

HMSA



LATE TESTIMONY

An Independent Licensee of the Blue Cross and Blue Shield Association

February 23, 2011

The Honorable Clayton Hee, Chair
The Honorable Maile S. L. Shimabukuro, Vice Chair
Senate Committee on Judiciary and Labor

Re: SB 798 – Relating to Health Care

Dear Chair Hee, Vice Chair Shimabukuro and Members of the Committee:

The **Hawaii Medical Service Association (HMSA)** appreciates the opportunity to testify **in support** of SB 798 which would expand the definition of “quality assurance” to include interdisciplinary quality assurance committees composed of members from various health care organizations.

In the U.S., medical errors are estimated to result in 44,000 to 98,000 unnecessary deaths, in hospital settings, and 1,000,000 excess injuries each year. A conservative average of both the Institute of Medicine and HealthGrades reports indicates that there have been between 400,000-1.2 million error-induced deaths during 1996–2006 in the United States. Research has documented significant underuse, overuse, and misuse of medical treatments, as well as unexplained variations in treatment patterns in certain demographic groups and across the country.

HMSA has taken great strides towards encouraging providers and facilities to increase the quality of care provided. One of the ways which we are doing this is by pursuing a new methodology of provider reimbursement that rewards health care providers for quality rather than volume. We believe that transitioning to this new payment model and away from simply paying for services based on volume is a vital part of creating an economically sustainable health care delivery system.

We appreciate the intent of this measure as it attempts to work towards expanding and improving upon current quality initiatives taking place across the state. Thank you for the opportunity to provide testimony in support of SB 798.

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 JUDICIARY AND LABOR
Senator Clayton Hee, Chair

Conference Room 016
February 23, 2011 at 9 am

Supporting SB 798.

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 798, which provides peer review protection to HAH's Patient Safety and Quality Committee.

HAH has established a Patient Safety and Quality Committee whose mission is to improve the quality of health care delivered by the full range of provider organizations represented by HAH members. The committee would like to examine medical cases. However, in order to ensure full and free discussion, information about the cases must be protected from being used in medical malpractice lawsuits.

Individual health care organizations have already been granted the authority to establish peer review committees that may discuss information about medical cases that is protected from being used in lawsuits. The intent is to encourage full and free discussion that leads to changes in policies, procedures, or practices. The absence of such protections would limit discussion and therefore limit improvements in the quality of care.

Until recently, peer review protections have been confined to individual facilities. In the 2010 legislative session a bill was passed extending peer review protections to committees established by the Department of Health to improve Hawaii's trauma care system (Act 133, SLH 2010). These committees consist of representatives of different health care facilities. Like Act 133, this bill would extend peer review protections to HAH's Patient Safety and Quality Committee.

For the foregoing reasons, the Healthcare Association supports SB 798.