

STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony COMMENTING on HB1896
RELATING TO HEALTH.**

REP. JOHN M. MIZUNO, CHAIR
HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES
Hearing Date: January 24, 2018 Room Number: 329

1 **Fiscal Implications:** None for Department of Health.

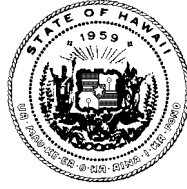
2 **Department Testimony:** The Department of Health supports the intent of HB1896, which is to
3 review health care policies, the Affordable Care Act, and other jurisdictions' health care
4 legislative proposals to determine ways the state can increase access to health care. However,
5 the department respectfully requests that proposals for increasing access to health care be
6 postponed until after a health analytics program is established and operational.

7 Based on the references the task force shall study, HB1896 appears to focus on the affordability
8 of health insurance. However, increasing access to health care also depends on a strong public
9 health infrastructure, supportive primary prevention policies, adequate provider supply, robust
10 health care analytics, and patient health literacy.

11 The Department of Health, in collaboration with other Cabinet agencies like the Department of
12 Human Services, the Department of Commerce and Consumer Affairs, the Department of Labor
13 and Industrial Relations, and the University of Hawaii, as well as private sector stakeholders,
14 discuss and prioritize these key components of health care access.

15 It is therefore noteworthy to call attention to HB2361, Relating to Health Analytics, which is part
16 of the Governor's Administrative Package from the Department of Human Services, that calls for
17 resources and authority to establish a health analytics program to study both clinical and
18 financial health data.

- 1 Reports and recommendations like those requested by HB1896 will carry greater credibility and
- 2 relevancy if informed by the proposed health analytics program. As a result, the department
- 3 respectfully requests that proposals for increasing access to health care be postponed until the
- 4 health analytics program is operational.
- 5 **Offered Amendments:** N/A.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 24, 2018

TO: The Honorable Representative John M. Mizuno, Chair
House Committee on Health & Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1896 – RELATING TO HEALTH**

Hearing: Thursday, January 25, 9:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill and offers comments.

PURPOSE: The purpose of the bill is to establish a health care access task force to review health care policies, the affordable care act, other jurisdictions' legislation, and authority, and make recommendations to increase access to health care in Hawaii.

We agree that despite the fact that Hawai'i consistently ranks as one of the healthiest states in the country, due in large part that over 95 percent of the population has health insurance coverage, the state's ability to sustain the levels of coverage is a concern. This is largely due to rising health care costs and the affordability of insurance.

DHS offers that understanding and containing the state's health care costs is an issue that the Legislature and the public would benefit from a deeper understanding. This session DHS has a legislative proposal that addresses similar concerns: HB2361 Relating to Health Analytics that establishes the Health Analytics Program in the Med-QUEST Division of the DHS and authorizes DHS to maintain an all-payers medical claims (APCD) data base. If the Legislature passes HB2361, once the all-payers medical claims data base is operationalized, DHS and the advisory group to the APCD formed after the passage of Act

139 (2016) will be analyzing claims data and will have more information to recommend program or other changes to services.

Thank you for the opportunity to provide comments on this measure.

Testimony of
Jonathan Ching
Government Relations Specialist

Before:
House Committee on Health & Human Services
The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair

January 25, 2018
9:00 a.m.
Conference Room 329

Re: HB1896 Relating to Health

Chair Mizuno, Vice-Chair Kobayashi, and committee members, thank you for this opportunity to provide testimony on HB1896, which establishes a Health Care Access Task Force to review health care policies, the affordable care act, and other jurisdictions' health care legislative proposals to determine ways the state can increase access to health care.

Kaiser Permanente Hawaii supports the intent of HB1896, but offers an amendment.

As the state's largest integrated health care system, we provide both care and coverage to over 250,000 members in Hawai'i. Based on our relevant experiences, we are committing to addressing affordability while also improving quality, service and access. Additionally, Kaiser Permanente Hawaii is a member of the Hawai'i Association of Health Plans, whose mission is to improve the health of Hawai'i's communities by supporting health plans dedicated to providing access to high quality, affordable health care.

