

SB2494



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

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH
DIRECTOR
RONALD BOYER
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON HEALTH

TWENTY-FIFTH LEGISLATURE
Regular Session of 2010

Friday, February 5, 2010
2:55 p.m.

TESTIMONY ON SENATE BILL NO. 2494 – RELATING TO INSURANCE.

TO THE HONORABLE DAVID Y. IGE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is J.P. Schmidt, Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department opposes this bill which requires any insurer issuing a prescription drug policy to conform the benefits to the coverage offered under the insured’s previous health plan.

The long term effect of this bill will be to require a uniform benefits package for prescription drugs in Hawaii. Uniformity in coverage may not be a good thing in that it reduces choices for consumers. In addition, even if uniform coverage were a good goal, the transition period in which an insurer will have to conform to various non-conforming policies issued by different insurers could be rocky, particularly since a given insurer may have policies under various drug regimes. It could also complicate premium rating for prescription drugs, particularly if it results in segmentation of the risk pool.

It would also be prudent to research the question of whether this amendment is a de facto amendment of the Prepaid Health Care Act that would jeopardize the Act’s exemption from ERISA.

DCCA Testimony of J.P. Schmidt
S.B. No. 2494
Page 2

We thank this Committee for the opportunity to present testimony on this matter and ask that this bill be held.



The Official Sponsor of Birthdays

February 3, 2010

Committee on Health
Senator David Ige, Chair
Senator Josh Green, M.D., Vice Chair

Hearing:

2:55 P.M. Friday, February 5, 2010
Hawaii State Capitol, Room 016

RE: SB2494 – Relating to Insurance

Testimony in Strong Support

Chair Ige, Vice Chair Green, and members of the Committee on Health. Thank you for the opportunity to testify in strong support of SB2494 which requires health insurance companies and entities to offer the same drug coverage to an insured that was offered by a previous health insurer.

SB2494 provides physicians and their patients with the assurance that they will receive continuity of care for prescribed medications should patients change health plans. When patients change health insurance carriers they may be forced to change their prescription drugs to adhere to the policies of the new carrier. These policies may require the patient to try an alternative drug that which may not be as effective of the patient's and physician's medication of choice. This can be a life-threatening situation for cancer patients. It could also have the unintended consequence of forcing cancer patients to pay full price for medications they require.

We all want to find a cure of cancer as well other chronic diseases. However to restrict and/or change patient's drug formulary by modifying prescription medications could certainly have an adverse impact on a patient's health.

We urge you to pass SB2494.

Thank you for your consideration.

A handwritten signature in cursive script that reads "Jackie Young".

Jackie Young, Ph.D.
Chief Staff Officer for Mission

Testimony of
Phyllis Dendle
Director of Government Relations

Before:
Senate Committee on Health
The Honorable David Y. Ige, Chair
The Honorable Josh Green, M.D., Vice Chair

February 5, 2010
2:55 pm
Conference Room 016

SB 2494 RELATING TO INSURANCE

Chair Ige and committee members, thank you for this opportunity to provide testimony on SB 2494 which would require the continuation of identical drug coverage when an employee changes health plans.

Kaiser Permanente Hawaii opposes this bill.

We can appreciate the desire of individuals to keep their drug coverage from changing when they change plans. Depending on the plan, the formulary may be different and the rules for paying may also not be the same.

The difficulty with this bill is that drug coverage is not required as part of the base plan that employers must purchase for employees under the prepaid health care act. Drug coverage is provided when the employer purchases a separate rider. While almost all employers purchase drug coverage they are not required to and not all coverage is the same. For example some employers may pay a higher premium on the rider so the employee pays lower co-pays on their prescriptions.

When an employee changes plans, such as when they change jobs, they are offered whatever the new employer provides. If the drug coverage must be identical to what they had previously then their coverage could be different from what the new employer purchases. Over time it is possible that all of the employees could have different drug coverage. If the drug rider on the plan the employee had before costs more than what their present employer pays then who will pay that difference? If it is the employee would the employer collect the difference and transmit it to the plan?

The complexity of doing what this bill proposes would have the effect of discouraging employers from buying this optional coverage which defeats the intent of this bill is to assure continued access to prescription medications.

We urge the committee to hold this bill. Thank you for your consideration.



