opportunity to testify in opposition to HB 1598 HD1, which would establish an agency to operate a single-payer universal healthcare insurance system.

During the 2005 legislative session, HB 1304 was passed to create the Health Care Task Force made up of individuals representing all aspects of health care in the community including hospitals, physicians, the Insurance Commissioner and members of this Committee. The Task Force contracted with The Lewin Group to conduct a study of health care in the state utilizing information contained in the Vision 2000 Healthcare Congress and the Governor’s Blue Ribbon Panel on Cancer Care in Hawaii among other resources. The Lewin Group produced a lengthy 85 page report which examined the feasibility of implementing a single payer system in Hawaii.

One finding in the report stipulated that financing such a system in Hawai‘i would, at a minimum, require an additional 7-8% payroll tax on all Hawai‘i employers. Among the other problems identified was the likelihood that Hawai‘i would become the most

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attractive state in the US to live in...by those who were uninsured on the mainland and in need of care for catastrophic illness or injury.

The Task Force as a whole could not come to consensus on the recommendations and findings of the Report after lengthy debate at public meetings. We believe that this lack of consensus reflected the problems inherent in implementing a universal health care system in Hawaii.

We urge you to hold this bill. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Jackson", written in a cursive style.

Rick Jackson
President



HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Rep. Robert Herkes, Chair

Conference Room 325
February 13, 2008 at 2:00 p.m.

Testimony in opposition to HB 1598 HD 1

I am Rich Meiers, President and CEO of the Healthcare Association of Hawaii, which represents the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. I regret that I shall not be able to testify in person due to a previous commitment. However, I appreciate this opportunity to submit written testimony in opposition to HB 1598 HD 1, which establishes an authority to implement a single-payer health care system in Hawaii.

The Healthcare Association recognizes the well-meaning intent of this bill. Nearly 10% of Hawaii's population is estimated to be without health care insurance – a distressing statistic, especially considering that this figure was once as low as 3%.

There is broad agreement that efforts should be made to reduce the proportion of uninsured in Hawaii. However, even among those with considerable knowledge about the complex health care environment, there are considerable differences of opinion about how to expand health care insurance coverage. In order to gather these varied opinions, promote discussion, and resolve differences, the Legislature passed Act 223 in 2005. This Act created a task force to develop a plan to implement health care for all Hawaii residents.

The task force included broad representation from health care providers, consumers, and government agencies. It conducted a series of meetings for nearly a year, received testimony from the public and also contracted with a consultant to perform a cost analysis for a single payer system. In June of 2006 the task force issued a report that included findings and recommendations.

The recommendations included the following: (1) Develop a comprehensive health care provider map indicating the availability of various categories of providers; (2) Increase payments to providers by State insurance programs; and (3) Stabilize funding for community health centers and other providers that serve the uninsured. Bills were introduced to accomplish all of these objectives. However, not all the bills were passed.

The task force also recommended that resources be provided to continue its existence for an additional two years in order to continue its deliberations, particularly with regard to the single payer concept. The Healthcare Association endorsed all of these recommendations. However, the task force ceased to function in 2006.

The task force accumulated substantial information about single payer systems during its existence. Rather than create a new authority without any collective experience, as proposed by HB 1598 HD 1, the task force created by Act 223, SLH 2005, should be revived as the appropriate vehicle for determining how health care insurance coverage should be expanded.

For the foregoing reasons, the Healthcare Association of Hawaii opposes HB 1598 HD 1.

HMSA



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February 13, 2008

The Honorable Robert N. Herkes, Chair
The Honorable Angus L.K. McKelvey, Vice Chair

House Committee on Consumer Protection and Commerce

Re: HB 1598 HD1 – Relating to Health Insurance

Dear Chair Herkes, Vice Chair McKelvey and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 1598 HD1 which would establish an agency to operate a single-payer universal healthcare insurance system in Hawaii. While we appreciate the intent of this measure we believe that the initiative outlined in HB 1598 HD1 could be premature.

It is worth noting that health care has become a central part of the national conversation recently, especially with the attention focused on the presidential primary races. All of the front runners have put forth their vision on how to reform the health care system in America. Some of these proposals even contain components similar to Hawaii's Prepaid Health Care Act.

