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TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-NINTH LEGISLATURE
Regular Session of 2017

Tuesday, February 14, 2017
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 248, H.D. 1 – RELATING TO HEALTH
INSURANCE**

TO THE HONORABLE ANGUS L.K. McKELVEY, 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 Department supports the intent of this bill, which is a companion to S.B. 287, and submits the following comments with a suggested amendment.

The purpose of this bill is to require all health insurers to disclose on their public web sites any standards, criteria, or information used in making preauthorization decisions. Limited benefit plans, such as long-term care insurance, Medicare supplemental insurance, and disability income, would also be subject to the requirements in the bill.

This bill creates more transparency for members and providers. The Department recommends amending this bill to include a requirement that the internet posting location must be prominently displayed and readily accessible for consumers. Additionally, an advanced posting requirement, prior to the effective date for any

House Bill No. 248
DCCA Testimony of Gordon Ito
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material modifications made during the plan year to standards, criteria, or information used for preauthorization, may help to further promote proper patient care.

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



HAWAII CHAPTER - AMERICAN PHYSICAL THERAPY ASSOCIATION

(800) 554-5569 x13 • www.hapta.org • info@hapta.org

**HB248hd1, Health Insurance
House CPC Committee Hearing
Tuesday, Feb. 14, 2017 – 2:00 pm
Room 329
Position: Support**

Chair McKelvey and Members of the House CPC Committee:

I am Gregg Pacilio, PT and Board President of the Hawaii Chapter of the American Physical Therapy Association, a non-profit professional organization serving more than 300 member Physical Therapists and Physical Therapist Assistants. Our members are employed in hospitals and health care facilities, the Department of Education school system, and private practice. We are part of the spectrum of care for Hawaii, and provide rehabilitative services for infants and children, youth, adults and the elderly. Rehabilitative services are a vital part of restoring optimum functioning from neuromusculoskeletal injuries and impairments.

HAPTA strongly supports this measure that seeks to require all health insurers to disclose on their public websites all standards, criteria, and information they use when making preauthorization decisions related to medical treatment or service.

Such clear and consistent policy standards about how preauthorization decisions are made will help health care providers as well as consumers:

1. Consumers will understand what they are purchasing for their insurance premiums.
2. Consumers will have a better understanding about why their treatment is delayed. There is no liability for injury to the consumer if care is put on hold due to delays in the preauthorization process.
3. Providers will understand why one diagnosis can yield different numbers of authorized treatment visits.
4. Providers will not need to guess at what will get approved by one insurance carrier and not approved by another.

We suggest that insurance companies show out-of-pocket or co-payment amounts on their website. What a consumer may pay for a regular primary doctor for an office visit may be vastly different than when they see a specialist or a physical therapist (PT). For example, a consumer may pay \$20 co-payment to see their primary doctor, but may pay \$50 for a specialist, and \$45 for a PT per visit.

Thank you for the opportunity to testify. Please feel free to contact Patti Taira-Tokuuke, HAPTA's Reimbursement Chair at 808-969-3811 for further information.



February 14, 2017
2:00 p.m., Room 329

To: **House Committee on Consumer Protection and Commerce**
The Honorable Angus L.K. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair

From: Beth Giesting, Hawai'i Association of Health Plans

Re: Opposition to HB 248, HD 1, RELATING TO HEALTH INSURANCE

The Hawai'i Association of Health Plans (HAHP) respectfully opposes House Bill 248, HD 1, which would require disclosure of preauthorization standards, criteria, and information.

As noted in the bill, preauthorization serves important functions to safeguard patients and control over-utilization and excessive costs. Hawai'i's health insurers publicly post information detailing the services that require pre-approval and share forms for clinicians who want to provide them. All health plans maintain high-quality utilization management standards that meet the requirements of NCQA and URAC. This also ensures that utilization review programs meet the needs of federal and state government requirements while protecting patients' rights.

It may be possible to disclose the criteria used for authorizing the most commonly used procedures but the universe of possible health care treatments and medications is voluminous and constantly changing. Providing and updating the information required by this bill would be daunting, if not impossible. We believe that maintaining opportunities to interact with providers about proposed treatments is more practical and educational for both clinician and insurer.