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

Friday, February 5, 2010, 2:55 p.m., Conference Room 016

To: COMMITTEE ON HEALTH
Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair

From: Hawaii Medical Association
Gary A. Okamoto, MD, Legislative Co-Chair
Linda Rasmussen, MD, Legislative Co-Chair
April Donahue, Executive Director
Lauren Zirbel, Government Affairs
Dick Botti, Government Affairs

Re: SB2494 RELATING TO INSURANCE

Chairs & Committee Members:

Hawaii Medical Association appreciates the intent of SB2494 as a measure to protect patients, particularly those with chronic conditions. Currently, however, the language of the measure is too broad and we recommend amendments.

It may be more appropriate to state that in no case shall a continuously enrolled subscriber of a specific carrier be required by the carrier to change benefits, services or copayments. Each carrier shall only be permitted to require newly enrolled members to be subject to changes in coverage and rates for any given enrollment period.

Ideally, a health insurer or like entity should continue to offer the same prescription drug benefits to insured individuals who continue to be enrolled in a plan with that same health insurer, unless the insured should personally elect to change plans.

Thank you for the opportunity to testify.

OFFICERS

President - Robert Marvit, MD President-Elect - Morris Mitsunaga, MD Secretary - Thomas Kosasa, MD
Immediate Past President - Gary Okamoto, MD Treasurer - Stephen Kemble, MD Executive Director - April Donahue



94-450 Mokuola Street, Suite 106, Waipahu, HI 96767
808.675.7300 | www.ohanahealthplan.com

February 5, 2010

To: The Honorable David Y. Ige
Chair, Senate Committee on Health

From: 'Ohana Health Plan

Re: Senate Bill 2494-Relating to Insurance

Hearing: Friday, February 5, 2010, 2:55 p.m.
Hawai'i State Capitol, Room 016

'Ohana Health Plan is a health plan offered by WellCare Health Insurance of Arizona, Inc. WellCare is a leading provider of managed care services dedicated to government-sponsored health care programs, focusing on Medicaid and Medicare. We operate a variety of health plans for families, children, the aged, blind or disabled as well as prescription drug plans and private fee-for-service plans. Our local team of over 140 Hawai'i residents have been serving approximately 22,500 low-income, aged, blind, and disabled clients through the QUEST Expanded Access (QExA) program since February 1, 2009.

We appreciate this opportunity to submit our comments in opposition to Senate Bill 2494-Relating to Insurance.

While we appreciate the intent to ensure seamless healthcare coverage, this bill removes competition from the market and could result in higher costs. Prescription drugs are responsible for a large portion of healthcare utilization and costs. One way we are able to keep costs lower and provide a customized benefit is through the use of preferred drug lists (PDL). Each plan has their own PDL allowing tailored benefits providing the most useful and effective prescription drugs for members we serve. 'Ohana's PDL is developed by our Pharmacy and Therapeutics (P&T) Committee made up of pharmacists, physicians and other experts.

Passage of this bill would nullify the efforts of these P&T Committees and the PDLs established by the various healthcare plans. It would also run contrary to the idea of competition and consumer choice. Right now, members have the ability to choose plans based on the different plan offerings, including PDLs.

For the aforementioned reasons we respectfully request that you hold this bill. Thank you for the opportunity to provide testimony in opposition to Senate Bill 2494.



<http://www.h-c4h.org>

302 California Ave. #209
Wahiawa, HI 96786
Ph: 622-2655
Fax: 622-5599



<http://www.h-cop.org>

TESTIMONY BEFORE THE COMMITTEE ON HEALTH

Senator David Ige, Chair
Senator Josh Green, M.D., Vice Chair

SB 2494 RELATING TO INSURANCE

Friday, February 5, 2010
2:55 p.m.
State Capitol, Conference Room 016

Testimony from Dr. Arleen Jouxson-Meyers
Hawaii Coalition for Health

Chair Ige and members of the Committee on Health:

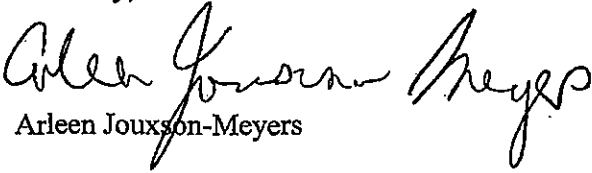
The Hawaii Coalition for Health and the Hawaii Congress of Physicians and other Healthcare Providers **STRONGLY SUPPORTS** SB2494. The bill requires health insurers and like entities to offer at least the same drug coverage to the insured that the insured had under their previous policy with the same or different insurer or like entity.

