

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 4, 2011

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

Re: SB 1516 – Relating to Health Care Administrative Uniformity

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1516 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,

Jennifer Diesman
Vice President
Government Relations



HAWAII MEDICAL ASSOCIATION

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

Friday February 4, 2011; 4:00 p.m. Conference Room 229

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

PRESIDENT - MORRIS MITSUNAGA, MD PRESIDENT-ELECT - ROGER KIMURA, MD
SECRETARY - THOMAS KOSASA, MD IMMEDIATE PAST PRESIDENT - DR. ROBERT C. MARVIT, MD TREASURER
- STEPHEN KEMBLE, MD EXECUTIVE DIRECTOR - CHRISTOPHER FLANDERS, MD



SENATE COMMITTEE ON HEALTH
Senator Josh Green, M.D., Chair

Conference Room 229
Feb. 4, 2011 at 4:00 p.m.

Supporting SB 1516.

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, which allows collaboration to improve the quality of health care especially for Accountable Care Organizations (ACO). ACOs, which are encouraged by the federal Affordable Care Act (ACA) and designed specifically to facilitate coordination and cooperation among providers to improve the quality of care for Medicare beneficiaries and reduce unnecessary costs do need this level of protection.

The federal 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 Accountable Care Organizations (ACOs). ACOs are organizations of health care providers that agree to be accountable for the quality, cost, and overall care of Medicare beneficiaries who are enrolled in the traditional fee-for-service program. Medicare spending constitutes a significant portion of all health care spending, and the ACA uses Medicare to transform the entire health care industry.

Hospitals, physicians in group practices, physicians in networks of practices, joint ventures between hospitals and physicians, and other entities may become ACOs. SB 1516 establishes legal requirements to create ACOs.

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