

HCR 78

HR 63

HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO ASSESS THE ADEQUACY OF THE PHYSICIAN
NETWORKS ON ALL ISLANDS OF THE STATE.

1 WHEREAS, there is a significant shortage of physicians in
2 the State, particularly on the neighbor islands; and
3

4 WHEREAS, this shortage has been verified through the
5 canvassing of physicians in Hawaii in the annual physician
6 workforce assessment, which the John A. Burns School of Medicine
7 at the University of Hawaii submits to the Legislature pursuant
8 to Act 18, Special Session Laws of Hawaii 2009, as amended by
9 Act 186, Session Laws of Hawaii 2012, as amended by Act 40,
10 Session Laws of Hawaii 2017; and
11

12 WHEREAS, members of the Twenty-ninth Legislature of the
13 State of Hawaii considered legislation to encourage an increase
14 in the number of physicians providing care to the State's
15 population; and
16

17 WHEREAS, the Insurance Commissioner of the State of Hawaii,
18 through the National Association of Insurance Commissioners, has
19 submitted proposed legislation regulating health provider
20 network adequacy requirements; and
21

22 WHEREAS, the Patient Protection and Affordable Care Act
23 placed on insurance providers the responsibility of maintaining
24 adequate networks of health care providers; and
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26 WHEREAS, insurance providers in Hawaii declare existing
27 health provider networks to be adequate; and
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29 WHEREAS, patients, particularly those living on neighbor
30 islands, contend that they experience extended wait times for



H.C.R. NO. 78

1 physician appointments because of a shortage of physicians
2 within a convenient geographic range; and
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4 WHEREAS, patients who live on neighbor islands contend that
5 they are required to make regular airline trips to Oahu, at
6 significant personal cost, to receive specialty care because of
7 a lack of specialist physicians on their home islands; now,
8 therefore,
9

10 BE IT RESOLVED by the House of Representatives of the
11 Twenty-ninth Legislature of the State of Hawaii, Regular Session
12 of 2018, the Senate concurring, that the Auditor is requested to
13 assess the adequacy of the physician networks on all islands of
14 the State; and
15

16 BE IT FURTHER RESOLVED that in preparing the assessment,
17 the Auditor is requested to seek cooperation and information
18 from the John A. Burns School of Medicine at the University of
19 Hawaii and the comprehensive health insurance providers in the
20 State; and
21

22 BE IT FURTHER RESOLVED that the Auditor is requested to
23 submit a report of its findings and recommendations, including
24 any proposed legislation, to the Legislature no later than
25 January 1, 2019; and
26

27 BE IT FURTHER RESOLVED that certified copies of this
28 Concurrent Resolution be transmitted to the Auditor, the Dean of
29 the John A. Burns School of Medicine at the University of
30 Hawaii, Hawaii Medical Service Association, Kaiser Permanente
31 Hawaii, and the Hawaii Medical Association.
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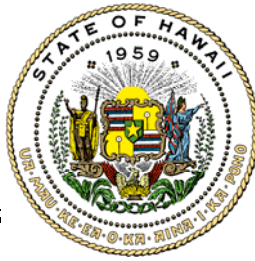
OFFERED BY:

T. Stebbins

R. Decker

MAR 07 2018





HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
The Honorable Roy M. Takumi, Chair
The Honorable Linda Ichiyama, Vice Chair

**H.C.R. NO. 78, REQUESTING THE AUDITOR TO ASSESS THE
ADEQUACY OF THE PHYSICIAN NETWORKS ON ALL ISLANDS OF
THE STATE**

**H.R. NO. 63, REQUESTING THE AUDITOR TO ASSESS THE
ADEQUACY OF THE PHYSICIAN NETWORKS ON ALL ISLANDS OF
THE STATE**

Hearing: Tuesday, April 3, 2018, 2:00 p.m.

