

**HB 863**

# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 18, 2011

The Honorable Josh Green, M.D., Chair  
The Honorable Clarence Nishihara, Vice Chair  
Senate Committee on Health

**Re: HB 863 – Relating to Health**

Dear Chair Green, Vice Chair Nishihara and Members of the Committee:

The **Hawaii Medical Service Association** (HMSA) appreciates the opportunity to testify on HB 863 which extends the reporting deadline for the Hawaii Health Authority (Authority) to submit a comprehensive health plan for all individuals in the State to the Legislature 20 days prior to the convening of the 2012 Legislature. HMSA offers **comments** on this Bill.

Pursuant to HRS Section 332H-2, the Authority was made responsible for developing an overall health plan for the State that would (1) incorporate eligibility for inclusion in a health plan for all individuals; (2) determine all reimbursable services to be paid by the Authority; (3) determine all approved providers of services in a health plan for all individuals; (4) evaluate cost effectiveness of all aspects of a health plan for all individuals; and (5) establish a budget for a health plan for all individuals in the State.

While the Authority has yet to be established, federal action effectively has superseded this model of State health care planning. Pursuant to the Affordable Care Act (ACA), by January 1, 2014, each state must have created a fully operable health insurance exchange (Exchange), through which individuals will “shop” for their health plans. If, by January 2013, a state has not made sufficient progress in creating its Exchange, the U.S. Department of Health and Human Services (HHS) will move to establish an Exchange for that state, effectively taking over the state’s health care system.

This Committee will be taking up HB 1201, HD1, later today to create an Exchange in Hawaii, and the Senate is considering similar legislation. Given these actions, the extension of the Authority’s reporting deadline may not be necessary.

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 ASSOCIATION

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Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

**Friday, March 18 2011; 3:00 p.m. Conference Room 229**

To: COMMITTEE ON HEALTH  
Senator Josh Green, M.D., Chair  
Senator Clarence K. Nisihara, ViceChair

From: Hawaii Medical Association  
Dr. Morris Mitsunaga, MD, President  
Linda Rasmussen, MD, Legislative Co-Chair  
Dr. Joseph Zobian, MD, Legislative Co-Chair  
Dr. Christopher Flanders, DO, Executive Director  
Lauren Zirbel, Community and Government Relations

Re: **HB 863 RELATING TO HEALTH**

In Support

Chairs & Committee Members:

**Hawaii Medical Association supports** this measure, which extends by one year the deadline for the Hawaii health authority to submit to the legislature a comprehensive health plan for all individuals in the State.

**We hope that the provider community will have a meaningful place in the discussion** about which benefits are necessary for patients to lead healthy and productive lives and how we can improve access to affordable health insurance for self employed and part-time workers.

**We need to look at holistic approaches to altering our healthcare sector.** The current structure has rendered the practice of medicine uneconomical in rural neighbor island communities and has resulted in decreased life spans for these populations.

**One of our members who is a Cardiologists was denied a small business loan to practice on the Big Island because the bank did not believe that practicing medicine was a viable business. She was forced to commute to Oahu to practice. This is a direct result of the high population of Quest patients on the neighbor islands. If we don't improve Medicaid, our system will collapse.**

Farming out medical decisions to "Managed Care" by insurance administrators so they can deny care, deny payment, reject prescriptions and generally make Patients and Physicians lives miserable is not the answer to savings in medicine.

### OFFICERS

PRESIDENT - MORRIS MITSUNAGA, MD PRESIDENT-ELECT - ROGER KIMURA, MD  
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- STEPHEN KEMBLE, MD EXECUTIVE DIRECTOR - CHRISTOPHER FLANDERS, DO

We must eliminate administrative waste and transform our healthcare system into one that is sustainable. Reimbursement and malpractice reforms are sorely needed if we hope to avoid Hawaii's projected 50% shortage of doctors in the next decade. We are already short over 600 doctors and this is a direct result of reimbursements not meeting the cost of providing services and an increasingly intolerable level of administrative burden forced upon physicians by "Managed Care".

Thank you for the opportunity to testify.

Testimony on HB 863, Relating to Health

Senator Josh Greene, M.D. Chair Senate Health Committee  
Senator Clarence K Nishihara, Vice Chair Senate Health Com

March 18, 2011 at 3:00 pm

Conference Room 229

From: Gail Breakey, RN, MPH, Executive Director  
Hawaii Family Support Institute

Good Afternoon, Chairs Green and Nishihara and Committee members. I am Gail Breakey, Executive Director of the Hawaii Family Support Institute testifying in support of HB 863. This bill would extend the deadline for the Hawaii Health Authority to submit a comprehensive health plan for Hawaii to 20 days prior to the 2012 Legislative Session. .

