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TO THE SENATE COMMITTEES ON HEALTH
AND COMMERCE AND CONSUMER PROTECTION

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Monday, February 23, 2009
3:00 p.m.

TESTIMONY ON SENATE BILL NO. 795 – RELATING TO HEALTH INSURANCE.

TO THE HONORABLE DAVID Y. IGE AND ROSALYN H. BAKER, CHAIRS, AND
MEMBERS OF THE COMMITTEES:

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 early intervention services for
persons from birth to age three. We have no doctors on staff and cannot give an
opinion on the medical merits of this bill. In addition, any mandated benefit helps some
people, but also imposes increased cost burdens on the employers and individuals that
pay the premiums.

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.

From: Linda Elento [threestars@hawaii.rr.com]
Sent: Wednesday, February 25, 2009 12:40 PM
To: HTHTestimony
Subject: SB795: music therapy is included as a service included in IDEA early intervention services

Categories: Green Category, Blue Category

LATE

Dear Senator Ige:

Senator Chun Oakland received my input for SB795 in support of mandatory coverage for early intervention services (even beyond the age of 2 for this reason: The great need for "habilitative" and "developmental" therapy services, as our keiki with disabilities such as Down syndrome and autism are not able to receive these types of services through private insurance because they are not "rehabilitative." MUSIC THERAPY for example is an authorized EARLY INTERVENTION SERVICE/IDEA's PART C. Music therapy is not a music class but a focused specialized therapy such as speech therapy with similar goals).

Our families do not all want to be dependent on the state for extra assistance with their child born with a serious disability, especially when one knows that the assistance will help the child develop and obtain skills and functions (rather than receiving no help, or very limited help from the state, by limited, I mean not only in funds, but limits in **CHOICES** of services). The federal law does not limit early intervention services. The doctor or care provider needs to decide which service is best for a child (not a state council via a state performance plan).

A task force or any research or advisory group with specific duties requiring expertise beyond the limited membership of the HEICC is supported.

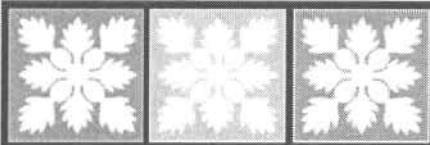
Reference from SB182: "Habilitative therapy" means care provided to individuals with developmental or chronic conditions, or both, that significantly limit normal development. Conditions include, but are not limited to, deafness, speech or language impairments, serious emotional disturbance, orthopedic impairment, traumatic injury, autism spectrum disorders, and blindness. To be considered habilitative, care must produce functional improvement and measurable progress within a period of time reasonable for the situation.

Reference: www.musictherapy.org

"Music therapy is comparable to other health professions like occupational therapy and physical therapy in that individual assessments are provided for each client, service must be found reasonable and necessary for the individual's illness or injury and interventions include a goal-directed documented treatment plan. Like other therapies, music therapy is typically pre-approved for coverage or reimbursement, and is found to be reimbursable when deemed medically necessary to reach the treatment goals of the individual patient. Therefore, reimbursement for services is determined on a case-by-case basis and is available in a large variety of health care settings, with patients with varying diagnoses."

Thank you for your consideration.

Linda Elento, parent of a child with Down syndrome, active board member with the Hawaii Down Syndrome Congress
457-0109



February 23, 2009

LATE

The Honorable David Ige, Chair
The Honorable Rosalyn Baker, Chair

Senate Committees on Health and Commerce and Consumer Protection

Re: SB 795 – Relating to Health Insurance

Dear Chair Ige, Chair Baker and Members of the Committees:

My name is Rick Jackson 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.

Thank you for the opportunity to testify on SB 795, which would require mandatory coverage for all policyholders, members, subscribers, and individuals from birth to age three for medically necessary early intervention services. HAHP opposes this bill.

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.

This bill, however, would seem to have the intended effect to shift 100% of treatment responsibility and cost for all developmental disorders to licensed health plans, including all of HAHP’s member organizations. Currently, a broad range of organizations and support groups assist in dealing with this developmental disorder: Department of Education, Department of Health – Developmental Disabilities Division, the Department of Human Services through Medicaid and other community-based organizations. As we understand the bill, treatment determined to be medically necessary and prescribed,

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provided, or ordered for an individual diagnosed with a developmental disorder by a licensed physician, licensed psychologist, or certified registered nurse practitioner will be mandated to be covered by all health plans with an annual maximum limit of \$75,000 per patient.

Health plans already are, by Division of Insurance rules, responsible for reimbursing diagnostic testing and short term therapies for all members. Health plans also generally pay for the cost of prescription medications without limitation by diagnosis. However, cost-shifting the entire treatment responsibility for development disabilities away from the current Government-sponsored programs to private insurance may appeal to someone, but not to HAHP members or the employers who pay insurance premiums for their employees. The new costs of this bill to employers will be in the tens of millions of dollars.

We urge you to hold this bill.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Jackson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rick Jackson
President