



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

House Committee on Health

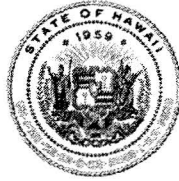
January 22, 2010

Chair Yamane and Members of the Committee:

Thank you for this opportunity to testify on House Bill No. 823, which would require health insurers to provide screening coverage for colorectal cancer using colonoscopy and other screening options recommended by the American Cancer Society 2008 guidelines.

In House Concurrent Resolution No. 109, the 2009 Legislature asked that we assess the social and financial impacts of House Bill No. 823. Due to a shortage of available staff, the study was assigned late in our project cycle and is not ready for issuance. However, we are imminently close to preparing the draft for agencies to comment and expect to submit a final report to the Legislature within the next two weeks.

I respectfully request that this bill be allowed to move forward pending the release of our study. I would be pleased to answer any questions you may have.



LINDA LINGLE
GOVERNOR
JAMES R. AIONA, JR.
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LAWRENCE M. REIFURTH
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TO THE HOUSE COMMITTEE ON HEALTH
TWENTY-FIFTH LEGISLATURE
Regular Session of 2010

Friday, January 22, 2010
11:00 a.m.

TESTIMONY ON HOUSE BILL NO. 823 – RELATING TO HEALTH INSURANCE.

TO THE HONORABLE RYAN I. YAMANE, CHAIR, AND MEMBERS OF THE
COMMITTEE:

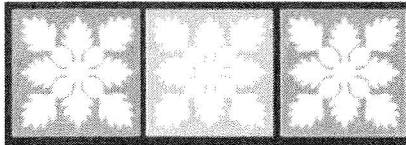
My name is J.P. Schmidt, State Insurance Commissioner (“Commissioner”),
testifying on behalf of the Department of Commerce and Consumer Affairs
(“Department”). The Department takes no position on this bill.

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

January 22, 2010

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Health

Re: HB 823 – Relating to Health Insurance

Dear Chair Yamane, Vice Chair Nishimoto 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 in opposition to HB 823 which would require health plans provide colon cancer screenings which follow guidelines supported by American Cancer Society (ACS), the U.S. Multi-Society Task Force on Colorectal Cancer, and the American College of Radiology, which include the following: colonoscopy, flexible sigmoidoscopy, double contrast barium enema, CT colonoscopy (virtual colonoscopy), fecal occult blood test (FOBT), fecal immunochemical test (FIT), and stool DNA test (sDNA). While HAHP supports ensuring medically appropriate colon cancer screenings are available for our members, we are unable to support this measure and oppose the language contained in HB 823.

There are three main reasons why HAHP member organizations do not support the expanded set of screening guidelines being proposed by ACS.

First, two of the screening methods listed in the mandate (CT colonography and fecal DNA testing) are not recommended by the U.S. Preventive Services Task Force (USPSTF) in their report of November 4, 2008. “The USPSTF concludes that the current evidence is

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insufficient to assess the balance of benefits and harms of the service. Evidence is lacking, of poor quality, or conflicting, and the balance of benefits and harms cannot be determined.” The USPSTF also recommends that screening be done for individuals aged 50 to 75 years, and states in their guidelines that risks outweigh benefits for patients who are older than age 75. Colorectal screening guidelines are not uniformly “settled science.”

Second, we believe that with an expanded set of screening guidelines, Hawaii providers already in short supply (i.e. gastroenterologists) will be further stretched. Although we cannot state this with certainty, HAHP is concerned that Hawaii does not have the capacity to fulfill this mandate successfully. HAHP member organizations are concerned that individuals who truly are in a high-risk category will be forced to wait longer for a medically appropriate invasive colorectal screening (i.e. colonoscopy) and may face worse medical outcomes as a result.

Finally, it is also important to remember that Hawaii’s employers bear the cost of any mandated benefit. With the exception of FOBT, none of the tests listed in the mandate are inexpensive; if enacted, this mandate will be costly. With the economic downturn continuing to have no end in sight, we believe that any legislation that would increase health care costs should be closely scrutinized prior to passage.

One final thought: passage of health care reform on the national level has implications for Hawai’i which are currently unknown to both providers and insurers. While reform is necessary throughout the health care system, it may be prudent to delay making these types of changes at this time.

Thank you for the opportunity to offer comments today.

Sincerely,



Howard Lee
President

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

January 21, 2010

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Health

Re: HB 823 – Relating to Health Insurance

Dear Chair Yamane, Vice Chair Nishimoto and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 823 which would mandate health plans provide expanded coverage for colon cancer screenings and provide information to members on the risks of undiagnosed colorectal cancer.

We would like to take this opportunity to note that as of this month, HMSA's PPO plan is providing colonoscopy screenings as a covered benefit. For many years, up until the American Cancer Society (ACS) expanded their recommended colon cancer screenings, colonoscopies for screening purposes were the gold standard promoted by ACS.

The updated colon cancer screening guidelines promoted by ACS focus on consumer choice, acknowledging the fact that some individuals are unlikely to agree to certain screening exams. HMSA is concerned with the efficacy of some of the recommended ACS screenings which are contained within HB 823. At this time, the United States Preventive Services Task Force (USPSTF) awards an "A Recommendation" for screening for colorectal cancer in adults using FOBT, sigmoidoscopy, or colonoscopy. An "A Recommendation" means that these tests are recommended and have a high certainty of being beneficial. For computed tomographic colonography and fecal DNA testing as screenings for colorectal cancer, the USPSTF has given an "I statement" meaning that the current evidence is insufficient to assess the balance of benefits and harms of the service.

We also 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. It is important to recognize that 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.

Additionally, as a side note, language currently included in national health care reform measures would require group and individual health plans to provide coverage for "services that have an A or B rating in current recommendations of the USPSTF." While plans may also offer benefits that go beyond the USPSTF

recommendations, at this time national reform efforts are only mandating the screenings which are currently covered and not the expanded screenings ACS is promoting.

With regards to studying the impact of this mandate, during the interim the State Auditor conducted research to report on the social and financial impact of expanding colorectal cancer screening benefits. Since this report has not yet been made available, it may be prudent to postpone any action on this measure until this report has been released since it will provide objective information prior to an expansion of benefits.

Thank you for the opportunity to testify today.

Sincerely,

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

Jennifer Diesman
Vice President
Government Relations