Given that one of the stated purposes of the Health Care Access Task Force, sought to be created by HB1896, is to make recommendations to improve access to health care in Hawai'i, we suggest the committee consider adding a representative from the Hawai'i Association of Health Plans as a member of the Health Care Access Task Force. We believe this will provide an opportunity for input of Hawai'i's state licensed health plans, which provide health coverage for a majority of our state's residents.

Mahalo for the opportunity to testify on this important measure.



An Independent Licensee of the Blue Cross and Blue Shield Association

January 25, 2018

The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
House Committee on Health and Human Services

Re: HB 1896 – Relating to Health

Dear Chair Mizuno, Vice Chair Kobayashi, and Committee Members:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 1896, which establishes a health care access task force to review health care policies, the affordable care act, and other jurisdictions' health care legislative proposals to determine ways the state can increase access to health care. HMSA supports the Committee's intent to ensure that all citizens within the state have access to health care.

HMSA believes that Hawaii's Prepaid Health Care Act of 1974 has served the state well and has allowed Hawaii to be ranked the second state with the lowest percent of the uninsured.

Should this bill move forward we ask the Committee to consider adding HMSA to the task force.

Thank you for the opportunity to testify on HB 1896.

Sincerely,

Pono Chong
Vice-President, Government Relations

HB-1896

Submitted on: 1/23/2018 10:34:06 AM

Testimony for HHS on 1/25/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Laurie Field	Planned Parenthood Votes Northwest and Hawaii	Support	No

Comments:



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR HOUSE BILL 1896, RELATING TO HEALTH

House Committee on Health and Human Services

Hon. John Mizuno, Chair

Hon. Bertrand Kobayashi, Vice Chair

Thursday, January 25, 2018, 9:00 AM

State Capitol, Conference Room 329

Honorable Chair Mizuno and committee members:

I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in support of House Bill 1896, relating to health.

Hawai'i has one of the lowest uninsured rates in the United States, according a September report by personal-finance website WalletHub.com. The state has an average uninsured rate of 3.53 percent, a rate that dropped by 4.36 percent between 2010 and 2016. The children's uninsured rate in the islands is also among the best in the nation at 2.2 percent, ranking also second on the list. The only state that has a lower uninsured rate and children's uninsured rate than Hawai'i is Massachusetts, with 2.54 percent and 0.9 percent, respectively.

Yet, those who are uninsured in our state often face severe economic hardship due to Hawai'i's highest-in-the-nation cost of living. Moreover, individuals and families who have health insurance are often underinsured, with coverage that may not provide full benefits in a health care crisis. To ensure that all of Hawai'i's people have health insurance that satisfies their basic needs, policymakers should establish a task force to evaluate ways of increasing access to affordable health care, including the potential impact of implementing a state single-payer health care system.

Health care is more than just medical insurance payouts—it includes cost-saving, preventive, and early intervention measures to prohibit medical conditions from becoming chronic, permanently disabling, or fatal. Moreover, Hawai'i's current health care insurance system is a disjointed, costly, inefficient, and unnecessarily complicated, multi-payer, private medical insurance model that is mostly profit-driven, adversarial, beset with constant cost-shifting and reluctant health care delivery, onerously bureaucratic, and economically irrational, all at a time when health care rates are skyrocketing, creating an affordability and accessibility crisis for local

residents. The two largest cost-drivers of health care in the United States and in the islands are: (1) the profit-driven complex of payment-reluctant, multi-payer health insurance bureaucracies competing to insure only the healthy and the wealthy, while leaving those who need health care the most to the taxpayers; and (2) the high cost of prescription drugs.

For more than a quarter of a century, Hawai'i was far ahead of most other states and often called itself "the health state" because of the 1974 Hawai'i Prepaid Health Care Act. Today, however, thousands of residents lack health care coverage, many of whom are children. Many other residents are, again, underinsured, unable to use their insurance properly, or even at all, because of increasingly expensive deductibles and out-of-pocket co-payments for outpatient visits, diagnostic tests, and prescription drugs, among other factors. Even well-insured individuals experience problems with their insurers denying, or very reluctantly dispensing, expensive medicines and treatments. About half of all bankruptcies are due to extremely expensive, catastrophic illnesses that are not covered after an insurance cap is reached. Other people are near bankruptcy, with their quality of life being seriously jeopardized.

