



**HAWAII MEDICAL ASSOCIATION**

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

**Tuesday, March 9, 2010, 10:00 a.m., Conference Room 329**

To: COMMITTEE ON HEALTH  
Rep. Ryan I. Yamane, Chair  
Rep. Scott Y. Nishimoto, 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: SB2529 RELATING TO HEALTHCARE CLAIMS

In Support

Chairs & Committee Members:

Hawaii Medical Association supports SB2529 as a measure to help provide comprehensive, accurate health insurance claims data collection for Hawaii. This can allow greater public awareness of the costs of health care, allow insurers and providers the ability to compare claims data across the state, and eventually help identify ways to stem the continued rise of health care expenses. This data collection is critical to allowing stakeholders to develop plans for improving the quality and cost-efficiency of health care in Hawaii.

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

Testimony of  
Phyllis Dendle  
Director Government Relations

Before:  
House Committee on Health  
The Honorable Ryan I. Yamane, Chair  
The Honorable Scott Y. Nishimoto, Vice Chair

March 9, 2010  
10:00 am  
Conference Room 329

**Re: SB 2529 SD2 RELATING TO HEALTHCARE CLAIMS**

Chair Yamane and committee members, thank you for this opportunity to provide testimony on SB 2529 SD2 establishing a Hawaii health care claims uniform reporting and evaluation system

**Kaiser Permanente Hawaii opposes this bill.**

We oppose the bill because as drafted it is not possible for us to comply with it.

Because Kaiser Permanente Hawaii is an integrated health care delivery system, we do not generate billing claims like a typical insurer. These claims are the basis for All Payer Claims Database (APCD) reporting. We provide services in the same way other hospitals and clinics do in Hawaii. The claims model therefore doesn't work for our system.

The only claims we have are a relatively small number that we pay to providers who are outside of our system. Reporting these claims would not at all reflect the health care provided by Kaiser.

Following earlier hearings we sought information regarding how Kaiser Permanente programs in other states have participated with this kind of database looking for a model we could use. We cannot find any states that have included an integrated health care delivery system such as ours.

Kaiser operates in the following states which are pursuing health claims databases:

- Oregon: Oregon recently closed the comment period for rulemaking on a health care claims data reporting program. No data has been transmitted and the program is still being finalized.
- Colorado: Colorado has proposed a bill (HB 10-1330) which would create a commission to make recommendations regarding the development of an APCD.
- Maryland: Maryland has had a payer-based reporting system in place since 2007 limited to outpatient encounters. A new proposed all-payer database under consideration would expand reporting to all services in all settings, which would be comparable with the one proposed in Hawaii. However, in Maryland Kaiser operates more like a traditional HMO receiving and processing actual claims that they then can report to the state rather than providing health care services as we do in Hawaii.

In light of these difficulties, we request that you delay passing this bill and create a task force as proposed in section 2 to work with all of the stakeholder to develop a system that accurately reflects health care in Hawaii. If you feel you must pass the bill in this form we ask that you exempt Kaiser Permanente from the requirements of the bill.

Thank you for your consideration.