With so much of this dialogue still in flux, we believe that rather than moving ahead to develop a Hawaii-specific plan, we conserve the State's time and resources and take a more cautious approach to see what develops on the federal level.

Thank you for the opportunity to testify on HB 1598 HD1.

Sincerely,

Jennifer Diesman
Director, Government Relations

The Twenty-Third Legislature
Regular Session of 2008

HOUSE OF REPRESENTATIVES
Committee on Consumer Protection & Commerce
Rep. Robert N. Herkes, Chair
Rep. Angus L.K. McKelvey, Vice Chair

State Capitol, Conference Room 325
Wednesday, February 13, 2008; 2:00 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1598, HD1
RELATING TO HEALTHCARE**

The ILWU Local 142 supports the concept of H.B. 1598, HD1, which establishes an agency to operate a single-payer universal healthcare insurance system.

Quality, affordable health care should a right for all Americans. But in this country, health care is controlled by big business, and profit (even for so-called non-profits) is what drives who gets care and what kind of care it will be.

A single-payer system such as exists in Canada would seem to be the ideal. However, other models perhaps need to be considered before we proceed to establish an agency to implement a single payer vision.

Therefore, we urge the Legislature to authorize a study of various models for universal health care, including the single-payer system, and illustrate how those models would work in Hawaii. The Legislature must reach a consensus that universal health care is needed and possible to achieve.

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Christian Science Committee on Publication for Hawaii

Virginia Aycok

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February 11, 2008

**Request for Amendment of HB1598
Spiritual Care**

February 2008

The health care reform legislation proposed in HB1598 should include access to spiritual care as follows:

Amendment 1: Amend Section 1 (Definitions), by adding the following language at the end of the definition of "medically necessary":

" . . . Nothing in this Act shall require: (a) medically based eligibility standards or criteria in determining provider status of spiritual care providers; (b) utilization of medical professionals or criteria to decide patient access to spiritual care providers; (c) utilization of medical professionals or criteria in making decisions in internal or external appeals regarding coverage for care by spiritual care providers; (d) a participant or beneficiary to undergo a medical examination or test as a condition of receiving coverage for spiritual care; or (e) exclusion of spiritual care providers because they do not provide medical or other required data, if such data is inconsistent with the spiritual care provided by the provider."

Amendment 2: Amend Section 3, subsection (3) to read:

"(3) 'Comprehensive' – the State of Hawaii single-payer universal healthcare insurance system is 'comprehensive' in that it covers all medically necessary hospital, physician, dentist, home-care, spiritual care similar to the care provided in Haw. Rev. Stat. Ann. § 431:10C-302(a)(10), and long-term care services for every Hawaii permanent resident; . . ."

Explanation

The purpose of this amendment is to provide public access to spiritual care. A universal health care system should provide access to care that meets the diverse needs of the entire community asked to support it.

Rationale for Amendment 1

Our first proposed amendment seeks provisions in Section 1, similar to those in other federal and state insurance laws, to ensure that medically-based requirements do not inhibit patient access to spiritual care. Statutory provisions that require insurers to make determinations of "medical necessity" and to provide medical oversight for services

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rendered serve as important patient protections in the context of medical care. However, some forms of spiritual care do not involve diagnosis of disease or provide any form of medical intervention or treatment. For these reasons, legislative mandates concerning the use of medical criteria placed on spiritual care providers would significantly undermine patient access to spiritual care, and should not be extended to that form of care.

Rationale for Amendment 2

Our second proposed amendment seeks acknowledgment that any comprehensive healthcare insurance system should include access to spiritual care. Spiritual care already meets the health care needs of many Hawaii citizens, and has done so for over a century. Spiritual care is reliable, effective and people are healed through spiritual care without incurring large medical bills. Access to spiritual care through insurance coverage is consistent with many other state and federal government plans, and should be part of any reform effort in Hawaii.

Conclusion

We applaud your efforts to bring solutions to the health care challenges in Hawaii and appreciate the desire to enhance the safety, health and well being of all citizens by making health care more available and accessible while lowering costs. Spiritual care achieves these goals. For these reasons, we respectfully request that access to spiritual care be included in the reforms proposed by HB2898.

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