



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 FINANCE

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Wednesday, February 27, 2008
12:15 p.m.

WRITTEN TESTIMONY ONLY

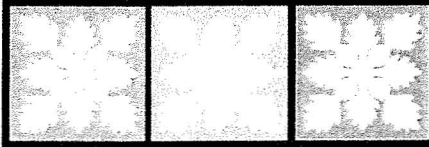
TESTIMONY ON HOUSE BILL NO. 2015, HD 1 – RELATING TO HEALTH.

TO THE HONORABLE MARCUS R. OSHIRO, 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 prohibits requiring prior authorization for general obstetrician/gynecologist services or treatment for Hepatitis C.

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.



Hawaii Association of Health Plans

February 27, 2008

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

House Committee on Finance

Re: HB 2015 HD1 – Relating to Health Insurance

Dear Chair Oshiro, Vice Chair Lee 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 on HB 2015 HD1 which would prohibit health plans from requiring pre-certification for “general” OB/GYN services and Hepatitis C treatments. HAHP believes that this is an unnecessary piece of legislation which could end up increasing the cost of health care by removing a plan’s ability to be made aware of and manage usage of certain treatments.

This measure is very broad and fails to specifically define the types of treatments which would no longer need pre-authorization, creating a potential cost problem for many health plans. Health Plans do not place roadblocks in front of a member wishing to receive necessary services, and there are many instances in which a plan needs to prior authorize or pre-certify for benefits. Examples include: organ transplant (a potential treatment for Hepatitis C), and certain genetic screenings (offered by an OB-GYN when medical criteria are met). The broad language in this measure would take away a plan’s ability to ensure that these treatments were only being provided when medically necessary and by providers qualified to deliver such services.

Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Jackson". The signature is written in a cursive style with a long horizontal flourish at the end.

Rick Jackson
President

Testimony of
Frank P. Richardson
Executive Director of Government Relations

Before:
House Committee on Finance
The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair

February 27, 2008
12:15 pm
Conference Room 308

HB 2015, HD1 RELATING TO HEALTH (Ob/Gyn and Hepatitis C)

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on HB 2015, HD1 which prohibits health plans from requiring prior authorization for persons before receiving general Obstetric/Gynecological services or treatment for Hepatitis C.

Kaiser Permanente Hawaii provides the following comments on this bill.

Kaiser Permanente does not require prior authorization for a person to receive general Obstetric/Gynecological services or treatment for Hepatitis C. A patient may schedule appointments directly with his or her Ob/Gyn physician for routine, general Ob/Gyn services, without the requirement for a prior referral from another physician or authorization from the health plan for such services. Likewise, a patient diagnosed with Hepatitis C does not require any special authorization to receive medical treatment for the condition.

Accordingly, Kaiser Permanente does not understand why this bill is necessary, as it seeks to prohibit a medical coverage requirement that does not exist at Kaiser.

Thank you for your consideration and the opportunity to comment.

HMSA



Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

February 27, 2008

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

House Committee on Finance

Re: HB 2015 HD1 – Relating to Health

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2015 HD1 which would prohibit a health plan from requiring prior authorization for general Obstetric/Gynecological services or treatment for Hepatitis C. HMSA is unsure as to the necessity of this legislation.

At this time, for HMSA's health plans, members are not required to receive any preauthorization for routine gynecological exams. Most of what an OB/GYN would cover in a routine exam would likely be considered "general services". However, other services provided by OB/GYNs do require pre-certification such as in-vitro fertilization. In this case, pre-certification is used to ensure that individuals requesting these services meet the statutory criteria. Under HB 2015 HD1, a plan could lose the ability to ensure members are receiving appropriate benefits.

As with OB/GYN services, HMSA members with Hepatitis C in need of treatment, do not need any specific preauthorization to receive general services. There are, however, limited circumstances where pre-certification is required to ensure members receive the safest and most effective course of treatment for their disease strain. For example, sometimes members suffering with Hepatitis C are in need of an organ transplant. Under the current language of the measure a health plan could be required to provide this procedure for any member with the disease whether appropriate or not.

Thank you for the opportunity to testify on HB 2015 HD1.

Sincerely,

Jennifer Diesman
Director, Government Relations