SB2494 is necessary to provide some parity of protection for patients to receive continuity of care for prescription medications and ensure that benefits for prescription medications are not illusory where such coverage is provided.

This scenario is all too common when patients switch insurance plans or their carrier changes coverage. In doing so, some carriers may restrict and/or prohibit the use of certain medications that have been working for the patient for many years, and require them to switch to another drug. These coverage limitations may take effect after the benefits were purchased and without the insured's knowledge or consent. For example, coverage for potentially life-saving medications are being restricted or denied to patients because of changes in formularies and/or cost-sharing requirements by insurance carriers.

As a physician, I believe it is important to protect the sanctity of the physician/patient relationship and ensure that decisions are made with the patient's best interest in mind. To protect and ensure that the patient has the most optimal care, we urge your **PASSAGE** of **SB2494**. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Arleen Jouxson-Meyers". The signature is written in black ink and is positioned above the printed name.

Arleen Jouxson-Meyers

American Academy of Pediatrics

DEDICATED TO THE HEALTH OF ALL CHILDREN™



Hawaii Chapter

February 4, 2010

02-05-10 @ 2:55pm in conference room 016

To: COMMITTEE ON HEALTH
Senator David Ige, Chair

Re: **Support- SB2494**
Prescription drug coverage; medically necessary; continuation of coverage

Dear Senator Ige:

The American Academy of Pediatrics, Hawaii Chapter is in **SUPPORT** of SB 2494.

As pediatricians we work hard on getting our children with chronic diseases to accept and use medication to optimize their health. We frequently have issues with needing syrups or chewable tablets as many children are not able to swallow whole tablets or capsules. In addition we frequently must manipulate the syrups in order to find a brand that is palatable for the individual.

The health of the child is potentially compromised when medications need to be changed solely to accommodate changes in health plan and drug coverage.

For these reasons we are in full support of SB 2494.

Respectfully,

A handwritten signature in black ink that reads "Galen YK Chock, MD".

Galen YK Chock, MD
President, The American Academy of Pediatrics, Hawaii Chapter

AAP - Hawaii Chapter
1319 Punahou St, 7th Floor
Honolulu, HI 96826

Hawaii Chapter Board

President
Galen Chock, MD, FAAP
1380 Lusitana Street, Suite 501
Honolulu, HI 96813-2441
Phone: 808/521-6030
Fax: 808/521-6273
E-mail: gchock@aap.net

Vice President
Kenneth T. Nakamura, MD, FAAP
Kapiolani Medical Specialists
1319 Punahou Street
Honolulu, HI 96826
Phone: 808/983-8020
Fax: 808/983-6343
E-mail: kennethn@kapiolani.org

Secretary
Gail Nakaichi, DO
407 Uluniu Street, Ste 111
Kailua, HI 96734
Phone: 808/261-3337

Treasurer
Bryan Mih, MD, MPH
1319 Punahou St, 7th Floor
Honolulu, HI 96826
Phone: 808/983-8387
Fax: 808/945-1570
Email: bmih@aap.net

Chapter Executive Director
Kathryn Sthay
5414 Kirkwood Place
Honolulu, HI 96821
Phone: 808/377-5738
Fax: 808/377-3683
E-mail: aaphawaii@hawaiiantel.net

Immediate Past President
Keith Matsumoto, MD, FAAP
1319 Punahou Street, Suite 900
Honolulu, HI 96826
Phone: 808/949-0011
Fax: 808/943-2536
E-mail: keithm@kapiolani.org

Chapter Web site
www.hawailiap.org

AAP Headquarters
141 Northwest Point Blvd
Elk Grove Village, IL 60007-1098
Phone: 847/434-4000
Fax: 847/434-8000
E-mail: kidsdocs@aap.org
www.aap.org



February 2, 2010

The Honorable David Y. Ige
Hawaii State Capitol, Room 215
415 South Beretania Street
Honolulu, HI 96813
E-mail sendige@Capitol.hawaii.gov

RE: SB 2494 - SUPPORT

Dear Senator Ige,

The Neuropathy Action Foundation (NAF), which is dedicated to ensuring neuropathy patients obtain the necessary resources and tools to access individualized treatment to improve their quality of life, strongly supports SB 2494. SB 2494 requires health insurers to offer at least the same drug coverage to the insured that the insured had under the insured's previous policy with a different insurer or like entity. In other words, the bill will provide for continuity of drug coverage when a patient either switches health plans or renews their existing plans.