The Office of the Auditor **has no position** regarding H.C.R. No. 78 and H.R. No. 63, which request our office to “assess the adequacy of the physician networks on all islands of the State.” **However, we have concerns about our ability to do the requested work.**

Our office typically performs financial and performance audits, which evaluate the financial or management operations of specific agencies or programs. We have the authority to conduct audits of State agencies and programs. However, these resolutions ask us to assess the adequacy and performance of non-State organizations and entities, which is beyond the scope of our authority. If the intent of these resolutions is to request a performance and/or financial audit of the physician networks on all islands of the State that are administered by the State, we suggest that the resolutions be amended to reflect this. Furthermore, H.C.R. No. 78 and H.R. No. 63, appear to request assessments that are beyond our office’s usual work and staff’s expertise.

Specifically, it is likely that our office does not possess the substantive expertise regarding the “adequacy of physician networks” needed to complete the assessment. We appreciate the recommendation that our office seek cooperation and information from the John A. Burns School of Medicine at the University of Hawai‘i and the comprehensive health insurance providers in the state. However, we may still need to retain the services of a subject matter consultant to assist us on the substantive issues should these resolutions move forward.

Thank you for considering our testimony regarding H.C.R. No. 78 and H.R. No. 63.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Consumer Protection & Commerce
Tuesday, April 3, 2018 at 2:00 p.m.

By

Jerris Hedges, MD
Professor & Dean

John A. Burns School of Medicine

And

Michael Bruno, PhD
Interim Vice Chancellor for Academic Affairs
Vice Chancellor for Research
University of Hawai'i at Mānoa

HCR 78/HR 63 – REQUESTING THE AUDITOR TO ASSESS THE ADEQUACY OF THE PHYSICIAN NETWORKS ON ALL ISLANDS OF THE STATE.

Chair Takumi, Vice Chair Ichiyama, and members of the committee:

Thank you for the opportunity to provide testimony in support of HCR 78 and HR 63. HCR 78/HR 63 each request the auditor to assess the adequacy of the physician network for insurance providers on all islands of the state. Hawai'i is facing a critical shortage of physicians as well as other healthcare providers. In the case of primary care physicians, the shortage of physicians in Hawai'i is now calculated at 282 physicians statewide compared to a similar demographic region on the mainland.

This shortfall is projected to worsen with the increased demand for health care from an aging population and the retirement of an aging physician population creating access issues on O'ahu and the neighbor islands. The physician workforce assessment conducted by the John A. Burns School of Medicine (JABSOM) has shown that shortages exist in nearly all medical specialties. Obtaining access to appropriate health care services has become increasingly difficult in Hawai'i. The inability to access necessary health care services is even more acute on the Neighbor Islands.

Having conducted the workforce assessment for a number of years, JABSOM has the experience and knowledge in conducting the type of research requested by HCR 78 and HR 63. We at JABSOM look forward to the opportunity to work with the Auditor to design this important project.

Mahalo for the opportunity to provide testimony on this matter.

Testimony of
Jonathan Ching
Government Relations Specialist

Before:
House Committee on Consumer Protection & Commerce
The Honorable Roy M. Takumi, Chair
The Honorable Linda Ichiyama, Vice Chair

April 3, 2018
2:00 p.m.
Conference Room 329

Re: HCR78/HR63, Requesting the Auditor to Assess the Adequacy of Physician Networks on All Islands of the State

Chair Takumi, Vice Chair Ichiyama, and committee members, thank you for this opportunity to provide testimony on HCR78/HR63, which requests that the State Auditor to assess the adequacy of the physician networks on all islands of the State and report back to the Legislature prior to January 1, 2019.

Kaiser Permanente Hawaii offers the following COMMENTS on HCR78/HR63

Kaiser Permanente Hawai'i recognizes and supports the work by the Hawai'i Physician Workforce Assessment Project in finding tangible solutions to the physician workforce shortage to address the ongoing need for a strong physician workforce.