Thank you for the opportunity to share our views on this bill.



HAWAII MEDICAL ASSOCIATION

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FROM:
HAWAII MEDICAL ASSOCIATION
Dr. Chris Flanders, Executive Director
Lauren Zirbel, Community and Government Relations

TO:
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Rep. Angus L.K. McKelvey, Chair
Rep. Linda Ichiyama, Vice Chair

RE: HB 248

DATE: Tuesday, Feb. 14, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 329

Position: Support with Amendments

On behalf of the physician and medical student members of the Hawaii Medical Association, we are writing regarding our ongoing commitment to reform of the health care system.

There is a need for increased transparency of the prior authorization insurance process. We support the intent of prior authorization but believe that they must be conducted in a manner that is open and equitable for all parties.

We would like to request that the contents of HB 1525 be inserted into this bill.

That language specifies procedural, disclosure, notice, and other requirements for prospective reviews required by health carriers or utilization review organizations prior to certification of coverage for health care services.

Thank you for the opportunity to testify.

HMA OFFICERS

President – Bernard Robinson, MD President-Elect – William Wong, Jr., MD Secretary – Thomas Kosasa, MD
Immediate Past President – Scott McCaffrey, MD Treasurer – Michael Champion, MD
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February 14, 2017

The Honorable Angus L. K. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair
House Committee on Consumer Protection and Commerce

Re: HB 248, HD1 – Relating to Health Insurance

Dear Chair McKelvey, Vice Chair Ichiyama, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 248, HD1, which mandates each health plan to disclose preauthorization standards on the plan's website. HMSA certainly appreciates the intent of the Bill, but we do have a concern and offer comments.

HMSA and providers share the same goal – protecting the health and safety of people who trust us with their care. We work together to reach that goal but sometimes disagree on how to get there. While we work every day to balance the needs of our members, providers, employer groups, and government partners, our first priority always is the needs and safety of our members. The use of preauthorization is integral to helping our members secure the safest and most efficient care.

Preauthorizations

A preauthorization requirement is designed to (1) improve a patient's health and well-being by preventing overuse of medical services that could unintentionally cause harm, and (2) prevent wasteful services that people do not truly need.

Preauthorizations are required not only of imaging services, but they are required for many other medical procedures, medications, and durable medical equipment. Most notably with public concern over rising drug costs, preauthorizations can help identify an appropriate generic medication in lieu of a more expensive brand named drug. And, a preauthorization for a new prescription may help prevent potentially dangerous drug interactions.

Virtually every health plan, including Medicare and Medicaid, require preauthorizations for numerous services. To comply with Medicare requirements, HMSA's Akamai Advantage plans require preauthorization for advanced imaging studies when provided on an outpatient basis (not emergency room or inpatient).

The Centers for Medicare & Medicaid Services (CMS), the National Committee for quality Assurance (NCQA), and the Health Services Advisory Group (HSAG), which oversees Medicaid in Hawaii, all have prior authorization guidelines and definitions on urgent versus non-urgent requests, specific turnaround times, and approval and denial processes. HMSA follows these guidelines and definitions.

Concerns with HB 248, HD1

We understand and agree that transparency is important, and it is appropriate and desirable to have information about the preauthorization process readily accessible for our members. However, Section 2 of the Bill provides for a health plan "...that requires preauthorization of a medical treatment or service shall disclose on its public web site any standards, criteria, or information..." it uses for preauthorization decisions.



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As described above, the breadth of policies and guidelines governing preauthorizations is wide-ranging. These guidelines also are fluid and change with medical research driving advances. We are uncertain about the scope of information for the website contemplated under the Bill and seek clarification. Ultimately, we would want any information we offer to be clearly understandable for our members.

Thank you for the opportunity to testify on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark K. Oto".

Mark K. Oto
Director, Government Relations

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 13, 2017 6:50 PM
To: CPCtestimony
Cc: bmurphy420@mail.com
Subject: *Submitted testimony for HB248 on Feb 14, 2017 14:00PM*

HB248

Submitted on: 2/13/2017

Testimony for CPC on Feb 14, 2017 14:00PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Murphy	Individual	Support	No

Comments:

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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