

SB2119

Measure Title:
RELATING TO HEALTH INSURANCE.

Report Title:
Health Insurance; Oral Chemotherapy Treatments

Description:
Includes methods of oral chemotherapy treatment in health insurances coverage.

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 2119.

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 2119, which mandates that all health care insurance plans cover a prescribed chemotherapy agent as a medical benefit rather than a drug benefit, whether or not the agent is administered intravenously, orally, or by injection.

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 2119.

Testimony of
Frank P. Richardson
Executive Director of Government Relations

Before:
Senate Committee on Health
The Honorable David Y. Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

February 8, 2008
1:15 pm
Conference Room 016

SB 2119 RELATING TO HEALTH INSURANCE (Oral Chemotherapy)

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on SB 2119, which includes methods of oral chemotherapy treatment in health insurance coverage.

Kaiser Permanente Hawaii provides the following comments on this bill.

Kaiser Permanente's position on proposed legislative mandates of health coverage is that they are usually not a good idea, for several reasons:

1. First, because they generally tend to raise the cost of delivering health care, thereby resulting in higher premiums and increased cost to the purchasers and payors of health plan coverage, whether they be employer groups or individuals;
2. Second, because they often tend to dictate how medicine should be practiced, which sometimes results in medicine that is not evidence based and usurps the role and expertise of the practicing physician and other health care professionals who provide medical treatment and services; and
3. Finally, because they often lock in statutory requirements that become outdated and do not keep pace with the ever evolving and advancing fields of medicine and medical technology.

Kaiser also notes that an impact assessment report is required pursuant to Sections 23-51 and 23-52 of the Hawaii Revised Statutes to assess, among other things:

- 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 “chemotherapy agent” or “oral chemotherapy treatment.” 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 or chemotherapy agents 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.