Health care is a human right, one that will be advanced by passage of this measure. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance



Papa Ola Lokahi
Nana I Ka Pono Na Ma

Papa Ola Lokahi

894 Queen Street
Honolulu, Hawaii 96813

Phone: 808.597.6550 ~ Facsimile: 808.597.6551

HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES

Rep. John Mizuno, Chair

Rep. Bertrand Kobayashi, Vice-Chair

TESTIMONY IN SUPPORT OF

HB 1896 - RELATING TO HEALTH

January 25, Thursday, 9:00 AM, Conference Room 329, State Capitol

Papa Ola Lokahi

is a non-profit Native Hawaiian organization founded in 1988 for the purpose of improving the health and well-being of Native Hawaiians and other native peoples of the Pacific and continental United States.

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ALU LIKE

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Na Puuwai

Office of Hawaiian Affairs

Kupuna

Aunty Betty Jenkins

Executive Director

Sheri-Ann Daniels, EdD

Greetings of aloha to Chair Mizuno, Vice-Chair Kobayashi and members of the committee.

Papa Ola Lōkahi, the Native Hawaiian Health Board, **SUPPORTS** the establishment of a health care access task force—if one doesn't currently exist—to review health care policies, the Affordable Care Act, and other jurisdictions' health care legislative proposals to determine ways the state can increase access to health care.

Furthermore, we would like to see health access concerns of the Native Hawaiian community included among the task force members.

Bearing both federal and state statutory authority, POL offers itself as a resource for Native Hawaiian health.

The legislature may already know that the Native Hawaiian Health Care Improvement Act ([P.L. 111-148, Title 42 USC 122](#)), originally passed by Congress in 1988 and most recently in 2010 within the Affordable Care Act, authorizes Papa Ola Lōkahi, the five Native Hawaiian Health Care Systems, and the Native Hawaiian Health Scholarship Program to raise the health status of Native Hawaiians. We address health disparities in Hawai'i by being involved in policy, research, data & information, development and implementation of programs and initiatives, protection and perpetuation of traditional Hawaiian healing practices, workforce development, and more.

This same law authorizes the Department of Health, the University of Hawai'i, and Office of Hawaiian Affairs (and others) as members of Papa Ola Lōkahi (POL), all of which shall contribute to raising the health status of Native Hawaiians.

Since 1988, POL has brought to Hawai'i millions of dollars from the Centers for Disease Control & Prevention (CDC), National Cancer Institute (NCI), Department of Defense (DoD), Substance Abuse & Mental Health Services Administration (SAMHSA), national and local foundations, and more for services and programs that address the first peoples of Hawai'i.

Mahalo nui for the opportunity to offer testimony **IN SUPPORT of HB 1896, with amendments to include Native Hawaiian health interests.**

HB-1896

Submitted on: 1/22/2018 10:49:57 PM

Testimony for HHS on 1/25/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Foster		Support	No

Comments:

Mahalo,

Scott Foster, Chair

The Kupuna Caucus of the Democratic Party of Hawai`i

Personal testimony by Dennis B Miller

TO THE COMMITTEE ON HEALTH & HUMAN SERVICES HOUSE OF REPRESENTATIVES THE TWENTY-NINTH
LEGISLATURE REGULAR SESSION OF 2018

Thursday, January 25, 2018 9:00 a.m.

Conference Room 329

RE: TESTIMONY IN OPPOSITION TO HOUSE BILL NO 1896., RELATING TO A HEALTHCARE TASK FORCE; REPORT AND APPROPRIATION

To the Honorable John M. Mizuno, Chair; the Honorable Bertrand Kobayashi, Vice Chair; and Members of the Health and Human Services Committee:

My name is Dennis B Miller. I serve as a community advocate for healthcare without insurance bureaucracy with the Health Committee of the Hawaii Democratic Party and with the grass roots group Healthcare For All Hawaii. Thank you for the opportunity to provide written testimony on House Bill No. 1896, relating to the creation of Healthcare Task Force, reporting to the Legislature in 2019, and making appropriations for such Study. I am strongly opposed to House Bill No. 1896 for one specific reason. If that single, simple reason can be remedied, I would strongly support HB 1896.

This bill calls for a Healthcare Task Force, but it leaves in place the flawed premise that the individuals, agencies, and insurance companies who are responsible for the administrative component of our current healthcare costs are the same people who can lower those costs. This flies in the face of reason. **To lower the cost of healthcare, this task force must hire outside the circle of those people, agencies, and insurance companies who created a system with runaway cost increases.**

The Chairperson of this task force must be someone who does not deny that current health insurance administrative rules are a cost driver.

