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TO THE HOUSE COMMITTEE ON
HEALTH AND HUMAN SERVICES

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Wednesday, February 14, 2018
8:30 a.m.

**TESTIMONY ON HOUSE BILL NO. 2526, PROPOSED H.D. 1, RELATING TO
HEALTH.**

TO THE HONORABLE JOHN M. MIZUNO, CHAIR, AND MEMBERS OF THE
COMMITTEE:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on H.B. 2526, Proposed H.D. 1, Relating to Health. My name is Gordon Ito, and I am the Insurance Commissioner for the Department’s Insurance Division. The Department strongly supports this bill.

The State has two insurance guaranty associations that provide payment mechanisms for eligible covered claims when insurers are insolvent. The first, the Hawaii Insurance Guaranty Association, covers direct property and liability contracts. The second, the Hawaii Life and Disability Insurance Guaranty Association (“HLDIGA”), covers life and accident and health or sickness insurance policies and insurance contracts.

As HLDIGA is currently structured, if a mutual benefit society (Hawaii Revised Statutes (“HRS”) chapter 432), health maintenance organization (HRS chapter 432D) or dental insurer (HRS chapter 432G) becomes insolvent, the policy members of those insurers will not be able to access any relief through HLDIGA. The Department believes

this bill lays the groundwork for providing relief to those affected members should an insolvency occur.

This proposed framework establishes the Hawaii Health Insurance Guaranty Association (“HHIGA”) and closely follows the current organizational structure of HLDIGA. As the number of mutual benefit society, health maintenance organization, and dental insurers is fewer than the number of HLDIGA members, it is proposed that the administrator and administration support of HLDIGA also provide direction and services to HHIGA at prorated costs. Also, it is proposed that mutual benefit society and health maintenance organization members be responsible for similar members’ health insurance insolvencies, while dental insurers be responsible for dental insurance insolvencies. The separation of these types of insurers is important to ensure that dental insurers are not assessed for health insurers’ insolvencies, and vice-versa.

In the past few years, Hawaii has experienced several health and dental insurer insolvencies, which have included Pacific Group Medical Association, Hawaii Healthcare Alliance, Hawaii Dental Health Plan, and Family Health Hawaii. In each case, policyholders and providers experienced uncertainty and financial losses. This bill seeks to protect health and dental insurance policyholders and health care providers, but it also encompasses agents, service providers, and other creditors in cases of medical service organization, health maintenance organization, or dental insurer financial insolvencies where no protection mechanism existed before.

The Department strongly supports this bill because it would further enhance consumer protection. Thank you for the opportunity to testify on this measure, and we ask for your favorable consideration.



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

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DATE: February 13, 2018

TO: Representative Mizuno
Chair, Committee on Health and Human Services
Submitted Via [CPNTestimony@capitol.hawaii.gov or Capitol Website]

RE: **H.B. 2526 – Relating to Health**
Hearing Date: Monday, February 14, 2018 at 8:30 a.m.
Conference Room: 329

Dear Chair Mizuno and Members of the Committee on Health and Human Services:

We submit this testimony on behalf of Walgreen Co. (“Walgreens”). Walgreens operates stores at more than 8,200 locations in all 50 states, the District of Columbia and Puerto Rico. In Hawaii, Walgreens now has 20 stores on the islands of Oahu, Maui, and Hawaii.

Walgreens supports the intent of H.B. 2526 which authorizes a pharmacy to provide a customized patient medication package to any patient of an institutional facility or any member of the general public under certain conditions.

Walgreens believes that the existing law already permits for the use of customized medication packaging in Hawaii. Walgreens utilizes customized medication packaging in its specialty pharmacy setting in working with higher needs patients. We believe that allowing pharmacists with the ability to provide customized packaging to patients provides a convenience that will ultimately help patients with adherence to their medication.

Thank you very much for the opportunity to testify on this bill.

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HB-2526

Submitted on: 2/13/2018 7:20:36 PM
Testimony for HHS on 2/14/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments: