



**TESTIMONY OF MARION M. HIGA, STATE AUDITOR,
ON HOUSE BILL NO. 823, HD2, RELATING TO HEALTH INSURANCE**

House Committee on Finance

February 25, 2010

Chair Oshiro and Members of the Committee:

Thank you for this opportunity to testify in support of House Bill No. 823, House Draft 2. The purpose of the bill is to ensure that individuals receive adequate and quality health care by requiring health care plans to provide coverage for colorectal cancer screening using procedures and tests, including colonoscopy every ten years for adults between the ages of 50 and 75, as recommended by the U.S. Preventive Services Task Force 2008 guideline.

House Bill No. 823, HD2, as amended implements recommendations in our Report No. 10-02 entitled *Study of Proposed Mandatory Health Insurance Coverage for Colorectal Cancer Screening*. For this reason, we support the passage of this amended bill.

I would be pleased to answer any questions you may have.



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

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LAWRENCE M. REIFURTH
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TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-FIFTH LEGISLATURE
Regular Session of 2010

Thursday, February 25, 2010
11:00 a.m.

TESTIMONY ON HOUSE BILL NO. 823, HD2- RELATING TO HEALTH INSURANCE.

TO THE HONORABLE MARCUS R. OSHIRO, CHAIR, AND MEMBERS OF THE
COMMITTEE:

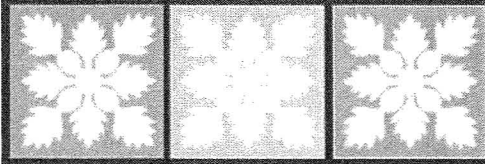
My name is J.P. Schmidt, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department takes no position on this bill.

The purpose of this bill is to mandate coverage for colorectal cancer screening. We do not have medical expertise on our staff and cannot evaluate the merits of this screening.

Any mandated benefit helps some people, but also imposes increased cost burdens on the employers and individuals that pay the premiums.

Finally, we note that mandated benefits are required by law to undergo a review by the Legislative Auditor.

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



Hawaii Association of Health Plans

February 25, 2010

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair
House Committee on Finance

Re: HB 823 HD2 – Relating to Health Insurance

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Howard Lee 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

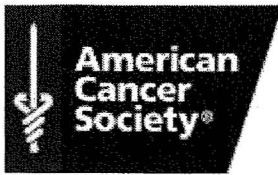
Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

HAHP appreciates the opportunity to testify on HB 823 HD2 which would require health plans provide colon cancer screenings based on U.S. Preventive Services Task Force recommendations as stated in a report issued by the State Auditor.

While 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. We do, however, appreciate the amendment made in the previous Committee to include the Auditor’s recommended language as it is a vast improvement to the original suite of screenings mandated by the bill. We would point out that we do have concerns with the potential cost which would be associated with the provision of certain information to an insured. Most plans directly communicate with members using targeted information and find that this is more cost effective and efficient than the blanket provision of information. Thank you for the opportunity to provide testimony today.

Sincerely,

Howard Lee
President



The Official Sponsor of Birthdays

February 24, 2010

Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

Hearing:

11:00 A.M., Thursday, February 25, 2010
Hawaii State Capitol, Room 308

RE: HB823, HD2 – Relating to Mandatory Health Insurance Coverage

Testimony in Support

Chair Oshiro, Vice Chair Lee and members of the Committee on Finance. We would like to take this opportunity to reiterate several points that we have made in the past relating to the impact of colorectal cancer in Hawai'i and cost of colorectal cancer screening using colonoscopy.

HB823 and a companion measure SB2599 were introduced at the request of the American Cancer Society as a result of a colorectal cancer screening guideline that was released in 2008. This past year, the American Cancer Society offered extensive testimony on number of bills promoting the benefits of early detection and treatment of colorectal cancer. Colorectal cancer is the third most common cancer in the United States and the second leading cause of cancer deaths among men and women. In 2009, 146,000 new cases were diagnosed and 49,000 deaths recorded. This year in Hawai'i, over 710 of our residents will develop colon cancer and approximately 200 will die.

Last year the Legislature passed a current resolution requesting the State Auditor to study the impact of providing colonoscopy as a colorectal cancer screening option. This study was released earlier this month and recommends enactment of colonoscopy as part of mandatory health insurance coverage.

It is clear that colorectal cancer screening using colonoscopy emerges as an effective and affordable benefit for health plan members costing less than 2 cents per day, when compared to the cost of treating colon cancer which can easily run between \$100,000 and \$200,000.

The measure before the committee is cost effective and will dramatically reduce colon cancer death and incidents rates in Hawai'i. As everyone on the committee knows, cancer does not distinguish between democrats or republicans, rich or poor, young or old, insured or uninsured, male or female. It is an equal opportunity disease and killer; impacting victims, caregivers, and loved ones. HB823, HD2, if enacted, can lead to the defeat of the second deadliest cancer in Hawai'i.

We would urge the committee to pass this measure.

Mahalo, for the opportunity to offer testimony in support of this measure.

Sincerely,

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

George S. Massengale, JD
Director of Government Relations

Testimony of
Phyllis Dendle
Director Government Relations

Before:
House Committee on Finance
The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee Vice Chair

February 25, 2010
11:00 am
Conference Room 308

HB 823 HD2 RELATING TO HEALTH INSURANCE

Chair Oshiro and committee members, thank you for this opportunity to provide testimony on HB 823 HD2 mandating health insurance coverage for colorectal cancer screening.

Kaiser Permanente Hawaii supports this bill and offers an amendment.

A few weeks ago the Legislative Auditor issued a Study of Proposed Mandatory Health Insurance Coverage for Colorectal Cancer Screening. The recommendation in this study was to amend this bill to include only the procedures and tests recommended by the U.S. Preventative Service Task Force (USPSTF). We support this recommendation and the amendment made by the previous committee to base the benefits required on the recommendations which USPSTF grades an A or B.

The USPSTF is an independent panel of private sector prevention and primary care experts sponsored by the Agency for Healthcare Research and Quality (AHRQ) within the US Department of Health and Human Services. Their recommendations for clinical preventative services are widely used and respected throughout the nation. Kaiser Permanente uses these guidelines as the basis for all of the preventative services offered to our members. The USPSTF considers the performance of preventative tests and grades their recommendations based on the net benefit the test will provide. Tests rated A have a high certainty of benefit and B have at

least a moderate certainty of benefit. At this time FOBT, Flexible Sigmoidoscopy, and colonoscopy have an A grade. There are currently no tests graded B. There are two other tests that are not recommended at this time which are the computerized tomography colonography (CTC) and fecal DNA testing. The USPSTF has determined that there is insufficient evidence of the benefits and harms of these tests at this time to recommend them.

The value of basing the benefits in the Hawaii law on the USPSTF tests graded A or B is that as new tests and procedures are determined to be effective they would be covered without the need to change the law. This proposal is based on the Colorado law mandating colorectal cancer screening. Colorado is one of the states to be given an A in the Colorectal Cancer Legislation Report Card for 2009. The report card is put together annually by 12 organizations committed to reducing colon cancer deaths by increasing proper screening. The members include the American Cancer Society and four organizations representing physician specialists. To receive an A the law must include FOBT, flexible sigmoidoscopy and colonoscopy as screenings available to people over age 50 and the law must allow for the coverage of future advances in screening methods.

The amendment we recommend is changing the requirement for informing policy holder of the need for colon cancer screening. In section one of this bill it requires the provider to provide information in the policy about the risk of colon cancer. Section two requires plans to inform members but does not require it be with the policy. We request that section one be redrafted to match section two. Kaiser Permanente members receive health information regularly in our publications which are more likely to be read than the policy.

What follows is this proposed amendment. The parts to be deleted are stricken and the proposed additions are in capital letters. Thank you for your consideration.

"§431:10A- Colon cancer screening coverage. (b) Beginning March 1, 2011, a health care coverage provider shall include information in the policy ALL HEALTH INSURANCE PROVIDERS IN HAWAII SHALL INFORM THEIR INSURED about the risk associated with undiagnosed colorectal cancer and encourage the insured to consult with the insured's physician about available screening options."

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 24, 2010

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair
House Committee on Finance

Re: HB 823 HD2 – Relating to Health Insurance

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 823 HD2 which would mandate health plans provide coverage for colon cancer screenings based on U.S. Preventive Services Task Force (USPSTF) guidelines and provide information to members on the risks of undiagnosed colorectal cancer.

We would like to take this opportunity to note that as of last month, HMSA's PPO plan is providing colonoscopy screenings as a covered benefit. Also, although we do not generally support unfunded mandated benefits, the language in this measure reflects the recommendations from the State Auditor's report on colorectal cancer screenings. We support the language regarding the provision of USPSTF colorectal cancer screenings which have obtained an "A" or "B" rating since these screenings are based on nationally recognized standards.

That being said, we still have concerns with the language that would require health plans to include information in the policy about the risk associated with undiagnosed colorectal cancer and encouraging the member to consult a physician about screening options. While on the surface, this seems like a good idea, there are no parameters set on the outreach a plan would have to provide. HMSA already notifies members about appropriate screenings through our Reminder for Screening & Vaccination Program (RSVP) program which tracks screening for breast, cervical and colorectal cancers; heart disease screening; diabetes screenings; and pneumococcal vaccinations. The inclusion of this language in the policy is likely to not be read by the majority of members and we believe that targeted outreach to potentially affected populations is more cost effective and efficient. Therefore we would respectfully request the removal of the language on page 1, lines 11-15 and page 2, lines 7-11.

Thank you for the opportunity to testify today.

Sincerely,

Jennifer Diesman
Vice President
Government Relations