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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Finance
Wednesday, March 27, 2019
2:30 p.m.
State Capitol, Conference Room 308

On the following measure:
S.B. 25, S.D. 2, H.D. 1, RELATING TO INSURANCE

Chair Luke 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 supports this administration bill.

The purpose of this bill is to update and improve Hawaii Revised Statutes title 24 (Insurance Code) in number of areas. Specifically, this measure will do the following:

Sections 1, 5, 10, 11, 12, 13, and 23 of this bill allow the Department and the Insurance Commissioner to determine whether an applicant's request to add or change a trade name or an assumed name satisfies Insurance Code and corporation law requirements. This will ensure that both the Department and the Insurance Commissioner will receive notice of a proposed name change and that both have express authority to permanently retire or bar the use of a trade name or an assumed name associated with a revoked license.

Sections 2 and 14 of this bill move the newly enacted section 431:10-104(5) from article 10 to article 10A, which is the more appropriate section for the short-term health insurance pre-existing disclosure requirement. In addition, sections 2, 4, 15, 16, 28, and 32 of this bill clearly provide for reimbursement to providers who deliver coverage managed by chapter 431, article 10A and chapter 432, article 1 and delete reimbursement mandates added to the Insurance Code in conjunction with medical service provider practice acts. These amendments do not remove any existing mandates. Instead, these amendments will clarify that coverage for services mandated by chapter 431, article 10A should include reimbursement to providers and will discourage the practice of creating reimbursement mandates in the Insurance Code to accompany expansions in provider practice acts.

Sections 3 and 31 of this bill move the limited benefit health insurance provision from part I to part VI of article 10A, which clarifies that this provision applies to both individual and group policies.

Section 6 of this bill eliminates optional language in the NAIC's Standard Valuation Model Law to streamline how changes to the valuation manual become effective.

Sections 7 and 9 of this bill remove references to class 1 money market mutual funds to conform with the NAIC Securities Valuation Office Purposes and Procedures Manual of the NAIC Investment Analysis Office.

Section 8 of this bill amends the title to part VI of article 6 to reflect amendments to this part.

Sections 17, 29, and 30 of this bill correct a technical drafting error by replacing "designed" with "assigned" in the definition of "perceived gender identity" and accordingly conform State law to federal guidance on gender identity.

Sections 18, 19, 20, and 21 of this bill remove obsolete language and clarify existing language to avoid ambiguity for insurers submitting rate filings.

Section 22 of this bill amends section 431:14G-105 by removing obsolete language and clarifying existing language to avoid ambiguity for managed care plans submitting rate filings.

Section 24 of this bill amends section 431:19-115 to give the Insurance Commissioner additional regulatory authority to supervise or liquidate a captive, rather than simply suspending or revoking its insurance license.

Sections 25 and 26 of this bill temporarily allow the Insurance Division to create stopgap measures to implement the NAIC's Network Adequacy Model Act and to promulgate administrative rules with the benefit of any future NAIC guidance and input from other jurisdictions.

Section 27 of this bill removes the opt-out provision for long-term care insurance under the Interstate Insurance Product Regulation Commission (IIPRC) to give states the option of using the IIPRC's proven stricter standards of substantive rate review or conducting their own review.

The Department supports this administration bill and respectfully requests that it pass out of this committee with an effective date of July 1, 2019, or upon approval, and an effective date of October 1, 2019, for sections 1, 5, 10, 11, 12, 13, and 23. Thank you for the opportunity to testify.

Testimony of the Board of Nursing

Before the
House Committee on Finance
Wednesday, March 27, 2019
2:30 p.m.
State Capitol, Conference Room 308

On the following measure:
S.B. 25, S.D. 2, H.D. 1, RELATING TO INSURANCE

Chair Luke and Members of the Committee:

My name is Lee Ann Teshima, and I am the Executive Officer of the Board of Nursing (Board). The Board appreciates the Insurance Commissioner's concerns for creating reimbursement mandates in Hawaii Revised Statutes (HRS) chapter 431 to accompany expansions in provider practice acts. Accordingly, the Board supports the following portions of this bill that pertain to reimbursement of advanced practice registered nurses:

- Section 2 Page 2, line 20 to page 3, line 16;
- Section 4 Page 5, line 8 to page 6, line 2;
- Section 15 Page 31, line 4 to page 32, line 2; and
- Section 32 Page 56, lines 10-16.

The Board takes no position regarding the other sections of the bill.

One of the purposes of this bill is to provide for reimbursement to providers who deliver coverage managed by HRS chapter 431, article 10A and chapter 432, article 1 and deletes reimbursement mandates added to HRS title 24 (Insurance Code) in conjunction with medical service provider practice acts. These amendments will clarify that coverage for services mandated by HRS chapter 431, article 10A and chapter 432, article 1 should include reimbursement to providers and will discourage the practice of creating reimbursement mandates in the Insurance Code to accompany expansions in provider practice acts.

