

SB1217

Measure Title: RELATING TO INSURANCE.

Report Title: Insurance; Health Insurance; Health Care; Discrimination; Providers; Insurers

Description: Aligns state law with the requirements of section 2706 of the federal Public Health Service Act by prohibiting insurers from discriminating against any health care provider who is acting within the scope of that provider's license or certification.

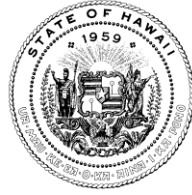
Companion:

Package: None

Current Referral: CPN, JDL

Introducer(s): BAKER

<u>Sort by Date</u>		Status Text
1/28/2015	S	Introduced.
1/28/2015	S	Passed First Reading.
1/28/2015	S	Referred to HTH/CPN, JDL.
2/2/2015	S	The committee(s) on CPN added the measure to the public hearing scheduled on 02-05-15 9:00AM in conference room 229.
2/2/2015	S	Re-Referred to CPN, JDL.



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Thursday, February 5, 2015
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 1217 – 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 the bill, and submits the following
comments on this bill.

The purpose of this bill is to prohibit insurers from discriminating against any
health care provider who is acting within the scope of that provider's license or
certification.

Section 2706 of the federal Public Health Service Act, as added by section 1201
of the federal Patient Protection and Affordable Care Act of 2010, prohibits such
discrimination. Pursuant to section 431:2-201.5 (conformity to federal law), Hawaii
Revised Statutes, these provisions already apply to Title 24 (insurance).

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



HAWAII SOCIETY OF
NATUROPATHIC PHYSICIANS

February 3rd, 2015

Dear Committee on Commerce and Consumer Protection,

The Hawaii Society of Naturopathic Physicians would like to express their support for SB 1217. This bill would make Hawaii state law consistent with federal law¹ and eliminate health plan discrimination against whole classes of health care providers. Passage of SB 1217 would improve access to care for Hawaii's people, increase options for patients, and improve health outcomes.

In Hawaii, health plans and insurance companies limit types of health care providers allowed to provide services to their members, excluding several non-MD licensed providers. Exclusion of provider types who are licensed as primary care providers (PCPs) to provide the Essential Health Benefits (EHBs) outlined in the Affordable Care Act (ACA) is in direct conflict with the nondiscrimination section of the ACA (Section 2706).

Beyond the matter of compliance with the federal law, evidence shows that including specific non-MD health care providers, such as licensed naturopathic physicians (NDs), can reduce costs, improve health outcomes, and increase access to care.² Unfortunately, traditional contracting arrangements in Hawaii exclude naturopathic physicians from their health plans requiring patients to pay out of pocket for their primary care needs when they choose to see a naturopathic physician as their primary care provider. Naturopathic physicians are almost exclusively denied in-network status with health insurance companies in Hawaii, and patients are often denied out-of-network reimbursement for primary care services provided by naturopathic doctors, despite the fact that the services being provided by NDs are identical to PCP services performed by MD or DO providers.

Naturopathic physicians (NDs) are primary care physicians that practice integrative healthcare. NDs attend accredited four-year medical schools and are trained in the same biomedical sciences as MDs, with a focus on prevention through lifestyle modification and natural treatments. Naturopathic medicine is a comprehensive system of health care that combines conventional medical diagnostics with safe and effective natural treatments. In addition to preventing disease and decreasing health care costs, studies show that naturopathic physicians have excellent outcomes with chronic diseases such as diabetes, obesity and hypertension – three of the most costly chronic conditions effecting the population of Hawaii today.^{3,4}



HAWAII SOCIETY OF NATUROPATHIC PHYSICIANS

As growing demand for health care services adds stress to an already overburdened health care system, efficient utilization of all health care professions trained to provide essential health benefits is necessary to ensure affordable access to care. As the economic impact of preventable chronic disease continues to grow and tax our health care system, prevention should be at the forefront of modern medicine. It is time to focus on modifiable health risk behaviors that can be prevented and treated using therapies in which

NDs specialize, including lifestyle, diet, and nutritional counseling, exercise and stress management.

For these reasons, the HSNP supports SB 1217 and requests that your committee vote in favor of the measure.

Thank you for your support,

Karen Frangos PT, ND

President, HSNP

¹H.R. 3590, 111 Cong. Section 2706. (2010) (enacted).

²Michael S. Goldstein, PhD, and John Weeks, (2013). 'Naturopathic Physician Chapter'. In: e.g. Tolkien, J.R.R. (ed), Meeting the Nation's



HAWAII SOCIETY OF
NATUROPATHIC PHYSICIANS



Primary Care Needs. 1st ed. Seattle, WA: Academic Consortium for Complementary and Alternative Health Care. (32-48).

³ Bradley R. Adjunctive naturopathic care for type 2 diabetes: patient-reported & clinical outcomes after 1 year. *BMC Complementary & Alternative Medicine* 2012, 12:44

⁴ Bradley R. Observed changes in risk during naturopathic treatment of hypertension. *eCAM* 2010, p



An Independent Licensee of the Blue Cross and Blue Shield Association

February 5, 2015

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

Re: SB 1217 – Relating to Insurance

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1217 which seeks to establish statutory insurance recoupment timeframes. HMSA offers comments on and an amendment to this measure.

