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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

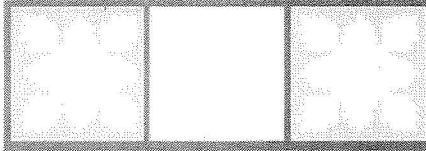
TESTIMONY ON HOUSE BILL NO. 2015 – RELATING TO HEALTH.

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 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.



January 23, 2008

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

Re: HB 2015 – Relating to Health Insurance

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 2015, 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), 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.

As such we would respectfully request the Committee hold this measure. 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 2015 – Relating to Health

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2015 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, 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.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", written over a horizontal line.

Jennifer Diesman
Director, Government Relations