Hawaii has a unique opportunity to establish an excellent health care system. We already have many important health care coverage options in place. The Health Care Affordability Act will impact our health care system in many ways, and we need to have a planning capacity in place to optimize the opportunities afforded by the Act. Extension of the Hawaii Health Authority is critical at this time.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 16, 2011 9:29 AM  
**To:** HTHTestimony  
**Cc:** ehrhornp001@hawaii.rr.com  
**Subject:** Testimony for HB863 on 3/18/2011 3:00:00 PM

Testimony for HTH 3/18/2011 3:00:00 PM HB863

Conference room: 229  
Testifier position: support  
Testifier will be present: No  
Submitted by: Erick Peter Ehrhorn  
Organization: Individual  
Address:  
Phone:  
E-mail: [ehrhornp001@hawaii.rr.com](mailto:ehrhornp001@hawaii.rr.com)  
Submitted on: 3/16/2011

Comments:

Dear Representatives,

This bill will change the sunset date for the Hawaii Health Authority to issue it's plan to the Legislature.

The Hawaii Health Authority, according to the HRS: "shall be responsible for the overall health planning of the State and shall be responsible for determining future capacity needs for health providers, facilities, equipment, and support services providers. The authority shall develop a comprehensive plan that includes:

1. Establishment of eligibility for inclusion in a health plan for all individuals;
2. Determination of all reimbursable services to be paid by the authority;
3. Determination of all approved providers of services in a health plan for all individuals;
4. Evaluation of health care and cost effectiveness for all aspects of a health plan for all individuals; and
5. Establishment of a budget for a health plan for all individuals in the State.

So, the authority is tasked with establishing a universal health care system for Hawaii. While it doesn't specifically refer to a single-payer system, once the authority is established and working, we may potentially have an opportunity to provide comment to the authority supporting and calling for the implementation of a single-payer system.

A single payer health system is the best way to bring down costs as administration costs are vastly reduced. I think everyone can agree that health costs need to be control and this bill will allow the process to begin.

Thank you for your consideration on this bill.

Best Regards,

Peter Ehrhorn

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 17, 2011 12:00 PM  
**To:** HTHTestimony  
**Cc:** maguinger@hawaii.rr.com  
**Subject:** Testimony for HB863 on 3/18/2011 3:00:00 PM

Testimony for HTH 3/18/2011 3:00:00 PM HB863

Conference room: 229  
Testifier position: support  
Testifier will be present: No  
Submitted by: Mary A. Guinger  
Organization: Individual  
Address:  
Phone:  
E-mail: [maguinger@hawaii.rr.com](mailto:maguinger@hawaii.rr.com)  
Submitted on: 3/17/2011

Comments:

I support HB 863. It will develop a universal health care system for Hawaii.  
The Hawaii Health Authority will expand  
well-being and increase productivity in Hawaii.

Thank you,

Mary A. Guinger

BS.ED; MS.Rehabilitation Counseling

## Feleai Tau

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 17, 2011 1:42 PM  
**To:** HTHTestimony  
**Cc:** mpoirier808@gmail.com  
**Subject:** Testimony for HB863 on 3/18/2011 3:00:00 PM

Testimony for HTH 3/18/2011 3:00:00 PM HB863

Conference room: 229  
Testifier position: support  
Testifier will be present: No  
Submitted by: Marion F. Poirier, M.A., R.N.  
Organization: Individual  
Address:  
Phone:  
E-mail: [mpoirier808@gmail.com](mailto:mpoirier808@gmail.com)  
Submitted on: 3/17/2011

### Comments:

I support HB 863 Relating to Health. Extending the Hawaii Health Authority is a right early step for decisions about our health care system/s in Hawaii. It can be used to move forward governmental approaches that need local attention.

Thank you very much.

Marion F. Poirier, M.A., R.N.

Health Care Consultant and former NAMI HAWAII Executive Director



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 15, 2011 2:47 PM  
**To:** HTHTestimony  
**Cc:** babyjean@hotmail.com  
**Subject:** Testimony for HB863 on 3/18/2011 3:00:00 PM

Testimony for HTH 3/18/2011 3:00:00 PM HB863

Conference room: 229  
Testifier position: support  
Testifier will be present: No  
Submitted by: Ronnie Perry  
Organization: Individual  
Address:  
Phone:  
E-mail: [babyjean@hotmail.com](mailto:babyjean@hotmail.com)  
Submitted on: 3/15/2011

**Comments:**

I strongly support HB863. Due to rising costs and the rationing of care by for profit health insurance companies, we need a single payer system. A single payer system will provide comprehensive, quality medical care for all.