Network-based managed care plans are essential for an efficient health care system. To that end, it is imperative for plans to have a provider network of the highest quality with providers who can readily meet the standards of our pay-for-quality program. And, providers who appreciate the value of our patient-centered medical home model of health care delivery.

We are concerned that this Bill may impede quality management of our provider network. We may find it necessary to review every provider claim, rather than select providers whose patterns do not require close scrutiny. This would result in additional administrative cost to the system.

That said, should the Committee wish to pass this measure, we would suggest an amendment to appropriate sections of Section 2 of HB 1217 as follows:

(b) Notwithstanding subsection (a), this section shall not be construed to require that a mutual benefit society contract with any health care provider ~~[willing to abide by]~~ who meets the terms and conditions for participation established by the mutual benefit society.

We believe this amendment may help alleviate some of the concerns we raised.

Thank you for the opportunity to comment on SB 1217. Your consideration of our concern is appreciated.

Sincerely,

Jennifer Diesman
Vice President, Government Relations

SB1217

Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Pattee	Hui Hun Health	Support	No

Comments: I am a HUGE supporter of alternative medicine and naturopathy. It is the first line of prevention and treatment if not the ONLY prevention and treatment our entire family seeks when in need of medical care even though I have to pay out of pocket for every visit because we are on Quest. I refer at least 2 people every day with or without insurance coverage to naturopathic physicians every day within my own practice. Please help keep and make it even more accessible to everyone. thank you!

My name is Michael Traub ND. I am a naturopathic physician practicing for the past 30 years in Kailua Kona. I am a past president of the American Association of Naturopathic Physicians (AANP). I am a member of the AANP's Committee on Section 2706, and co-chair of the Nondiscrimination Committee of the Integrative Healthcare Policy Consortium (IHPC). IHPC is a national coalition incorporated in 2003 comprised of 2 dozen organizations and institutions ("Partners for Health") representing more than 420,000 licensed, and state and nationally certified healthcare professionals. Our mission is to advocate for an integrative healthcare system with equal access to the full range of health-oriented, person-centered, regulated healthcare professionals.

I have been working towards a federal law prohibiting discrimination against licensed healthcare providers for the past 15 years. I was involved in lobbying for the nondiscrimination provision (Section 2706) to be included in the Affordable Care Act, and I have remained very active in both national and state efforts to have this law implemented as intended by Congress. As a result, I have been recognized as an authority on the subject.

Even before Section 2706 became effective on January 1, 2014, there have been problems with it being misinterpreted by federal agencies, leading to very spotty implementation and compliance on the part of insurers. In Hawaii, HMSA, Kaiser, UHA and HMAA have all failed to implement the law as it was intended. That is why SB1217 is needed. Similar legislation has been introduced in California and New Mexico.

I would urge you to vote in favor of SB1217 and to establish legislative enforcement of Section 2706 that is consistent with Congressional intent.

Background

Discriminatory practices, in terms of both access and reimbursement, are a commonplace battle for non-MD healthcare providers and the patients they serve. Examples include whole categories of providers being reimbursed at different rates than other providers for the same covered service, insurers applying caps on covered services based solely on licensure, denying specific forms of care otherwise covered under a plan on the basis that it was provided by a particular provider type, and being categorically excluded from participation in a network's plan.

Assessment

The ACA provides for "dual" enforcement authority by the federal government and state authorities for Section 2706. Health and Human Services has been reluctant to press this issue with states: therefore it has been largely left up to states to pass legislation or rules to enforce 2706. Some type of enforcement is essential for this bill to be effective.

Action needed

I would ask that you consider the following as possible amendments to SB1217:

- Apply Section 2706 to all group or individual plans, third-party administrators that manage benefits for self-insured plans, workers' compensation, auto insurance carriers, and all Hawaii health care programs
- Require that co-payments, deductible structures, conversion factors, and covered essential health benefits apply equally to all covered providers, and are not to differ based solely on profession
- Prohibit the unequal application of fee structures, reimbursement rates, network adequacy and approval processes based solely on provider type
- Stipulate that the expense of any care service delivered by a licensed provider and paid for by a policy-holder shall be applied to the deductible, empowering consumers to control their healthcare spending prior to the point plans assume risk
- Require denials of care to have a transparent rationale, applied uniformly across provider types, clearly articulating authorization on determinations, criteria, and the insured's right to appeal
- Bring all other Hawaii health care laws relative to provider non-discrimination into conformity with the ACA
- Enforce non-discrimination language, with noncompliance resulting in suspension of plan participation in state public health programs for up to two years

Mahalo nui,

Michael Traub, ND

SB1217

Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Cristine Hafner	Individual	Support	No

Comments: I would like to express their support for SB 1217. This bill would make Hawaii state law consistent with federal law (1) and eliminate health plan discrimination against whole classes of health care providers. Passage of SB 1217 would improve access to care for Hawaii's people, increase options for patients, and improve health outcomes. I support SB 1217 and request that your committee vote in favor of the measure.