Furthermore, we would like to note the recent enactment of Act 191, Session Laws of Hawai'i 2017, which requires a health carrier with a network plan to maintain a network that is sufficient in numbers and appropriate types of providers, to ensure that covered persons under a health benefit plan have access to covered benefits. Act 191 utilizes the state-level network adequacy initiative, proposed by the National Association of Insurance Commissioners, as a base model, but takes into consideration other factors given Hawai'i's severe shortage of physicians and its unique geographical layout of several islands, containing large rural areas that are separated by mountains and ocean.

Given the recent enactment of Act 191 in 2017, we believe that an Auditor's study to assess the adequacy of the physician networks statewide may not be necessary.

Mahalo for the opportunity to testify on this measure.

Tuesday, April 3, 2018 at 2:00 PM
Conference Room 329

Committee on Consumer Protection & Commerce

To: Representative Roy Takumi, Chair
Representative Linda Ichiyama, Vice Chair

From: Kenneth Robbins, MD
CMO, Hawaii Pacific Health

Re: Testimony in Support of HCR 78/HR 63
REQUESTING THE AUDITOR TO ASSESS THE ADEQUACY OF THE
PHYSICIAN NETWORKS ON ALL ISLANDS OF THE STATE.

My name is Kenneth Robbins, MD. I am the Chief Medical Officer for Hawaii'i Pacific Health. Hawaii'i Pacific Health is a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawaii'i and the Pacific Region with high quality, compassionate care. Its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox – specialize in innovative programs in women's health, pediatric care, cardiovascular services, cancer care, bone and joint services and more. Hawaii'i Pacific Health is recognized nationally for its excellence in patient care and the use of electronic health records to improve quality and patient safety.

I write in support of HCR 78 and HR 63. HCR 78/HR 63 each request the auditor to assess the adequacy of the physician network for insurance providers on all islands of the state. Hawaii is facing a critical shortage of physicians as well as other healthcare providers. In the case of primary care physicians, the shortage of physicians in Hawaii is now calculated at 282 physicians statewide compared to a similar demographic region on the mainland.

This shortfall is projected to worsen with the increased demand for health care from an aging population and the retirement of an aging physician population creating access issues on Oahu and the neighbor islands. The physician workforce assessment conducted by the John A. Burns School of Medicine (JABSOM) has shown that shortages exist in nearly all medical specialties. Obtaining access to appropriate health care services has become increasingly difficult in Hawaii. The inability to access necessary health care services is even more acute on the Neighbor Islands.

Thank you for the opportunity to provide testimony.



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
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www.hawaiimedicalassociation.org

TO: House Committee on Consumer Protection and Commerce
Representative Roy Takumi, Chair
Representative Linda Ichiyama, Vice-Chair

DATE: Tuesday, April 3, 2018
TIME: 2:00 P.M.
PLACE: Conference Room 329

FROM: Hawaii Medical Association
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: HCR78/HR63 – RELATING TO REQUESTING THE AUDITOR TO ASSESS THE ADEQUACY OF THE PHYSICIAN NETWORKS ON ALL ISLANDS OF THE STATE

Position: SUPPORT

Chairs & Committee Members:

The Hawaii Medical Association **strongly supports** HCR78/HR63 as important to extend universal access to health care to all residents of Hawaii.

Act 191 (SB387SD1HD1CD1) of the 29th Hawaii State Legislature 2017 brought forward requirements a health carrier maintain a network that includes sufficient numbers of appropriate types of providers to ensure that covered persons have access to covered services. These requirements are explicitly laid out to “maintain a network that is sufficient in number and appropriate types of providers, including those that serve predominantly low income, medically underserved individuals, to assure that all covered benefits will be accessible without unreasonable travel or delay; and covered persons shall have access to emergency services 24 hours per day, seven days per week.”

