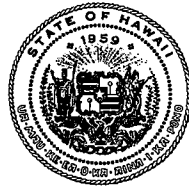


SB 1077



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

SENATE COMMITTEE ON HEALTH
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

S.B. 1077, RELATING TO HEALTH INSURANCE

Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health
February 23, 2009
3:00 PM

1 **Department's Position:** The Department offers comments on this measure.

2 **Fiscal Implications:** None

3 **Purpose and Justification:** The purpose of this measure is to establish a temporary preventive
4 healthcare task force within the Department of Health. The task force would be required to develop a
5 plan to encourage health insurance providers to offer preventive healthcare plans to its members,
6 enrollees, or new applicants that cover preventive healthcare services.

7 The Department offers the following comments and suggestions on this measure. In 2007, the
8 Department of Health, Healthy Hawaii Initiative funded the establishment of the State Nutrition and
9 Physical Activity Coalition (NPAC). Within the structure of the NPAC are issue area task force groups
10 including a Healthcare Task Force. The guiding document for NPAC is the Hawaii Physical Activity
11 and Nutrition Plan (PAN Plan) and NPAC has chosen to work on the goals and objectives stated in the
12 Plan. Specifically, the Healthcare Task Force is working on objective 5, page 42, of the PAN Plan
13 which is to "increase the engagement of health providers in health promotion." So as not to duplicate
14 efforts, the Department suggests that representation from the NPAC Healthcare Task Force be included

1 on the temporary preventive healthcare task force. An alternate suggestion would be that the preventive
2 healthcare task force be formed as a sub-group of the NPAC Healthcare Task Force to develop the plan
3 specified in this legislation.

4 The Department suggests that the preventive task force members identified in this legislation be
5 specified with more detail. Creation of a functional plan that includes proposed legislation would need
6 the input from members with a high level knowledge of and decision making authority on this subject.
7 The task force could also benefit from having added members, such as other insurance providers and
8 large employers or employer groups. These enhancements to the preventive healthcare task force
9 increase the likelihood of creating a working plan that can be implemented in our State.

10 The Department respectfully requests the consideration of these comments and appreciates the
11 opportunity to provide testimony.



LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
LT. GOVERNOR

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LAWRENCE M. REIFURTH
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TO THE SENATE COMMITTEES ON HEALTH AND
COMMERCE AND CONSUMER PROTECTION

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Monday, February 23, 2009
3:00 p.m.

TESTIMONY ON SENATE BILL NO. 1077 – RELATING TO HEALTH INSURANCE.

TO THE HONORABLE DAVID Y. IGE AND ROSALYN H. BAKER, CHAIRS, AND
MEMBERS OF THE COMMITTEES:

My name is J.P. Schmidt, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports the intent this bill, which establishes a task force to develop a preventive health care plan for insurers to offer to their members. However, we defer generally to the Department of Health since they would have administrative responsibility for the proposed task force and merely wish to offer a few comments.

Preventive care holds out the promise not only of better health outcomes, but in some cases, also reduced healthcare costs. However, study is needed to determine what kinds of preventive care should be part of a standard health plan. A preventive care task force is an important step in advancing preventive health care for the people of Hawaii.

We thank this Committee for the opportunity to present testimony on this matter.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

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The Twenty-Fifth Legislature, State of Hawaii
Hawaii State Senate
Committee on Health
Committee on Commerce and Consumer Protection

Testimony by
Hawaii Government Employees Association
February 23, 2009

S.B. 1077 – RELATING TO HEALTH INSURANCE

The Hawaii Government Employees Association supports the purpose and intent of S.B. 1077. The bill establishes a temporary preventative care task force to develop a plan that will encourage health insurance providers to offer plans with preventative health care features to its members, enrollees or new applicants. A report from the task force is required before the 2010 legislature convenes, including findings and recommendations, as well as any proposed legislation.

While covering the uninsured and modernizing our health care system are urgent priorities, these are not enough to stop the ever-rising cost of health insurance. Hawaii and the nation are facing an epidemic of chronic disease. Approximately 1 in 3 Americans have some type of chronic disease, and children are being increasingly affected.

Our health care system is primarily a disease-care system. In 2007, \$2.1 trillion -- the equivalent of 16.5 % of the gross national product -- was spent in this country on medical care. And 95¢ of every medical-care dollar went to treat disease after its onset. At least 75% of these costs were spent on treating chronic diseases, such as heart disease and diabetes, that are either preventable or reversible.

Therefore, we must treat not only the problem but also its underlying causes. Otherwise, the same problem often recurs, such as with bypass grafts or angioplastied arteries that often clog up again, or a new set of problems may occur as with effects from medications. The system must focus on prevention/wellness not sickness, and insurers must cover high priority preventive services that experts agree are proven to be effective. This focus on prevention will improve the quality of health care and lower costs in the long run.

Hawaii State Senate, Committee on Health and
Committee on Commerce and Consumer Protection
Re: S.B. 1077 – Relating to Health Insurance
February 23, 2009
Page 2

Several years ago, Safeway realized that health care costs for employees were rising beyond its net income, a trend that was not sustainable. They redesigned the corporate health plan in ways that emphasized prevention and wellness, provided incentives for healthful behaviors, and paid 100% of the costs of preventive care. Overall health care costs decreased by 15% in the first year and have remained flat since then.

Without major changes in the way we provide medical care, the serious problems with our health care system will only get worse both in terms of cost and the number of uninsured. Emphasizing prevention and wellness should be the remedy for these problems.

Thank you for the opportunity to testify in support of S.B. 1077.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nora A. Nomura', written in a cursive style.

Nora A. Nomura
Deputy Executive Director

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 23, 2009

The Honorable David Ige, Chair
The Honorable Rosalyn Baker, Chair
Senate Committees on Health and Commerce and Consumer Protection

Re: SB 1077 – Relating to Health Insurance

Dear Chair Ige, Chair Baker and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in opposition to SB 1077.

HMSA has been participating with the Nutrition and Physical Activity Coalition (NPAC) which has established state and county coalitions to take the lead in advocating for systemic changes in physical activity and nutrition. As part of the Health Care Task Force under NPAC, HMSA is working with other representatives from community and government organizations to determine the most comprehensive solution to improve the health of our community. We are in the process of scheduling a strategic planning session and an effort is being made to coordinate all efforts that are ongoing in the state.

Although the Task Force outlined in SB 1077 does not specifically focus on the issues of NPAC's Health Care Task Force, we believe that there is sufficient overlap making the creation of a new body unnecessary.

Therefore we would respectfully request that the Committee hold SB 1077 to prevent further duplication of work. Thank you for the opportunity to provide testimony today.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal flourish extending to the right.

Jennifer Diesman
Assistant Vice President
Government Relations