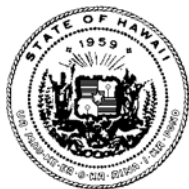


DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

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

February 13, 2019

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

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 666 – RELATING TO HEALTH**

Hearing: Thursday, February 14, 2019 9:31 a.m.
Conference Room 329, Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) defers to the Department of Commerce and Consumer Affairs (DCCA) testimony on this bill, and offers comments.

PURPOSE: The purpose of this bill is to establish the Hawaii comprehensive healthcare task force in DCCA. The task force shall review the following four healthcare issues:

- 1) The adequacy of capitation rates for health insurance plans;
- 2) The unfunded liability of the Hawaii employer-union health benefits trust fund;
- 3) Health insurance policies and coverages for treatment of mental health conditions; and
- 4) Medical tourism.

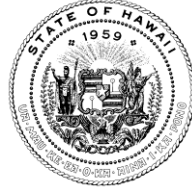
DHS defers to the analysis of DCCA on this legislation.

However, DHS as one of the named members of the taskforce, notes that we may not have expertise in all issues to be reviewed by the task force. DHS does not have expertise in medical tourism or the financial status of the Hawaii employer-union health benefits trust fund.

DHS also does not have expertise in the issues related to health insurance insofar as those issues relate to the Insurance Article or activities covered under the Insurance Article.

DHS does have expertise if the language surrounding “health insurance” is meant to include Medicaid coverage of mental health and/or the status of the QUEST Integration Medicaid managed care program.

Thank you for the opportunity to testify on this bill.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

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

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JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Health
Thursday, February 14, 2019
9:31 a.m.
State Capitol, Conference Room 329**

**On the following measure:
H.B. 666, RELATING TO HEALTH**

Chair Mizuno and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department opposes this bill and offers comments.

The purpose of this bill is to establish a comprehensive healthcare task force established for administrative purposes in the Department to study and report on: (1) the adequacy of capitation rates for health insurance plans; (2) the unfunded liability of the Hawaii employer-union health benefits trust fund; (3) health insurance policies and coverages for treatment of mental health conditions; and (4) medical tourism. Task force members: include the Insurance Commissioner; the Director of Finance or the Director's designee; the Director of Health or the Director's designee; the Director of Business, Economic Development and Tourism, or the Director's designee; the President and Chief Executive Officer of the Hawaii Tourism Authority or the President's

designee; and the Administrator of the Med-QUEST Division of the Department of Human Services or the Administrator's designee. The task force is to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2020.

The Department opposes this bill because the scope of issues for review by the task force, while laudable, is too broad to allow for meaningful review and analysis within the prescribed period. Each of the four topics is worthy of separate discussion by the appropriate stakeholders.

Also, this bill requires the Department to provide administrative and clerical support to the task force and provides that task force members "shall be reimbursed for reasonable expenses necessary for the performance of their duties, including travel expenses." This measure, however, does not provide for funding to the Department for these purposes.

Thank you for the opportunity to testify on this bill.



LATE

February 13, 2019

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

Re: HB 666 – Relating to Health

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 666, which establishes a comprehensive healthcare task force in the Department of Commerce and Consumer Affairs (DCCA) to study and report on specified major issues relating to healthcare.

HMSA would like to express concerns and provide comments on this measure. We are unsure of the intent of this measure and are concerned with the broad and difficult scope of the task force. The task force is charged with reviewing four important, distinct, and complicated issues in health care. We believe this could make the task force unwieldy and make it difficult to provide useful recommendations to the legislature.

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

Sincerely,

Pono Chong
Vice President, Government Relations

HOUSE OF REPRESENTATIVES
THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2019
COMMITTEE ON HEALTH
Rep. John M. Mizuno, Chair
Rep. Bertrand Kobayashi, Vice Chair
NOTICE OF HEARING

LATE

DATE: Thursday, February 14, 2019
TIME: 9:31 a.m.
PLACE: Conference Room 329

State Capitol

415 South Beretania Street

Bill: HB666

Position: **SUPPORT HB666**, Providing suggested Amendments

Aloha Chair and members of the committee,

The attachment following pages that are highlighted and underlined are suggested amendments that will strengthen the intent of this bill and refine focus. Thank you allowing me to give feedback on this bill.

Mahalo,

Ken Farm

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. This Act shall be known as the "Hawaii Comprehensive Healthcare Act."

["comprehensive healthcare" defined as medical, prescription drugs, skilled nursing, rehabilitation therapy, [mental health services], vision and dental services provided by physicians and other licensed professionals who maintain and/or restore an individual's physical, and mental health and well-being.]

SECTION 2. (a) There is established in the department of commerce and consumer affairs for administrative purposes only the Hawaii comprehensive healthcare task force. The task force shall review the following ~~five~~ [seven] healthcare issues:

(1) The appropriateness of capitation rates for health insurance plans;

(2) The unfunded liability of the Hawaii employer-union health benefits trust fund;

(3) Health insurance policies and coverages for treatment of mental health conditions;

(4) Medical tourism;

(5) [Potential challenges to the State's present healthcare system as a result of recent changes to the federal Affordable Care Act;]

(6) Projected costs of a prospective shift to a statewide comprehensive health care plan as specified in section 1; and]

(7) [Review how to] support outreach efforts, plan, develop, oversee and monitor state-wide outreach and educational program to promote awareness of existing health plan options, savings programs and/or launch of new health initiatives through a combination of workshops, localized grassroots efforts and mass-marketing campaigns utilizing print, television, and radio will be utilized to alert individuals to programs that reduce cost sharing.

(b) The membership of the Hawaii comprehensive healthcare task force shall be as follows:

(1) The insurance commissioner or the commissioner's designee [shall serve as chairperson of the taskforce, designee must come from the commissioner's department;]

(2) The director of finance or the director's designee;

(3) The director of health or the director's designee;

(4) [The director of business, economic development, and tourism, or the director's designee;]

(5) The president and chief executive officer of the Hawaii tourism authority or the president's designee;] The

director of labor and industrial relations or the
director's designee;

(6) The chief administrative officer for the Hawaii health
systems corporation or the chief administrative officer's
designee; and

(7) The administrator of the med-QUEST division of the
department of human services or the administrator's
designee.

(c) Task force members [may further recommend to the task
force chairperson] that additional members with appropriate
specialized expertise, subject to approval by the
chairperson.