SB 2494 is very important for the thousands of Hawaiians who suffer from neuropathy. Many Hawaiians affected by neuropathic pain are oftentimes high users of the health care system as they search for relief from persistent pain. However, once a medication or treatment that actually works is discovered many patients are able to live normal lives. Patients and providers alike expect to be protected by having continuity of medically necessary drugs when they switch from one health plan to another or when they renew plans during open enrollment periods.

The NAF receives a lot of calls from Hawaiians informing us that they are not allowed to continue to use their prescribed medications after they switch or re-enroll in their health plans. Oftentimes these treatments are limb saving like plasma derived IVIG. Many patients have been successfully taking these drugs and/or treatments for years and depend on them to function and take care of their families. SB 2494 would allow Hawaiians to continue using medically necessary medications and treatments prescribed prior to enrollment in their plan, whether or not the drug is covered by the plan, until the prescribed therapy is no longer prescribed by the patient's provider.

Please help neuropathy patients and others who suffer from chronic illnesses by supporting this patient protection bill that directly strengthens the doctor patient relationship. Should you have any questions please contact me at 877-512-7262.

Regards,

A handwritten signature in black ink, appearing to read "James D. Lee".

James D. Lee
Treasurer and Public Affairs Chair

cc: Senate Health Committee

Philip H. Kinnicut
341 Haina Street
Kailua, Oahu, HI 96734-1807
808-254-4534
LEAFISHING@AOL.COM

February 3, 2010

The Honorable David Y. Ige
Hawaii State Capitol, Room 215
415 South Beretania Street
Honolulu, HI 96813
E-mail: sendigo@Capitol.hawaii.gov
Fax: 808-586-6231

RE: SB 2494 -STRONG SUPPORT

Dear Senator Ige:

The GBS/CIDP Foundation International (Guillian-Barré Syndrome / Chronic Inflammatory Demyelinating Polyneuropathy), which is dedicated to ensuring our patients obtain the necessary resources and tools to access individualized treatment to improve their quality of life, strongly supports SB 2494. SB 2494 requires health insurers to offer at least the same drug coverage to the insured that the insured had under their previous policy with a different insurer or like entity. In other words, the bill will provide for continuity/portability of drug coverage when a patient either switches health plans or renews their existing plans.

Guillain-Barré Syndrome (GBS) is a rare inflammation of the nerves, caused by the patient's body producing antibodies against the peripheral nerves. The syndrome affects each patient differently and so the course of the disease differs for each patient. One of the more effective treatments includes infusion of the biological drug intravenous immune globulin (IVIG). How and why one contracts GBS is as yet unknown. The syndrome is typically observed after a viral infection, diarrhea, surgery, vaccination or pregnancy.

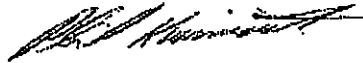
CIDP is the recurring form of this debilitating illness. Recovery time from GBS, on average, is six to 12 months of intense physical therapy. Thankfully, early diagnosis and treatment allows many patients to live normal lives. CIDP requires prolonged treatment in order for patients to live productive lives. Patients and providers alike expect to be protected by having continuity of medically necessary drugs and follow on treatment when they switch from one health plan to another or when they renew plans during open enrollment periods.

SB 2494 would allow Hawaii residents to continue using medically necessary medications and treatments prescribed prior to enrollment in their plan, whether or not the drug is covered by the plan, until the prescribed therapy is no longer prescribed by the patient's provider.

Senator Ige, February 3, 2010
Page 2

Please help GBS/CIDP patients and others who suffer from chronic illnesses by supporting this patient protection bill that directly strengthens the doctor patient relationship. Should you have any questions please contact me at 808-254-4534. Please visit us at www.gbs-cidp.org

Aloha,



Phil Kinnicutt
Secretary, GBS/CIDP Foundation International Board of Directors
Hawaii Liaison

cc: Senate Health Committee
Patricia Bryant, Executive Director, GBS/CIDP Foundation International



NCHS
National Cornerstone
Healthcare Services Inc.

