

SB3015

Measure Title:

RELATING TO THE PATIENTS' BILL OF RIGHTS AND RESPONSIBILITIES ACT.

Report Title:

Patients' Bill of Rights and Responsibilities Act

Description:

Amends the Patients' Bill of Rights and Responsibilities Act by prohibiting certain unfair or deceptive business practices by managed care plans, such as disenrolling a person because of a medical condition.

Package:

Governor

Companion:

HB3093

Introducer(s):

HANABUSA (BR)

Current Referral:

HTH, CPH

HMSA



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 3015 – Relating to the Patients’ Bill of Rights and Responsibilities Act

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 3015 which would amend the Patients’ Bill of Rights and Responsibilities Act by prohibiting certain unfair or deceptive business practices by managed care plans. HMSA appreciates the intent of this measure but has concerns with some of the language.

The language in this measure is intended to protect consumers against deceptive business practices perpetuated by a health plan. HMSA does not engage in the practices listed in SB 3015.

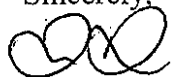
That being said, we do have two concerns, one with the section of the measure which outlines the penalties and fines which could be levied against a health plan found in violation of the practices listed in the bill. Subsection (d) states that “each instance of noncompliance may be treated as a separate violation of this section for the purposes of section 431:2-203.” Under HRS 431:2-203, fines range from \$100 to \$10,000, imprisonment for not less than one year, or both. If the language of SB 3015 remains as it is currently drafted, we believe that a health plan could potentially be assessed \$10,000 for each person covered under a group plan for something such as changing the group plan’s co-payment amount. We believe that this could translate to an extremely high amount of fines and is not the intent of the measure. We would request one small amendment to the measure to remedy this potential unintended consequence. This could be accomplished by changing the language on page 3, lines 16-19 to read:

(d) If it is found, after notice and an opportunity to be heard, that an insurer has violated this section, the instance of noncompliance may be treated as a violation of this section for the purposes of section 431:2-203.

The other concern we have with the measure as currently drafted has to do with its effective date. We would respectfully request that instead of SB 3015 becoming effective upon approval that the effective date be changed to January 2009. This will enable all health plans to ensure that current contract language complies with the requirements of this measure.

Thank you for the opportunity to testify on SB 3015.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a stylized flourish at the end.

Jennifer Diesman
Director, Government Relations