

# HMSA

# LATE



An Independent Licensee of the Blue Cross and Blue Shield Association

January 5, 2014

The Honorable Rosalyn H. Baker, Chair  
The Honorable Brian T. Taniguchi, Vice Chair  
Senate Committee on Commerce and Consumer Protection

**Re: SB 2494 – Relating to Personal Injury Protection Benefits.**

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2494 which limits charges for prescription drugs and medical supplies in personal injury cases to amounts charged and reimbursable under prepaid health care plans. HMSA offers comments on this Bill.

While this legislation may not impact HMSA directly, it could have indirect implications for subrogation cases. For example, the Bill requires all charges for drug supplies and materials to be separately listed and certified by the provider that the charges are related to the motor vehicle injury. It is unclear from the Bill if these conditions are not met, and the benefits are included in the motor vehicle insurance plan, if a financial obligation could devolve to the health insurance plan.

The Bill additionally requires charges for prescription drugs and medical supplies to not exceed “amounts charged and reimbursable under prepaid health care plans, as provided under chapter 393....” However, Chapter 393, HRS, the Prepaid Health Care Act, does not set amounts to be charged and reimbursed.

Thank you for allowing us to testify today to offer these observations.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD' with a flourish.

Jennifer Diesman  
Vice President  
Government Relations

**LATE**



**To: Senator Rosalyn Baker, Chair  
Senator Brian Taniguchi, Vice Chair  
Members of the Committee on Commerce and Consumer Protection**

**Date: Wednesday, February 5, 2014**

**Time: 9:00 am**

**Place: Conference Room 229**

**State Capitol**

**415 South Beretania Street**

**COMMENTS ON SENATE BILL 2494**

Automated HealthCare Solutions (AHCS) submits the following testimony in opposition to Senate Bill 2492 (SB 2494).

Hawaii has a long-standing (1992) intent to tie personal injury protection benefits to workers' compensation schedules. As determined by the *Hawaii Providers Network* court:

The legislative intent [in adopting the Workers' Compensation fee schedule to govern the amount of payments to providers of no-fault benefits under motor vehicle insurance policies] was to "establish[] a medical fee schedule which limits charges and frequency of medical services and treatment [for purposes of no-fault coverage] by adopting, by reference, the workers' compensation fee schedule and guidelines." Sen. Conf. Comm. Rep. No. 161, in 1992 Senate Journal, at 826 (emphasis added). The Legislature also indicated that "medical cost containment . . . will be accomplished by adoption of a fee schedule modeled on the workers' compensation medical fee schedule." Hse. Stand. Comm. Rep. No. 1271-92, in 1992 House Journal, at 1391.

*Id.* at 365, 98 P.3d at 236; *see also id.* at 369, 98 P.3d at 240 ("[T]he legislature, thus, adopted the workers' compensation fee schedule by reference *in order to implement* its intent to contain costs of motor vehicle insurance.").

By tying personal injury protection benefits to workers' compensation, not only is cost containment achieved but patient access to quality medical care is also ensured. For example,

HRS 386-21 states in part that “[t]he rates or fees provided for in this section shall be adequate to ensure at all times the standard of services and care intended by this chapter to injured employees.” Although the forgoing provision directly references injured workers, the same holds true for personal injury protection patients in Hawaii today. This is to ensure that physicians continue to treat no-fault patients. Should reimbursement be unreasonably reduced or tied to health care plans with no easily ascertainable coverage, physicians will no longer treat personal injury protection patients and the patients will be the ones who ultimately suffer.

To the extent SB 2494 is focused on cost containment, this Committee should be aware that there are several workers’ compensation bills pending in the House and Senate that further curtail reimbursement for medications dispensed to work comp patients. AHCS has been directly involved in the stakeholder negotiations of these bills and is optimistic legislation will be passed this session which achieves the additional cost containment measures sought by payors. To that end, many of the provisions in SB 2494 will already be addressed without having to burden the system with additional disputes over reimbursements tied to a vast array of varying “prepaid healthcare plans.”

Thank you for your consideration.

Jennifer Maurer, Esq.  
Government Relations Director  
Automated HealthCare Solutions, LLC

**LATE**

# WIMAH

WORK INJURY MEDICAL ASSOCIATION OF HAWAII  
91-2135 FORT WEAVER ROAD SUITE #170  
EWA BEACH, HAWAII 96706

MAULI OLA  
THE POWER OF HEALING

FEBRUARY 5, 2014

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SENATE BILL 2494 RELATING TO PERSONAL INJURY PROTECTION BENEFITS

ENSURES PERSONAL INJURY PROTECTION BENEFITS REMAIN CONSISTENT WITH PREPAID HEALTH CARE PLANS BY CLEARLY SPECIFYING REQUIREMENTS FOR THE REIMBURSEMENT OF DRUGS, SUPPLIES AND MATERIALS.

THE WORK INJURY MEDICAL ASSOCIATION OF HAWAII IS IN OPPOSITION TO THIS BILL AS WRITTEN. MANY OF OUR SUPPORTERS THAT ARE PHYSICIANS HAVE PATIENTS WITH PERSONAL INJURY. PHYSICIANS WILL NOT BE ABLE TO CARRY THE FINANCIAL BURDEN OF DELAYED PAYMENTS AND DENIAL OF PAYMENT FOR THESE INJURED PATIENTS. THIS WILL BRING ABOUT LESS PARTICIPATING OF PHYSICIANS IN THE AREA OF PERSONAL INJURY.

THIS WILL LIMIT OR ELIMINATE PHYSICIANS ESPECIALLY ON THE NEIGHBOR ISLANDS FROM PARTICIPATING,

WE ASK FOR YOUR SUPPORT TO OPPOSE THIS BILL AS WRITTEN.

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

EMAIL: [WIMAHDIR@AOL.COM](mailto:WIMAHDIR@AOL.COM) PHONE: (808)-383-0436

**LATE**

**SB2494**

Submitted on: 2/4/2014

Testimony for CPN on Feb 5, 2014 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Mankwan Wong	Individual	Oppose	No

Comments: It is extremely difficult to find a qualified physician in Honolulu who accepts PIP. For example, to the best of my knowledge, I am the only Cantonese Speaking internist in the island who accepts wide range of PIP patients. Given the delayed payments and payment denials of some of the PIP carriers, I will not be able to afford to continue accepting PIP, if there are significant reductions of payment for PIP coverage. The ones who will suffer the most will be the injured drivers/motorists, especially the Cantonese speaking population.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**SB2494**

Submitted on: 2/4/2014

Testimony for CPN on Feb 5, 2014 09:00AM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James Van Natta	Individual	Oppose	No

Comments: Clearly, PIP and Work Comp patients need an expansion of their benefits, not a retraction. This Bill is completely in favor of the insurance carriers who do not need a boost to their bottom line.

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