February 2, 2010

The Honorable David Y. Ige
Hawaii State Capitol, Room 215
415 South Beretania Street
Honolulu, HI 96813
fax 808-586-6151
e-mail sendige@Capitol.hawaii.gov

RE: S.B. 2494 - SUPPORT

Dear Representative Ige,

National Cornerstone Healthcare Services (NCHS) is a healthcare service company dedicated to ensuring chronically ill patients obtain the necessary resources and tools to access individualized treatment to improve their quality of life, strongly supports SB 2494. SB 2494 requires health insurers to offer at least the same drug coverage to the insured that the insured had under the insured's previous policy with a different insurer or like entity. In other words, the bill will provide for continuity of drug coverage when a patient either switches health plans or renews their existing plans.

SB 2494 is very important for the Hawaiians who suffer from life-long illness such as hemophilia. Many Hawaiians affected by bleeding disorders are oftentimes high users of the health care system. Once a medication is effectively working most patients are able to live normal lives. Patients and providers alike expect to be protected by having continuity of medically necessary drugs when they switch from one health plan to another or when they renew plans during open enrollment periods.

Many patients have been successfully taking these drugs or medications for years and depend on them to function and take care of their families. SB 2494 would allow Hawaiians to continue using medically necessary medications and treatments prescribed prior to enrollment in their plan, whether or not the drug is covered by the plan, until the prescribed therapy is no longer prescribed by the patient's provider.

Please help hemophilia patients and others who suffer from chronic illnesses by supporting this patient protection bill that directly strengthens the doctor patient relationship. Should you have any questions please contact me at 877-616-6247.

Regards,

David Espinosa
President

cc: Senate Health Committee

AMERICAN COUNCIL OF LIFE INSURERS
TESTIMONY COMMENTING ON SB 2494,
RELATING TO INSURANCE

February 5, 2010

Via E Mail: hthtestimony@capitol.hawaii.gov
Senator David Y. Ige, Chair
Senate Committee on Health
Hawaii State Capital, Conference Room 016
415 S. Beretania Street
Honolulu, HI 96813

Dear Chair Ige and Committee Members:

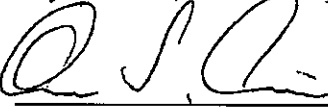
Thank you for the opportunity to comment on SB 2494, relating to Insurance.

Our firm represents the American Council of Life Insurers ("ACLI"), a national trade association whose three hundred (300) legal reserve life insurer and fraternal benefit society member companies operating in the United States account for over 90% of the assets and premiums of the U.S. life insurance and annuity industry. ACLI member company assets account for 93% of the life insurance premiums and 98% of the annuity considerations paid in the State of Hawaii. Two hundred thirty-six (236) ACLI member companies currently do business in the State of Hawaii.

ACLI is in the process of reviewing SB 2494 with its member companies and may submit additional testimony on this bill in the future.

Again, thank you for the opportunity to comment on this bill.

CHAR HAMILTON
CAMPBELL & YOSHIDA
Attorneys At Law, A Law Corporation

By: 

OREN T. CHIKAMOTO
otc@charhamilton.com

cc Joann Waiters, Esq.

PETER L. FRITZ
414 KUWILI STREET, #104
HONOLULU, HAWAII 96814
TELEPHONE: (808) 532-7118
E-MAIL: PLFLEGIS@FRITZHQ.COM

THE SENATE
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2010

COMMITTEE ON HEALTH

Hearing February 5, 2009
Testimony on S.B. 2494
(Relating to Insurance)

Chair Ige, Vice Chair Green, and members of the Committee:

My name is Peter Fritz. I am an attorney specializing in tax matters. While I take no position on the bill, I believe that it is more likely than not that this bill would be preempted by the Employee Retirement Security Act of 1974, 29 U.S.C. § 1001 *et seq.*, (“ERISA”) for the same reasons that the provision in the reciprocal beneficiary law requiring health benefits for reciprocal beneficiaries was preempted by ERISA.

ERISA subjects employer provided fringe benefits to federal regulation. It governs both employer provided pension benefits and employer provided welfare benefits, which include employer provided health benefits. ERISA contains a very broad provision preempting state laws which touch on the substantive requirements for plans. Who is covered by a plan is a substantive requirement of a plan. This bill would require plans that do not offer drug benefits to offer such benefits to people who had drug coverage in their prior health plan. Therefore, because the bill’s provisions would touch upon a substantive requirement of a plan, it is more likely than not that the provision would be preempted by ERISA.

The preemption provision has three components. First, ERISA preempts state laws that “relate to” employee benefit plans.¹ Second, ERISA saves from preemption any state law that regulates insurance.² Finally, ERISA provides that no employee benefit plan, or a trust established under it, shall be deemed to be an insurance company or other insurer. A state law “relates to” ERISA plans if it has a “connection with” or “reference to” such plans. Shaw v. Delta Air Lines, Inc., 463 U.S. 85, 97 (1983). In New York State Conference of Blue Cross &

¹ ERISA § 514(a) provides: “Except as provided in subsection (b) of this section, the provisions of this subchapter ...shall supersede any and all State laws insofar as they may now or hereafter relate to any employee benefit plan.

² ERISA Section 514(b)(2)(A) provides: “Except as provided in subparagraph (B), nothing in this subchapter shall be construed to exempt or relieve any person from any law of any State which regulates insurance.”

Testimony of Peter L. Fritz
Senate Committee on Health
February 5, 2010
Page 2

Blue Shield Plans v. Travelers Ins. Co., 514 U.S.645 (1995), (“Travelers”) the Supreme Court addressed the meaning of the "relate to" language. Id. at 655. The Court found that Congress passed ERISA to insure that employee benefit plans would be regulated as “exclusively a federal concern.” Id. At 656. The goal of ERISA preemption “was to avoid a multiplicity of regulation in order to permit the nationally uniform administration of employee benefit.” Id. at 657.

While HB 2461 professes to apply to insurance, it mandates that certain drug benefits be provided to some plan beneficiaries, but not all beneficiaries. The effect of the law is to mandate certain coverage under an ERISA welfare benefit plan. As such, it is likely that HB 2461 is preempted by ERISA because it relates to an ERISA welfare benefit plan and goes beyond the regulation of insurance.

Thank you for the opportunity to testify.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Peter L. Fritz", written in a cursive style.

Peter L. Fritz

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 04, 2010 11:14 PM
To: HTHTestimony
Cc: denmeelee@aol.com
Subject: Testimony for SB2494 on 2/5/2010 2:55:00 PM

Testimony for HTH 2/5/2010 2:55:00 PM SB2494

Conference room: 016
Testifier position: support
Testifier will be present: No
Submitted by: Denis Mee-Lee, MD
Organization: Individual
Address: 1286 Queen Emma Street Honolulu, Hawaii
Phone: (808) 538-2880
E-mail: denmeelee@aol.com
Submitted on: 2/4/2010

Comments:

Numerous patients under my care have experienced worsened psychosis and mood disorders due to the sudden termination and unavailability of a medication that they had been on for a long time but which has become unavailable due to non-coverage by a new health insurer or HMO. Most patients cannot suddenly switch to a new medication without serious negative consequences and major impacts upon families and the community. This Bill is absolutely essential to maintain and improve the mental health of so many patients with serious mental illness.

..

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 04, 2010 11:45 AM
To: HTHTestimony
Cc: Elizabeth.Stevenson@alz.org
Subject: Testimony for SB2494 on 2/5/2010 2:55:00 PM
Attachments: SB2494 testimony 2.4.10.doc

Testimony for HTH 2/5/2010 2:55:00 PM SB2494

Conference room: 016
Testifier position: support
Testifier will be present: No
Submitted by: Elizabeth Stevenson
Organization: Alzheimer's Association, Aloha Chapter
Address: 1050 Ala Moana Blvd., Suite 2610 Honolulu, HI
Phone: (808) 591-2771
E-mail: Elizabeth.Stevenson@alz.org
Submitted on: 2/4/2010

Comments:

LATE



Hawaii Association of Health Plans

February 5, 2010

The Honorable David Ige, Chair
The Honorable Josh Green M.D., Vice Chair
Senate Committee on Health

Re: SB 2494 – Relating to Insurance

Dear Chair Ige, Vice Chair Green 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 SB 2494 which would require health plans allow members to receive prescription drug benefits which are identical to those offered by their previous plan.

This bill would put a tremendous burden on employers and union groups since they will end up with multiple drug plans, different premium rates, and different benefit coverage for their employees. We believe that this level of administrative burden could altogether discourage employers and unions from continuing to provide prescription drug benefits to their employees.

We also feel that it would be nearly impossible for a health plan to determine the benefits offered by the member’s previous plan (which is often not readily available) and to provide a timely premium quote to the group. These delays will make it difficult for health plans to market to employers and to enroll members in a timely fashion. The accounting for the different coverage being offered would also be a tremendous administrative burden, ultimately causing premium rates to increase. For the reasons above we would respectfully request the Committee see fit to hold this measure. Thank you for the opportunity to testify today.

Sincerely,

Howard Lee
President