



HOUSE COMMITTEE ON HEALTH  
Rep. Della Au Belatti, Chair

February 8, 2013 at 8:00 a.m.  
Conference Room 329

**Supporting with amendments HB 656: Relating to Health Care Administrative Uniformity**

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. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 40,000 people. Thank you for this opportunity to testify in support of HB 656, which encourages open and robust discussion among health care entities when developing uniform administrative standards and procedures to enhance the quality of health care in Hawaii.

Such standards include pre-authorization forms, drug formularies, credentialing forms, quality metrics, and patient demographic information. In the development of these standards, it is important to encourage discussions and agreements among health care providers, insurers, and other health care organizations. However, antitrust laws are likely to have a dampening effect on such discussions. We believe that the bill will facilitate collaborative efforts among Hawaii's health care providers and other relevant health care entities and assist them in meeting the triple aim of improving quality and population health while bending the cost curve downward.

We would like to propose an amendment to the bill. On page 2, in item (4) the types of health care entities should also include health care associations. This amendment would include entities such as the Hawaii Medical Association, the Hawaii Long Term Care Association, and the Healthcare Association of Hawaii.

A concern has been raised that the bill does not provide for State supervision of those who are engaged in collaboration. Section 624-25.5(b) and (c), Hawaii Revised Statutes, contains an example that can be used to develop such a mechanism. It authorizes the Department of Health (DOH) to convene committees to improve Hawaii's trauma care system, and prohibits the proceedings and records of these committees from being used in discovery. Similarly, the bill may be amended to authorize DOH to convene committees to collaborate on uniform administrative standards for health care that are not subject to Hawaii's antitrust laws.

Another concern has been raised that this bill does not apply to federal antitrust law. However, that would not be appropriate, as the State Legislature does not have jurisdiction over federal law.

With the necessary amendments, the Healthcare Association of Hawaii supports HB 656.



**HAWAII MEDICAL ASSOCIATION**

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**Friday, February 8, 2013**  
**8:00 a.m.**  
**Conference Room 329**

To: COMMITTEE ON HEALTH  
Rep. Della Au Belatti, Chair  
Rep. Dee Morikawa, Vice Chair

From: Hawaii Medical Association  
Dr. Steven Kemble, MD, President  
Dr. 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 656 RELATING TO HEALTH CARE ADMINISTRATIVE UNIFORMITY

In Support.

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.

The HMA agrees 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 - ROGER KIMURA, MD**  
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# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 8, 2013

The Honorable Della Au Bellati, Chair  
The Honorable Dee Morikawa, Vice Chair

House Committee on Health

**Re: HB 656 – Relating to Health Care Administrative Uniformity**

Dear Chair Belatti, Vice Chair Morikawa and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 656 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 the intent of this measure.

This legislation is intended to allow the health care stakeholders to conduct full and free discussions on streamlining these administrative processes that could achieve savings in cost and item. However, the impact of HB 656 would be limited, since it does not extend beyond State antitrust statutes and does not provide an exemption under federal antitrust law.

We understand that the State Administration also is in support of the intent of this legislation and is pursuing means of addressing antitrust concerns. Pending the results of those efforts, we hope the Committee would allow this Bill to continue through the legislative process.

Thank you for allowing us to testify on this legislation.

Sincerely,

A handwritten signature in black ink that reads 'Mark K. Oto'.

Mark K. Oto  
Director  
Government Relations