To make the argument that current admin rules are a cost driver, please ask any physician this question: “Dr., how much time did you spend on patient charting ten years ago, and how much time do you spend on patient charting today?”

The answer will be: “Ten years ago I spent about half as much time on patient charting as I do today.”

This decreases the number of patients each physician can see, and the amount of time they spend with patients. It also requires expensive new software, and additional clerical staff, both on the provider side, and on the insurance company side. How can any honest person say that increasing labor does not increase cost?

It is true that our health insurance premiums are running out of control. It is true that at the recent State of Reform Hawaii Healthcare Policy event, all healthcare policy makers, lobbyists, and institutions who were panelists at that major Health Policy event agreed that premiums were going up, and outside of decreasing utilization, there was not a single other way to lower costs.

People who publicly claim that there is not a single other way to lower costs than to decrease utilization are unfit for a health care task force, because evidence to the contrary is thriving in more than 20 other nations, and is demonstrated in numerous studies published in the USA regarding state based solutions for lowering the cost of healthcare via administrative simplification.

It is imperative that the members of this Healthcare Task Force are not from the Department of Health because a fair and non-biased willingness to publicly discuss the cause of increases in health insurance premiums is a prerequisite for designing a study to simplify healthcare administration. For example, physicians and insurance companies are spending considerably more time on patient reporting, but the public position of the DoH is that this does not cause cost increases. It is unwise to decline to discuss the non-medical costs of health insurance administration. Let's hire policy experts who will explain how our non-medical healthcare dollars, aka 'administrative overhead,' are being spent.

It is imperative that the members of the Healthcare Task Force are already healthcare policy experts in the attached studies, and have a history of dedicated advocacy for Healthcare without unnecessary non-medical expenses. Furthermore, the consultants should not be employees of an industry that will see its work force significantly reduced by 'administrative simplification.' Therefore, neither the DoH nor HMSA nor any other insurance or For-Profit Hospital stakeholder can be allowed to participate in this Healthcare Task Force.

It is my view and the view of most voters in Hawaii that health insurance bureaucracy is out of control, and that prescription drug prices are out of control, and, Dr. Stephen Kemble is the primary source for effective healthcare policy reform.

I urge this committee to immediately schedule at least a 60-minute meeting with Dr. Kemble, so that you can hear first hand how to simplify healthcare administration.

HB 1896 is supportable only if the members can publicly identify how every penny of healthcare is spent, and then make common sense decisions from the point of view of the public good, not institutional profit, on how to proceed. We need complete transparency in both medical and non-medical spending.

This is an over view of what the task force should be looking at.

- its Bureaucratic efficiency.
- whether it covers EVERYONE.
- whether it relieves employers from Workers Compensation.
- whether it bundles prescription drugs via a multi-State model
- whether it compels for-profit hospitals to become non-profit.
- whether it compels regulated and transparent billings.

Here is a sample of comprehensive state-based Single Payer Studies which show a variety of “quality” paths, each one demonstrating how Single Payer Healthcare lowers costs and allows a Universal system to cover everyone at a total cost which is less than we pay right now while not covering everyone.

If this task force is open to the overwhelming success of any of the healthcare models listed by the Center for Disease Control as being, internationally, in the top ten for healthcare costs and outcomes, then it will have the potential rescue Hawaii from out otherwise catastrophic health insurance premium increases.

<https://www.dropbox.com/s/rn5epbcpga3axhs/Financing%20the%20Maryland%20Health%20Security%20Act%2002-22-12.pdf?dl=0>

<https://www.dropbox.com/s/hke7q1jggy009kc/Friedman-Fiscal-Study-New-York-Health-Act-FINAL-3-13-15.pdf?dl=0>

<https://www.dropbox.com/s/og4gl24zctdznj/FriedmanColoHealthV2.3%2C021813.pdf?dl=0>

<https://www.dropbox.com/s/naes3lz1tph1n/Healthy%20California%20-%20Pollin-Economic-Analysis-SB-562.pdf?dl=0>

<https://www.dropbox.com/s/4j25mk8n9akw1b1/Lange-Growth%20%26%20Justice-Beyond%20the%20ACA%20-Unified%20System%2003-28-12.pdf?dl=0>

Thank you for your time,

Dennis B Miller

Dennis B Miller 226 Lewers Street Ste L209 Honolulu, HI 96815 (808) 227-8241
singlepayerhawaii@gmail.com



HB-1896

Submitted on: 1/25/2018 12:55:30 AM

Testimony for HHS on 1/25/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	Yes

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAII
TO THE [COMMITTEE ON HEALTH & HUMAN SERVICES](#)**

HOUSE OF REPRESENTATIVES

THE TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Thursday, January 25, 2018

9:00 a.m.

