

SB2118

Measure Title:
RELATING TO CANCER.

Report Title:
Oral chemotherapy; Insurance coverage

Description:
Requires insurers, mutual benefit societies, and health maintenance organizations to provide coverage for oral chemotherapy.

Introducer(s):
CHUN OAKLAND

Current Referral:
HTH, CPH



SENATE COMMITTEE ON HEALTH
Senator David Ige, Chair

Conference Room 016
Friday, February 8, 2008 at 1:15 p.m.

Testimony in opposition to SB 2118.

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. Thank you for this opportunity to testify in opposition to SB 2118, which mandates that all health care insurance plans that cover cancer chemotherapy provide coverage for oral cancer medications on an equal basis as intravenous medications.

At the outset, let me say that the intent of this bill is noteworthy since it addresses a serious disease. At the same time, however, Hawaii's Prepaid Health Care Act (PHCA) was never meant to provide total coverage for all illnesses, injuries, and diseases because of the high costs that would be incurred. These high costs would then be reflected in health care insurance rates paid by employers and employees. Rather, the PHCA was meant to provide basic coverage to a broad population.

It is true that this bill would affect only a small portion of those who are covered by health care insurance. As such, it would add only a small cost. However, there are many different types of mandates that have been proposed in the past, that are currently being proposed, and no doubt will be proposed in the future. In the eyes of their advocates, all of these mandates are equally worthy. However, the adoption of all of these mandates would increase health care insurance costs significantly.

For the foregoing reasons, the Healthcare Association of Hawaii opposes SB 2118.

- a) the extent to which this mandated insurance coverage would be reasonably expected to increase the insurance premium and administrative expenses of policy holders; and
- b) the impact of this mandated coverage on the total cost of health care.

Additionally, Kaiser notes that this bill does not adequately define “cancer medication” or “oral chemotherapy.” Not all drugs or medications that are used in the treatment of cancer are considered chemotherapy drugs, *per se*, nor do all such treatments necessarily constitute chemotherapy. More clarity is needed as to what drugs, medications, and oral chemotherapies are intended to be covered by this bill. Accordingly, Kaiser recommends that the bill be amended to address these considerations.

Thank you for the opportunity to comment.

MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

February 7, 2008

Honorable David Y. Ige, Chair
Honorable Carol Fukunaga, Vice Chair
Committee on Health
Senate
State Capitol
415 South King Street
Honolulu, Hawaii 96813

Re: S.B. No. 2118 RELATING TO CANCER

Dear Chair Ige, Vice Chair Fukunaga, and Committee Members:

On behalf of the American Family Life Assurance Company of Columbus (AFLAC), we respectfully submit the following written testimony with respect to Senate Bill No. 2118, relating to cancer which is to be heard by your Committee on Health, on February 8, 2008.

S.B. No. 2118 is intended to require that insurers, mutual benefit societies and health maintenance organization provide coverage for oral chemotherapy.

AFLAC offers specified disease cancer policies which include coverage for all methods of chemotherapy, including oral chemotherapy. However, the policies contain appropriate differentiations in terms of policy benefits among the different methods of chemotherapy.

To permit appropriate differentiation between methods of treatment, AFLAC respectfully requests that the new section proposed to be added to HRS chapter 431:10A be revised to replace "favorable" with "appropriate" as follows:

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to article 10A to be appropriately designated and to read as follows:

"§431:10A- **Oral chemotherapy coverage.** Each policy of accident and health or sickness insurance providing coverage for cancer chemotherapy shall provide coverage for a prescribed, orally administered cancer medication used to kill or slow the growth of cancerous cells on a basis no less [~~favorable~~] appropriate than intravenously administered or

Honorable David Y. Ige, Chair
Honorable Carol Fukunaga, Vice Chair
Committee on Health
February 7, 2008
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injected cancer medications that are covered as
medical benefits."

(Additional language underscored; deleted language marked by strikethrough and brackets.)

Thank you for your consideration of the foregoing.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP

A handwritten signature in black ink, appearing to read 'Peter J. Hamasaki', written over a horizontal line.

Peter J. Hamasaki

HMSA

L A T E



An Independent Licensee of the Blue Cross and Blue Shield Association

February 8, 2008

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health

Re: HB 2118 – Relating to Cancer

Dear Chair Ige, Vice Chair Fukunaga and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2118 which would mandate health plans provide coverage for oral chemotherapy as a medical benefit. HMSA is unsure as to the necessity of this legislation.

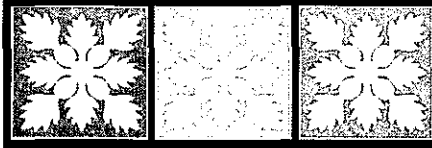
HMSA members with prescription drug coverage as part of their health care plan would typically face no barriers to receiving oral chemotherapy for their cancer treatment as opposed to intravenously administered or injected cancer medications. For HMSA members, approximately 96% of them have plans which 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 2118.

Sincerely,

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

Jennifer Diesman
Director, Government Relations



Hawaii Association of Health Plans

February 8, 2008

L A T E

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health

Re: SB 2118 – Relating to Cancer

Dear Chair Ige, Vice Chair Fukunaga 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 SB 2118, 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rick Jackson
President