The Insurance Commissioner is charged with determining network sufficiency by considering any reasonable criteria including, but not limited to:

- (1) Provider-to-covered person ratios by specialty
- (2) Primary care professional-to-covered person ratios;
- (3) Geographic accessibility of providers;
- (4) Geographic variation and population dispersion;
- (5) Waiting times for an appointment with participating providers;
- (6) Hours of operation;
- (7) The ability of the network to meet the needs of covered persons, which may include low-income persons, children and adults with serious, chronic, or complex health conditions or physical or mental disabilities,

HMA OFFICERS

President – William Wong, Jr., MD President-Elect – Jerry Van Meter, MD Secretary – Thomas Kosasa, MD
Immediate Past President – Bernard Robinson, MD Treasurer – Elizabeth A. Ignacio, MD
Executive Director – Christopher Flanders, DO



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- (8) Other health care service delivery system options, such as telehealth, mobile clinics, centers of excellence, integrated delivery systems, and other ways of delivering care; and
- (9) The volume of technologically advanced and specialty care services available to serve the needs of covered persons requiring technologically advanced or specialty care services.

The Hawaii Physician Workforce Assessment reports a state-wide shortage of 500 physicians in 2016. Shortages are reported in all counties of the state, with primary care shortages ranging from 17% in Honolulu to 25% in Kauai, when comparing supply to demand. Anecdotally, physicians and patients are reporting difficulty getting timely appointments with specialty care. Many physician practices are closed to new patients as demand increases.

In spite of this stark practical reality, Hawaii insurance carriers at the National Association of Insurance Commissioners Model Act meeting on network adequacy stated they met national standards for adequate networks, with 95% of Hawaii residents covered living within five miles or ten minutes of two Family Practitioners, two Pediatricians, and three internists. Residents of the neighbor islands and parts of Oahu find this assertion hard to believe.

The Hawaii Medical Association **strongly supports** an objective audit of network adequacy on each of the islands, utilizing data collected by the Hawaii Physician Workforce Assessment, as well as other resources as available. There have been concerns expressed by the Auditor as to applicability of this audit to the department as being beyond the activities of state operated programs. If this is the case, the HMA would be open to limiting the study to networks serving Medicaid/QUEST and EUTF covered patients. We also would be open to the Insurance Commissioner's office performing the audit, however this change may cause a title conflict within the resolution. The Hawaii Medical Association is willing to assist in any way we can.

HMA OFFICERS

President – William Wong, Jr., MD President-Elect – Jerry Van Meter, MD Secretary – Thomas Kosasa, MD
Immediate Past President – Bernard Robinson, MD Treasurer – Elizabeth A. Ignacio, MD
Executive Director – Christopher Flanders, DO



**To: Rep. Roy M. Takumi, Chair
Rep. Linda Ichiyama, Vice Chair
Members of the Committee on Consumer Protection & Commerce**

Date: Tuesday, April 3, 2018

Time: 2:00 p.m.

**Place: Conference Room 329
State Capitol
415 South Beretania Street**

Support for HCR 78

As President of Work Injury Medical Association of Hawaii representing the providers treating injured workers in our state, we strongly support HCR 78.

Work Injury Medical Association of Hawaii (WIMAH) is a nonprofit trade organization of healthcare providers dedicated and devoted to promoting the best practices and policies for the injured workers of Hawaii and the providers who take care of them, and to enhance the quality of life of injured workers in this community. WIMAH represents the majority of physicians treating injured workers in the State of Hawaii.

We agree with the Resolution's premise that there is a significant shortage of physicians in the State, particularly on the neighbor islands. This shortage is especially evident when assessing the number of physicians who treat workers compensation patients.

Assessing the adequacy of the physician networks on all islands of the State would be a useful first step to focus on the formulation of a state comprehensive rural healthcare program, but we would defer to the Legislature as to who should do the study.

Sincerely,

Scott J Miscovich MD

President

HCR-78

Submitted on: 4/2/2018 1:36:49 PM

Testimony for CPC on 4/3/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments: