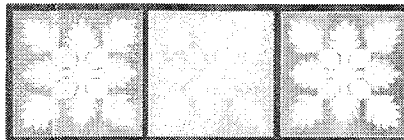


LATE



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

HMSA



Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

LATE

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:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2494 which would require a health plan provide prescription drug coverage to a member which is identical to the prescription drug coverage the member had been offered by their previous health plan. We oppose this measure.

The language contained within SB 2494 could end up being extremely burdensome for plans to implement, employers to manage and consumers to figure out. Some concerns we have include:

- There is no timeframe under which a consumer has to make a decision regarding the maintenance of prescription drug benefits from their previous plan. Plans could be left in limbo if consumers do not make their choice in a timely fashion. Also, there is no mechanism for the new plan to obtain all the information necessary from the previous plan
- Administering prescription drug benefits on a member-by-member basis may be impossible to manage
- Plans determine premiums based on a known set of benefits. When members choose their prior plans' prescription drug benefit, which will differ from that being offered by their HMSA plan, rates may not be adequate to cover costs
- Employers will be left to figure out how to manage employees under the same medical plan receiving differing prescription drug benefits. Issues of equity may arise
- Consumers are not adequately versed in their benefits and don't have a full understanding about which prescription drug plan would be best for them. They may make a poor choice and end up with coverage that does not suit their needs

Despite the good intentions of this measure, we believe that it raises more issues than it answers and could end up contributing to increased health care cost, consumer confusion and employer frustration. Due to these issues, we would respectfully request the Committee see fit to hold SB 2494. Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read 'JDiesman'.

Jennifer Diesman
Vice President
Government Relations

Hawaii Medical Service Association

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