SB1217

Submitted on: 2/4/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Laurie Steelsmith	Individual	Support	No

Comments: As a naturopathic physician in practice in Hawaii for 22 years, I fully support SB 1217. This bill is important for the people of Hawaii so that they can have better access to health care provided by licensed naturopathic physicians. This bill would make Hawaii state law consistent with federal law and eliminate health plan discrimination against whole classes of health care providers. Passage of SB 1217 would improve access to care for Hawaii's people, increase options for patients, and improve health outcomes. In Hawaii, health plans and insurance companies limit types of health care providers allowed to provide services to their members, excluding several non-MD licensed providers. Exclusion of provider types who are licensed as primary care providers (PCPs) to provide the Essential Health Benefits (EHBs) outlined in the Affordable Care Act (ACA) is in direct conflict with the nondiscrimination section of the ACA (Section 2706). Beyond the matter of compliance with the federal law, evidence shows that including specific non-MD health care providers, such as licensed naturopathic physicians (NDs), can reduce costs, improve health outcomes, and increase access to care. Unfortunately, traditional contracting arrangements in Hawaii exclude naturopathic physicians from their health plans requiring patients to pay out of pocket for their primary care needs when they choose to see a naturopathic physician as their primary care provider. Naturopathic physicians are almost exclusively denied in-network status with health insurance companies in Hawaii, and patients are often denied out-of-network reimbursement for primary care services provided by naturopathic doctors, despite the fact that the services being provided by NDs are identical to PCP services performed by MD or DO providers. As a licensed naturopathic physician in the state of Hawaii, I provide primary care to my patients from physical exams to prescribing medication when appropriate. Although my patients pay out of pocket for my services, it would be to their benefit to have their health care insurance cover their choice to see a naturopathic physician. Naturopathic medicine is a comprehensive system of health care that combines conventional medical diagnostics with safe and effective natural treatments. In addition to preventing disease and decreasing health care costs, studies show that naturopathic physicians have excellent outcomes with chronic diseases such as diabetes, obesity and hypertension – three of the most costly chronic conditions effecting the population of Hawaii today. Please support SB 1217. Sincerely Yours, Dr. Laurie Steelsmith N.D., L.Ac.

SB1217

Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie Beeby	Individual	Support	No

Comments: I would like to express my support for SB 1217. This bill would make Hawaii state law consistent with federal law (1) and eliminate health plan discrimination against whole classes of health care providers. Passage of SB 1217 would improve access to care for Hawaii's people, increase options for patients, and improve health outcomes. Allowing individuals and families with direct access to the most innovative 'health' care and not disease care. Working with my ND has completely changed my life as a new mom. Having more accessibility to her without having to pay so much out of pocket would be life-changing for me and my family.

SB1217

Submitted on: 2/3/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Corinne Maul De Soto	Individual	Support	No

Comments: The state of Hawaii is short almost 800 Primary Care Physicians (PCP). SB 1217 will help alleviate this shortage by increasing coverage of naturopathic physicians (ND). NDs are trained and licensed as PCPs and are able to provide the Essential health Benefits outlined in the Affordable Care Act. There is not insurance plan currently covering NDs at level appropriate to their license and care provided to patients. As an ND focusing in pediatrics and family medicine, I see many kids whose parents would not bring them to a conventional MD pediatrician. These parents may be interested in vaccinating their children but since no insurance will cover vaccinations through an ND, including HMSA Quest which is the plan that covers the greatest number of my patients, these children slip through the cracks and fail to receive this preventative measure essential to public health. Passing and enforcing SB 1217 will help to improve the physician shortage in Hawaii and extend care to some of Hawaii's most vulnerable and underserved population.

SB1217

Submitted on: 2/4/2015

Testimony for CPN on Feb 5, 2015 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Marsha Lowery ND	Individual	Support	No

Comments: Dear Committee on Commerce and Consumer Protection, I would like to express my support for SB1217. This law would hopefully remedy the discrimination that is happening against licensed health care providers in the state of Hawaii. At this time many health plans are not in compliance with section 2706 of the ACA. As a naturopathic physician I am being reimbursed at a much lower rate for the same services provided by other doctors in the state. UHA is reimbursing NDs at 70% of medicare which is substantially lower than other providers. HMAA is reimbursing us at \$50.00 per visit regardless of the services provided. HMSA and Kaiser have excluded naturopathic physicians to be within their networks. Thank you for your support of SB1217. Dr. Marsha Lowery

Naturopath Testimony

I am in full support of the SB1217 bill. I am an esthetician who uses only all-natural products. I firmly believe that if ND care was more accessible to everyone, that there would be less medical expenses, overall. ND's focus on healing the body, as a whole, instead of just treating the symptom, resulting in lasting health.

I have been seeing an ND regularly and the care far exceeds that of care I've received from an MD. ND's go through the same schooling as MD's plus more! It is a no-brainer that ND's should be able to take insurance, as they're just as important to the health of humans as MD's are. This will allow for less at-home diagnoses that can do more harm than good.

Please pass this bill. There is no reason not to, it can only result in better health to all.

Sincerely,
Mariana Garcia