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WORK INJURY MEDICAL ASSOCIATION OF HAWAII
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EWA BEACH, HAWAII 96706

MAULI OLA
THE POWER OF HEALING

MARCH 14, 2014

COMMITTEE ON COMMERCE & CONSUMER PROTECTION

HOUSE BILL 2584 HD1 RELATING TO PERSONAL INJURY PROTECTION BENEFITS

SPECIFIES REIMBURSEMENT REQUIREMENTS FOR PRESCRIPTION DRUG CLAIMS CONCERNING MOTOR VEHICLE INSURANCE PERSONAL INJURY PROTECTION BENEFITS. EFFECTIVE JULY 1, 2112 (HB2584 HD1)

THE WORK INJURY MEDICAL ASSOCIATION OF HAWAII IS IN OPPOSITION TO BILL (HB2584) AS WRITTEN. WE SUPPORT HB2584 HD1.

MANY OF OUR SUPPORTERS THAT ARE PHYSICIANS CONTINUE TO CARRY THE ADMINISTRATIVE BURDEN FOR PATIENTS WITH PERSONAL INJURY. WE ARE CONCERNED ABOUT LESS PARTICIPATING OF PHYSICIANS IN THE AREA OF PERSONAL INJURY ESPECIALLY ON THE NEIGHBOR ISLANDS.

WE ASK FOR YOUR CONSIDERATION AND SUPPORT OF HB2584 HD1.

GEORGE M. WAIALEALE
EXECUTIVE DIRECTOR
WORK INJURY MEDICAL ASSOCIATION OF HAWAII

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- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

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Senate Committee on Commerce and Consumer Protection
Conference Room 229 State Capitol
Friday, March 14, 2014, 9:00 a.m.
HB 2584 HD1 – Relating to Personal Injury Protection Benefits

Chair Baker, Vice-Chair Taniguchi and Members of the Committee:

My name is Tim Dayton and I am General Manager for GEICO, Hawaii's largest insurer of motor vehicles. **GEICO opposes HB 2584 HD1 in its current form.**

The original intent of the Bill was to control the costs in automobile insurance Personal Injury Protection (PIP) coverage by limiting charges for drugs, supplies, and materials billed under Personal Injury Protection benefits to levels corresponding to reimbursement by group health insurance. However, the language in HB 2584 HD1 does not accomplish the intent. As drafted, HD1 will allow a loophole for manufacturers to name their own price for drugs that are specifically designed to be dispensed to work comp injury and motor vehicle accident patients directly by physicians for windfall profit for both the physician and the manufacturer.

GEICO strongly urges the Committee to adopt the language in SB2365 SD2 which will effectively address the loophole and accomplish the original intent of the legislation.

Thank you for the opportunity to submit this testimony.

A handwritten signature in black ink, appearing to read "Timothy M. Dayton", with a long horizontal flourish extending to the right.

Timothy M. Dayton, CPCU