



Date: March 19, 2013

To: Representative Della Au Belatti, Chair  
Representative Dee Morikawa, Vice Chair  
Members of the Committee on Health

Fr: Karl Kiyokawa, VP UnitedHealthcare Military & Veterans – Hawai'i

Re: **SB933, SD1 – Relating to the TRICARE Program**

Hearing March 20, 2013, 8:30 am, CR 329, State Capitol

Good Morning Chair and Committee Members,

I am Karl Kiyokawa, Vice President of Hawaii Market Operations, testifying on behalf of UnitedHealthcare, Military & Veterans Services a unit of UnitedHealth Group. UHC, M&V was recently chosen to be the Managed Care Support contractor serving nearly 2.9 million TRICARE beneficiaries across the Western United States. The first year of operations is anticipated to begin April 1, 2013.

UnitedHealth Group is a diversified health and well-being company dedicated to helping people live healthier lives and making health care work better. UnitedHealth Group serves more than 75 million people worldwide.

The purpose of SB933 SD1 is to extend the existing excise tax exclusion for a managed care support contractor of the TRICARE program for the actual cost of advancement to third party health care providers pursuant to the contract. In other words, UnitedHealthcare Military & Veterans will be making payments to healthcare providers on behalf of the Federal Government. We advance these funds only; this is not UnitedHealthcare revenue but a cost pass through to health care providers.

The bill currently calls for an exclusion that would sunset on December 31, 2015, however, we believe that the Committee should consider, for consistency and planning purposes, making the exclusion permanent.

I am happy to answer any questions that the Committee might have.