

# SB2131

**Measure Title:**  
RELATING TO HEALTH.

**Report Title:**  
Health Insurance; Cancer Treatments

**Description:**  
Requires health insurance providers to cover treatments for cancer.

**Introducer(s):**  
CHUN OAKLAND

**Current Referral:**  
HTH, CPH



February 13, 2008

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

Senate Committee on Health

**Re: SB 2131 – Relating to Health**

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.

HAHP appreciates the opportunity to testify in opposition to SB 2131 which would mandate health plans to provide “all available forms” of cancer treatments to our members. We believe that due to the broad language contained in this measure health plans could be required to provide coverage for cancer treatments which are medically unproven or potentially harmful to consumers.

Additionally, 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.

• *AlohaCare* • *HMAA* • *HMSA* • *HWMG* • *MDX Hawaii* • *UHA* • *UnitedHealthcare* •  
HAHP c/o Howard Lee, UHA, 700 Bishop Street, Suite 300 Honolulu 96813  
[www.hahp.org](http://www.hahp.org)

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 today.

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

# HMSA



Blue Cross  
Blue Shield  
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

February 13, 2008

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

Senate Committee on Health

**Re: SB 2131 – Relating to Health**

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2131 which would require health plans provide coverage for “all available” treatments for cancer. HMSA has concerns with this measure.

Currently HMSA’s health plans provide coverage to our members who are in need of cancer treatments. In addition to this, HMSA also has a process in effect to examine the efficacy of any treatments which could be considered experimental or investigational. We believe that the language contained in SB 2131 will remove any ability a health plan has to ensure that coverage for cancer treatments are effective and safe for our members.

As such we would respectfully request the Committee hold SB 2131. Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer Diesman".

Jennifer Diesman  
Director, Government Relations

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 13, 2008  
1:15 pm  
Conference Room 016

**SB 2131 RELATING TO HEALTH (Cancer Treatment)**

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on SB 2131, which requires health insurance providers to cover all available forms of necessary treatments for cancer.

**Kaiser Permanente Hawaii opposes 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.

Additionally, Kaiser notes that this bill, in requiring "*coverage for all available forms of necessary cancer treatments,*" is vague, not well defined, and overbroad. How is it determined that a form of cancer treatment is "available?" Who decides what form of treatment is "necessary?" Who would adjudicate a difference of opinion between the provider (hospital or physician) and the patient? Who would adjudicate a difference of opinion between two or more

providers? Also, some potential forms of treatment may be considered “experimental.” Others may not be considered evidence-based. Not all forms of treatment are considered to be effective or desirable, based on the best available medical evidence. Should these forms of treatment, if “available”, be considered necessary such that they must be provided, and covered under this bill? Shouldn’t the treating physician be making those decisions, based on professional judgment, condition of the patient, and medical evidence of what treatment will be best for the patient?

For all of these reasons, Kaiser recommends that this bill be held.

At the very least, Kaiser notes that, if this bill were to move forward, an impact assessment report would be required pursuant to Sections 23-51 and 23-52 of the Hawaii Revised Statutes to assess, among other things:

- a) If this type of coverage is not generally available, the extent to which lack of coverage results in persons being unable to obtain necessary health care treatment;
- b) The impact of providing coverage for the treatment or service (such as morbidity, mortality, quality of care, change in practice patterns, provider competition, or related items);
- c) The extent to which this mandated insurance coverage would be reasonably expected to increase the insurance premium and administrative expenses of policy holders; and
- d) The impact of this mandated coverage on the total cost of health care.

Thank you for the opportunity to comment.

Honorable David Y. Ige, Chair  
Honorable Carol Fukunaga, Vice Chair  
Committee on Health  
February 12, 2008  
Page 2 of 2

For the foregoing reasons, we support the amendment of Section 2 of S.B. No. 2131, at lines 4-10 on page 2, to delete from the new section to be added to Hawaii Revised chapter 431:10A "limited benefit insurance" by adding the following, which is based upon the language currently contained in Hawaii Revised Statutes section 431:10A-121:

**"§431:10A- Cancer treatment.** Notwithstanding any provision to the contrary, all individual and group accident and health or sickness insurance policies issued or renewed in this State on or after \_\_\_\_\_, other than an accident-only, specified disease, hospital indemnity, medicare supplement, long-term care, dental, vision or other limited benefit health insurance policy, shall provide coverage for all available forms of necessary cancer treatments for the subscriber or any dependent of the subscriber who is covered by the policy."

(Additional language underscored.)

The proposed exception is based upon similar exceptions in mandated coverage for limited benefit health insurance policies. *See, e.g.,* HRS § 431:10A-121 ("Each policy of accident and health or sickness insurance providing coverage for health care, other than an accident-only, specified disease, hospital indemnity, medicare supplement, long-term care, or other limited benefit health insurance policy, that is issued or renewed in this State, shall provide coverage for outpatient diabetes self-management training, education, equipment, and supplies ...").

Thank you for your consideration of the foregoing.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP



Peter J. Hamasaki

**MCCORRISTON MILLER MUKAI MACKINNON LLP**

ATTORNEYS AT LAW

February 12, 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. 2131 RELATING TO HEALTH

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. 2131, relating to health which is to be heard by your Committee on Health on February 13, 2008.

S.B. No. 2131 is intended to require health insurance provides to cover treatments for cancer. However, there are certain types of supplementary health insurance for which such mandated coverage of cancer treatments would not be appropriate. Specifically, there are certain types of limited benefit insurance, for example, supplemental insurance covering only accidental injuries, hospital stays or specific diseases, for which it would not be appropriate to mandate coverage of cancer treatments.

At present, limited benefit insurance policies allow consumers to acquire supplemental insurance coverage, for example for specific diseases, at a low cost. Requiring that such limited benefit insurance policies (e.g., accidental injury, hospital confinement or specified disease) also include cancer treatments is not appropriate and is unnecessary because such policies are intended to be supplemental and limited in nature. Requiring limited benefit insurance to cover cancer treatments will not result in additional protection for the consumer, as such coverage will be provided in the primary insurance, and will likely harm the consumer by unnecessarily increasing the cost of limited benefit insurance and/or causing such insurance to become unavailable.





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February 13, 2008

To: Senator David Ige, Chair  
Senator Carol Fukunaga, 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: SB2131 Relating to Health (Requires health insurance  
providers to cover treatments for Cancer).

The HMA supports the intent of the above-stated bill 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 addiction 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.

Please deliver to:  
House Committee  
on Commerce,  
Consumer Protection  
and Affordable  
Housing.  
2-13-08, Wed.  
1:15pm  
Conf. Rm.016

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

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.



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SENATE COMMITTEE ON HEALTH  
Senator David Ige, Chair

Conference Room 016  
February 13, 2008 at 1:15 p.m.

Testimony in opposition to SB 2131.

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 2131, which mandates that all health care insurance plans cover all forms of necessary cancer treatment.

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 treatments of 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 raise health care insurance premiums by only a small amount because it would affect only a small portion of the population. 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 2131.