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TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Wednesday, January 23, 2008
8:00 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE BILL NO. 2011 – RELATING TO BREAST CANCER.

TO THE HONORABLE JOSH GREEN, M.D., CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is J. P. Schmidt, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department takes no position on this bill, which creates a mandated benefit for hospital stays of at least forty-eight hours in connection with mastectomies.

The Department does not have the medical expertise necessary to express an informed opinion on the merits of this bill. In addition, mandated benefits help some patients, but also increase premiums for consumers. Weighing these complex issues is best left to the wisdom of the Legislature. It should also be noted that prior to enacting mandatory health insurance coverage, there must be a review by the Legislative Auditor pursuant to Hawaii Revised Statutes section 23-51.

We thank this Committee for the opportunity to present testimony on this matter.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

January 23, 2008

The Honorable Josh Green, M.D., Chair
The Honorable John Mizuno, Vice Chair
House Committee on Health

Re: HB 2011 – Relating to Breast Cancer

Dear Chair Green, Vice Chair Mizuno and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2011 which would mandate health plans provide coverage for hospital stays of at least forty eight hours in connection with mastectomies.

Since HMSA has not experienced members having problems concerning their length of stay after undergoing a mastectomy, we are unsure as to the necessity of this legislation. Decisions on an individual member's length of stay following a surgical procedure are left up to their treating physician. HMSA's health plans do not impose benefit limitations for post-mastectomy surgery stays. We also believe that mandating surgery stays for specific surgeries may not be an appropriate task for the legislature since it may erode a physician's ability to make the best treatment decision for their patient.

Thank you for the opportunity to testify on HB 2011.

Sincerely,

A handwritten signature in black ink, appearing to read "JD".

Jennifer Diesman
Director, Government Relations



January 23, 2008

To: Rep. Josh Green, M.D., Chair
Rep. John Mizuno, Vice Chair
House Committee on Health

Please deliver to:
House Health
Comm.
1-23-08, Wed.
8am
Conf. Rm.329

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RE: HB2011 Relating to Breast Cancer (coverage of hospital stays
of at least 48-hours in connection with mastectomies)

HB2013 Relating to Cancer (coverage of oral chemotherapy)

HB2016 Relating to Health Insurance (coverage of methods of oral
chemotherapy)

HB2117 Relating to Health Insurance (screen for colorectal cancer by
colonoscopy every ten years, age 50)

The HMA supports the intent of the above-stated bills to provide for needed medical care, but has concerns about adding to Hawaii's already long list of mandated health insurance benefits. The addition of more benefits increases health care costs, thereby increasing premiums and putting health care coverage out of reach for more of our residents. For that reason and those explained below, the HMA is opposed to mandated benefits.

Mandated benefits should consist of core benefits that are limited to medical needs. Many existing benefits, such as mammograms, immunizations, mental health and alcohol and drug dependence treatment, are necessary to maintain the health of Hawaii's citizens. These benefits warrant mandating because they are cost effective by preventing future illness, which would be far more costly to treat and cure. 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 they significantly increase the cost of health care and ultimately increase the number of uninsured or underinsured people. However, it is important to retain

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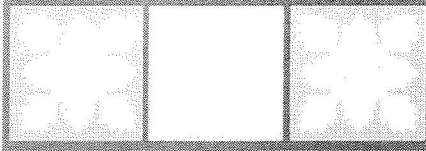
some flexibility in order to reflect advances in medical science and to address those instances in which the free market does not induce third party payers to cover new diagnostic and therapeutic services.

While it is vitally important to consider the cumulative cost of mandated benefits, the delivery of quality health care should not be prohibited with an arbitrary cap.

Following the 2001 legislative session, the HMA participated in the Mandated Benefits Task Force, convened by the Insurance Commissioner, and served on committees led by former Representatives Ken Hiraki and Dennis Arakaki and Senator Brian Taniguchi. The task force and its committees spent a significant amount of time discussing this issue.

Unfortunately, the legislature did not act upon the recommendations of the task force. While the report is 6 years old, we think it would be helpful for this committee to review the Task Forces' report and re-visit this issue before adding mandated benefits.

Thank you for the opportunity to testify on this matter.



Hawaii Association of Health Plans

January 23, 2008

The Honorable Josh Green, M.D., Chair
The Honorable John Mizuno, Vice Chair
House Committee on Health

Re: HB 2011 – Relating to Breast Cancer

Dear Chair Green, Vice Chair Mizuno 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 Management Alliance 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 2011, which would require health plans to provide coverage for hospital stays of at least forty eight hours in connection with mastectomies for two key reasons:

1. We are not aware of any medical practice guideline or hospital provider or insurance company in Hawai‘i that has ever attempted to limit such care to less than two (2) days. This bill addresses a problem that does not exist in Hawai‘i.
2. More importantly, as a matter of public policy, HAHP feels it is inappropriate to codify specific medical practice guidelines. Medical science and treatments evolve and improve over time. Many of us can remember when having your appendix removed required a three or four day hospitalization; laparoscopic surgery has transformed this into an outpatient procedure required -0- days hospitalization. Hawai‘i law should not limit our access to advances in medical science, as this bill and others like it would certainly do.

Thank you for the opportunity to testify.

Sincerely,

Rick Jackson, President