

# HB2482 HD2

Measure Title: RELATING TO INSURANCE.

Report Title: Managed Care Plan; Data

Description: Requires managed care plans to provide claims data annually at no charge to a large group purchaser if the large group purchaser requests the information and meets certain requirements. (HB2482 HD2)

Companion:

Package: None

Current Referral: CPH

Introducer(s): BELATTI, JOHANSON, LUKE, NISHIMOTO, Rhoads



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TO THE SENATE COMMITTEE ON  
COMMERCE, CONSUMER PROTECTION AND HEALTH

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016

Tuesday, March 29, 2016  
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 2482, H.D. 2 – RELATING TO INSURANCE.**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”) testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department takes no position on this bill, but submits the following comments.

House Bill No. 2482, H.D. 2 requires managed care plans to provide claims data annually at no charge to a large group purchaser if the large group purchaser requests the information and meets certain requirements.

On page 1, lines 9-10, the Commissioner is required to determine the data sharing agreement. The Department recommends the data sharing agreement be based on a standardized data set and format agreed to between the managed care plan and large group purchaser. The agreed upon data set and format will meet national standards protecting personally identifiable information (“PII”).

On page 1, line 12, and page 3, lines 6-7, the bill requires the Commissioner to determine the statistician. The Department questions which entity will be responsible for the procurement and funding of such a vendor, and requests for the process to fund a qualified statistician be clarified.

Some insurers have expressed concerns that this type of claims disclosure may trigger a violation of the federal Health Insurance Portability and Accountability Act of 1996, particularly for smaller employers. However, there may also be a perception in the public that restricting the disclosure to large group purchasers creates an unlevel playing field while the small group transitional plans continue to exist.

We thank this Committee for the opportunity to present testimony on this matter.



An Independent Licensee of the Blue Cross and Blue Shield Association

March 29, 2016

The Honorable Rosalyn H. Baker, Chair  
The Honorable Michelle N. Kidani, Vice Chair  
Senate Committee on Commerce, Consumer Protection, and Health

Re: HB 2482, HD2 – Relating to Insurance

Dear Chair Baker, Vice-Chair Kidani, and Committee Members:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2482, HD2, which would require plans to provide claims data at no charge to large group purchasers upon request. HMSA respectfully opposes this Bill.

**Affordable Care Act - Transparency**

HMSA fully appreciates the Committee's interest in ensuring transparency as it applies to claims data. As the Bill implies, the Affordable Care Act (ACA) already requires issuers to disclose detailed claims and coverage data to the Department of Health and Human Services (HHS), state insurance regulators, and the public. The ACA requires eight categories of information that plans must make public, including:

- Claims payment policies and practices;
- Periodic financial disclosures;
- Data on enrollment;
- Data on disenrollment
- Data on the number of claims that are denied;
- Data on rating practices;
- Information on cost-sharing and payments related to any out-of-network coverage; and
- Information on enrollee and participant rights under health reform.

Virtually the entire private insurance market is subject to a uniform minimum standard of transparency. This Bill will interfere with this ongoing effort and create an additional administrative burden.

**HMSA Large Groups Data Reports Complies with the Intent of HB 2482, HD2**

HMSA already is in substantial compliance with the intent of HB 2482, HD2. We provide de-identified data to our large groups (250 or more employees) upon request and in accordance with each group's plan, or as is required by the group Agreement. We take extreme care in ensure compliance with our obligation to protect a members privacy and confidentiality If there only is a single case of a diagnosis, we take additional measures to ensure the diagnosis may not be attributable to a specific member. And, we do not provide data on protected class diagnoses, such as HIV.

We believe that the reports we already do provide large groups have been beneficial to our members, as well as meeting federal and state requirements for transparency. Should this



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measure ultimately be enacted in its current form, it would require plans to provide significantly more, and different, data to a potentially large number of groups, incurring significant cost for the plan and ultimately our members.

**Proposed Amendments**

While we appreciate the amendments made by the previous Committee, we humbly ask this Committee's consideration of the following:

- 1) Delete subsection (c) as written and replace with:

(c) claims data required pursuant to subsection (a) shall be provided by the plan at no charge to a large group purchaser and may include the following aggregated data:

- (1) aggregate claims paid;
- (2) aggregated utilization data showing utilization and cost per service by broad service categories (including physician visits, hospital days, outpatient services, prescription drugs);

- 2) Subsection (i), define 'large group purchaser' or 'purchaser' at 250 or more lives.

Thank you for allowing us to testify in opposition to HB 2482, HD2.

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.



March 29, 2016

The Honorable Rosalyn Baker, Chair  
The Honorable Michelle Kidani, Vice Chair  
Senate Committee on Commerce, Consumer Protection, and Health

**Re: HB 2482, HD2 – Relating to Insurance**

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

The Hawai'i Association of Health Plans (HAHP) respectfully submits comments in opposition to HB 2482, HD2, which requires plans to provide claims data annually at no charge to a large group purchaser if the large group purchaser requests the information and meets certain requirements.

As currently written, we are concerned that this bill won't ensure that data will be properly de-identified, leaving members vulnerable to a loss of confidentiality and privacy. This could possibly result in violations of HIPAA.

In addition, the added data reporting requirements placed upon the plan would create a significant administrative burden, which would lead to a substantial cost to both the plan and its members.

Thank you for allowing HAHP to testify in opposition to HB 2482, HD2.

Sincerely,

Wendy Morriarty, RN, MPH  
Chair, HAHP Public Policy Committee

Cc: HAHP Board Members