

LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH
DIRECTOR

RONALD BOYER
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

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

WRITTEN TESTIMONY ONLY

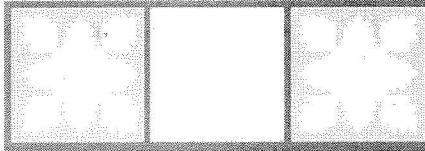
TESTIMONY ON HOUSE BILL NO. 2013 – RELATING TO CANCER.

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 oral chemotherapy.

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.



January 23, 2008

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

Re: HB 2013 – Relating to 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 (HMAA)
HMSA
Hawaii-Western Management Group, Inc. (HWMG)
MDX Hawai‘i
University Health Alliance (UHA)
UnitedHealthcare (UHC)

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 2013, which would require health plans to provide coverage for oral chemotherapy. HAHP recognizes that legislative health mandates are often driven by the desire for improved health care services to the community; as health plans, our member organizations are committed to the same ideal. In general, however, HAHP member organizations oppose legislative health mandates as inefficient mechanisms for health care improvement for three (3) reasons:

1. Mandates, by their basic nature, increase health care costs for employers and employees.
2. We believe employers should have the right to, working with their insurer, define the benefit package they offer to their employees. Mandates misallocate scarce resources

by requiring consumers (and their employers) to spend available funds on benefits that they would otherwise not choose to purchase.

3. Mandates impose static clinical procedures which can fail to promote evidence-based medicine, defined as the daily practice of medicine based on the highest level of available evidence determined through scientific study. Evidence-based medicine promotes high quality care. Unfortunately, even when a mandate promotes evidence-based medicine when adopted, the mandate does not timely change to reflect medical advances, new medical technology, or other new developments. Mandates can become obsolete or even harmful to patients.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Jackson", with a long horizontal flourish extending to the right.

Rick Jackson
President

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 2013 – Relating to 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 2013 which would mandate health plans provide coverage for oral chemotherapy. HMSA is unsure as to the necessity of this legislation.

HMSA members with prescription drug coverage as part of their health care plan would typically face no barriers to receiving oral chemotherapy for their cancer treatment as opposed to intravenously administered or injected cancer medications. For HMSA members, approximately 96% of them have plans which include prescription drug coverage. In the rare instances, perhaps two to three cases per year, when an HMSA member has no prescription drug coverage, HMSA's Member Advocacy Department works to assist them.

Thank you for the opportunity to testify on HB 2013.

Sincerely,

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

Jennifer Diesman
Director, Government Relations

May Mizuno

From: HMA Karla Sasser [karla_sasser@HMA-ASSN.org]
Sent: Tuesday, January 22, 2008 9:20 AM
To: HLTtestimony
Cc: HMA Paula Arcena
Subject: Testimony

Text Box:

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

January 23, 2008

House Health
Comm.
1-23-08, Wed.
8am
Room 329

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

From: Cynthia Goto, M.D., President
 Linda Rasmussen, M.D. and Philip Hellreich, M.D.,
 Legislative Co-Chairs
 Paula Arcena, Executive Director
 Dick Botti, Government Liaison

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 addition 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 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.