



HAWAII MEDICAL ASSOCIATION

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LATE

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.

Please consider the following minor amendments to ensure that the provider community has adequate input into "clinical effectiveness" for Preferred Drug Lists:

SECTION 2. Section 480-11, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) This chapter shall not apply to:

- (1) Any provider agencies or donors under part XVII of chapter 346;
- (2) Any provider agency or donor method or act that complies with part XVII

OFFICERS

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- STEPHEN KEMBLE, MD EXECUTIVE DIRECTOR - CHRISTOPHER FLANDERS, MD

of chapter 346; [or]

(3) Any cooperation or agreement authorized pursuant to rule under part XVII of chapter 346[-]; or

(4) Any cooperation, collaboration, or agreement among any accident and health or sickness insurer, third party administrator, health care provider or facility, managed care plan, or government agency to develop and adopt uniform administrative procedures for:

(A) Measuring health care quality;

(B) Prior authorization procedures; or

(C) Methodologies for preferred drug lists based on clinical efficacy;

provided that all accident and health or sickness insurers, third party administrators, health care providers including APRN's, PA's, Physicians, hospital administrators, managed care plans operating within the State of Hawaii, and the insurance division of the department of commerce and consumer affairs, are provided notice and an opportunity to participate in the cooperation, collaboration, and agreement. Also provided that clinical efficacy guidelines be established and maintained by US Preventative Task Force.