Hawaii State Capitol, Conference Room 329

RE: TESTIMONY IN SUPPORT OF HOUSE BILL NO. 1896, RELATING TO HEALTH

To the Honorable John M. Mizuno, Chair; the Honorable Bertrand Kobayashi, Vice-Chair; and the Members of the Committee on Health and Human Services:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee (“OCC”) on Legislative Priorities. Thank you for the opportunity to provide written testimony on House Bill No. 1896, relating to a Health Care Access Task Force. The OCC Legislative Priorities Committee is strongly in favor of House Bill No. 1896.

A Health Care Access Task Force would, among other things, investigate the feasibility of a Single-Payer Health Care System which would mirror the Federal Medicare for All Act of 2017. As with the Federal Medicare for All Act of 2017, a Hawaii Single-Payer Health Care System would entitle all individuals residing in the State of Hawaii to a universal, best quality standard of care of all medically necessary services, including the following: (1) Primary care

and prevention, (2) Approved dietary and nutritional therapies. (3) Inpatient care. (4) Outpatient care, (5) Emergency care, (6) Prescription drugs, (7) Durable medical equipment, (8) Long-term care, (9) Palliative care, (10) Mental health services, (11) dental services, (12) Substance abuse treatment services, (13) Chiropractic services, (14) Basic vision care and vision correction, (15) Hearing services, including hearing aids, and (16) Podiatric care. There would be no Cost-Sharing: no deductibles, copayments, coinsurance, or other cost-sharing imposed with respect to covered benefits.

The main justifications for a Single-Payer Health Care System would be as follows: (1) eliminates administrative waste; (2) provides for a simplified, standardized payment to doctors and hospitals across all plans and requiring hospitals to operate as non-profit organizations; (3) uses administrative savings to reduce prices and fees paid without harming providers of care; (4) provides for negotiated fees and prices, including the cost of drugs wherein Hawaii's Medicaid joins the "Sovereign States Drug Consortium" for the group purchase of drugs at a discount; (5) reduces administrative burdens making the State of Hawaii attractive for new doctors, especially on the neighbor islands; (6) improves access to outpatient care, especially for Medicaid and will reduce excessive Emergency Room and hospital spending; (7) Worker's Compensation would be eliminated as the benefit, including disability pay, would be covered under this System; and (8) provide for a savings of between 30% to 40% of the amount currently spent on healthcare.

Importantly, the Study will examine the potential means of financing for a single-payer health care system in the State. The Medicare for All Act of 2017 provides for appropriations to the Medicare for All Trust Fund amounts sufficient to carry out this Act from the following sources: (A) existing sources of Federal government revenues for health care; (B) increasing personal income taxes on the top 5 percent income earners; (C) instituting a modest and progressive excise tax on payroll and self-employment income; (D) instituting a modest tax on unearned income; and (E) instituting a small tax on stock and bond transactions. The Study will reveal similar methods of financing for such Single-Payer Health Care System at the State taxation level as opposed to the Federal taxation level.

It is further recommended that the appropriate agency to design a Single-Payer health care system and commission an economic study of such a proposal act with the participation of Dr. Stephen Kemble, a highly knowledgeable expert in this field.

A Single-Payer Health Care System would be of tremendous benefit to the citizens of the State of Hawaii. It would provide for a statewide health insurance, set all fees for medical care, and pay those fees directly to doctors and hospitals via a single government plan. A study of the rising costs of healthcare and the effects to the State of Hawaii of the implementation of a single-payer health care system is sorely needed as it should reveal a great cost savings of 30% to 40% to all individuals in Hawaii for best practices, quality health care.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja

Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Tel.: (808) 258-8889