

SB 1516, SD 1

Measure Title: RELATING TO HEALTH CARE ADMINISTRATIVE UNIFORMITY.

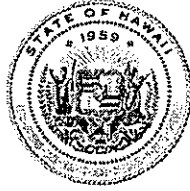
Report Title: Health Care; Administrative Procedures; Antitrust

Description: Exempts collaboration among all accident and health or sickness insurers, third party administrators, managed care plans, health care providers, and government agencies from state antitrust laws when the collaboration is intended to adopt uniform administrative procedures. Requires notice to be given to certain interested parties in advance of collaborative discussions. (SD1)

Companion:

Package: None

Current Referral: HTH, CPN



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
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: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

EVERETT KANESHIGE
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Tuesday, March 1, 2011
9:30 a.m.

WRITTEN TESTIMONY ONLY

**TESTIMONY ON SENATE BILL NO. 1516, S.D. 1 – RELATING TO HEALTH CARE
ADMINISTRATIVE UNIFORMITY.**

TO THE HONORABLE ROSALYN H. BAKER, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department takes no position on this bill which exempts collaboration among certain players in the healthcare industry when the collaboration is intended to adopt uniform administrative procedures for measuring health care quality, prior authorization procedures, or methodologies for preferred drug lists based on clinical efficiency.

We thank this Committee for the opportunity to present testimony on this matter.



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 1, 2011 9:30 a.m. Conference Room 229

To: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair
Senator Brian Taniguchi, Vice Chair

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, MD, Executive Director
Lauren Zirbel, Community and Government Relations

Re: SB 1516 RELATING TO HEALTH CARE ADMINISTRATIVE UNIFORMITY

In Support.

Chairs & Committee Members:

The Hawaii Medical Association agrees with the legislature that collaborative development of uniform administrative standards for quality health care measures could help produce better quality health care that is more cost effective, while allowing providers to spend more time providing quality patient care and less time with administrative claims procedures. We agree that it is important to encourage productive discussion and agreements between health care providers, insurers, and other interested entities on uniform administrative standards regarding evidence-based medicine, clinical efficacy, and quality in health claims processing.

Removing collaboration from the State's unfair competition and antitrust laws is a necessary step in the right direction.

Thank you for introducing this bill and for the opportunity to provide testimony.

OFFICERS

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SECRETARY - THOMAS KOSASA, MD IMMEDIATE PAST PRESIDENT - DR. ROBERT C. MARVIT, MD TREASURER
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HMSA



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of Hawaii

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March 1, 2011

The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair

Senate Committee on Commerce and Consumer Protection

Re: SB 1516 SD1 – Relating to Health Care Administrative Uniformity

Dear Chair Baker, Vice Chair Taniguchi and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1516 SD1 which would allow health care related organizations to freely discuss how to streamline administrative procedures that address measuring health care quality, prior authorization procedures for health care, methodology for preferred drug lists, and similar health care related issues. HMSA supports this measure.

HMSA believes it is imperative that we continuously look to improving the efficiency of our health care system. Many times, however, discussion amongst health care stakeholders is stymied because of the potential for the perception of collusion. This legislation would allow the health care stakeholders to conduct full and free discussions on streamlining certain administrative processes that could achieve savings in cost and time.

HMSA concurs with the intent of this Bill and supports its passage.

Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal flourish extending to the right.

Jennifer Diesman
Vice President
Government Relations



SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair

Conference Room 229
March 1, 2011 at 9:30 a.m.

Supporting SB 1516 SD 1.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of SB 1516 SD 1, which allows for collaboration to improve the quality of health care, especially with respect to Accountable Care Organizations (ACOs).

The federal Affordable Care Act (ACA) is designed to increase health care insurance coverage and reduce overall health care costs. The ACA will transform health care in Hawaii and throughout the nation by improving the health care delivery system through incentives to enhance quality, improve beneficiary outcomes, and increase value of care.

One of the key delivery system reforms is the encouragement of ACOs, which are organizations of health care providers that agree to be accountable for the quality, cost, and overall care of their beneficiaries. ACOs facilitate coordination and cooperation among providers to improve the quality of care for beneficiaries and reduce unnecessary costs.

SB 1516 SD 1 establishes legal requirements to create these new types of collaborative organizations and provides them with the necessary exemption from state anti-trust laws, which could otherwise act as a deterrent to the formation of ACOs.

For the foregoing reasons, the Healthcare Association supports SB 1516 SD 1.