

HCR157

REQUESTING THE INSURANCE DIVISION OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO CONDUCT A SURVEY OF THE MEDICAL PROFESSIONAL COMMUNITY TO DETERMINE THE EXTENT OF THE DEVELOPMENT OF ACCOUNTABLE CARE ORGANIZATIONS AND DIRECT PRIMARY CARE OR "CONCIERGE MEDICINE" WITHIN THE COMMUNITY AND THE IMPACT OF THESE BUSINESS ARRANGEMENTS ON THE ABILITY OF PATIENTS TO ACCESS PRIMARY CARE SERVICES IN THE STATE.

sure Title:

Report Title:

Accountable Care Organizations; Direct Primary Care

Description:

Companion:

[HR108](#)

Package:

None

Current Referral:

CPH

Introducer(s):

SOUKI, BELATTI, MCKELVEY, SAIKI



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TO THE SENATE COMMITTEE ON COMMERCE,
CONSUMER PROTECTION, AND HEALTH

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016

Monday, April 18, 2016
10:00 a.m.

TESTIMONY ON HOUSE CONCURRENT RESOLUTION NO. 157 – REQUESTING THE INSURANCE DIVISION OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO CONDUCT A SURVEY OF THE MEDICAL PROFESSIONAL COMMUNITY TO DETERMINE THE EXTENT OF THE DEVELOPMENT OF ACCOUNTABLE CARE ORGANIZATIONS AND DIRECT PRIMARY CARE OR “CONCIERGE MEDICINE” WITHIN THE COMMUNITY AND THE IMPACT OF THESE BUSINESS ARRANGEMENTS ON THE ABILITY OF PATIENTS TO ACCESS PRIMARY CARE SERVICES IN THE STATE.

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

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”).

The purpose of this resolution is to require that the Insurance Division (“Division”) survey the medical professional community and submit a report to the legislature. The survey is to identify the extent to which: accountable care organizations (“ACOs”) have developed in Hawaii; health care providers and patients are participating in ACOs; direct primary care has penetrated Hawaii and participating health care providers and patients in direct primary care; and ACOs and direct primary care have impacted Medicare or Medicaid patient access to primary care services. The report would be due to the Legislature no later than twenty days before the convening of the Regular Session of 2017. The Department submits the following comments.

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An ACO is a network of physicians, specialists, hospitals, and other health care providers that shares financial and medical responsibility. The goals of an ACO are to provide coordinated care to a patient and to limit costs and unnecessary spending. The Division has no oversight over these private network ACO arrangements as it involves direct contracts between providers. The Division is likewise not involved with direct primary care which involves direct payments between patients and providers.

ACOs were also created by Section 2706 of the Patient Protection and Affordable Care Act (“ACA”) to take part in the Medicare Shared Savings Program (“MSSP”) and other federal programs. A subset of Medicare beneficiaries fall under an ACA MSSP ACO. These ACOs are under the jurisdiction of the federal Department of Human Services and Centers for Medicare and Medicaid Services (“CMS”).

If the intent is to survey ACA ACOs, CMS may be a more suitable entity to conduct a survey of the medical community as CMS develops ACO program regulations, defines policies on ACOs, determines how ACOs are created, and assesses ACOs for quality and financial performance.

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