In light of Act 169, Session Laws of Hawaii 2009, which recognizes advanced practice registered nurses as primary care providers who require reimbursement for practicing within their scope of practice, and the new definition of "heath care provider"

on page 2, line 20 to page 3, line 16 of this bill, advanced practice registered nurses will continue to be reimbursed for services provided within their scope of practice.

Thank you for the opportunity to testify on this bill.

Testimony of the Board of Pharmacy

Before the
House Committee on Finance
Wednesday, March 27, 2019
2:30 p.m.
State Capitol, Conference Room 308

On the following measure:
S.B. 25, S.D. 2, H.D. 1, RELATING TO INSURANCE

Chair Luke and Members of the Committee:

My name is Lee Ann Teshima, and I am the Executive Officer of the Board of Pharmacy (Board). The Board appreciates the Insurance Commissioner's concerns for creating reimbursement mandates in Hawaii Revised Statutes (HRS) chapter 431 to accompany expansions in provider practice acts. Accordingly, the Board supports the following portions of this bill that pertain to reimbursement of pharmacists practicing within their scope:

- Section 2 Page 2, line 20 to page 3, line 16;
- Section 4 Page 5, line 8 to page 6, line 2;
- Section 16 Page 33, lines 13-16; and
- Section 28 Page 52, lines 3-6.

The Board takes no position regarding the other sections of the bill.

One of the purposes of this bill is to provide for reimbursement to providers who deliver coverage managed by HRS chapter 431, article 10A and chapter 432, article 1 and deletes reimbursement mandates added to HRS title 24 (Insurance Code) in conjunction with medical service provider practice acts. These amendments will clarify that coverage for services mandated by HRS chapter 431, article 10A and chapter 432, article 1 should include reimbursement to providers and will discourage the practice of creating reimbursement mandates in the Insurance Code to accompany expansions in provider practice acts.

Given the new definition of "health care provider" on page 2, line 20 to page 3, line 16 of this bill, pharmacists will continue to be reimbursed for services provided within their scope of practice.

Thank you for the opportunity to testify on this bill.

UNIVERSITY OF HAWAIʻI SYSTEM
Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Wednesday, March 27, 2019 at 2:30 p.m., Room 308
by
Marcia Sakai
Interim Chancellor
and
Carolyn Ma, Pharm D, BCOP
Dean
Daniel K. Inouye College of Pharmacy
University of Hawaiʻi at Hilo

SB 25 SD2 HD1 – RELATING TO INSURANCE

Chair Luke, Vice Chair Cullen, and members of the committee:

My name is Carolyn Ma, and I am the Dean for the UH Hilo Daniel K. Inouye College of Pharmacy (DKICP). The University of Hawaiʻi fully supports this bill as it relates to the clauses that include reimbursement to health care providers who perform services under their scope of practice.

The DKICP graduates highly trained professionals with the terminal degree of Doctor of Pharmacy. The four-year professional curriculum includes didactic integrated sciences, therapeutics and disease, treatment and management, communication, and interprofessional education. More than 30% of the curriculum is held in experiential clinical rotations at sites for hospital acute care medicine, acute care ambulatory care clinics, retail community pharmacies, pharmacy specialty clinics, and a variety of medicine and public health areas.

Due to the complexities of today's patient care, pharmacists have become indispensable primary care extenders for physicians and advanced practice nurse practitioners. Common medication therapy problems include inadequate therapy (56.86%), Non-adherence (14.89%), Adverse Reaction (14.7%), Too High of a Dose (6.83%), and Unnecessary Therapy (6.68%).[1] Pharmacist expertise in Medication Therapy Management (MTM) encompasses intervention in all of the aforementioned areas, as well as skill in managing new medication regimes, monitoring and adjusting medications especially in the chronic diseases of diabetes, cardiovascular disease, anticoagulation and other diseases. [2,3,4] A multitude of research studies and published articles detail the value of a clinical pharmacist on a care team. In 2010, Chisolm et al,

provided a comprehensive literature review (298 studies) that describe positive results of pharmacist interventions in a number of areas such as lowered cholesterol, diabetes markers (hgbA1c), blood pressure and adverse drug events.[5] Results also support the fact that pharmacists improve patient education, help with medication adherence and improve measures of better general health.[5]

Clinical pharmacists, especially in the ambulatory care, specialty care and acute care settings, provide direct patient care through collaborative practice agreements with physicians and nurse under either general or direct supervision. Almost all health care professions have the ability to bill for provided services for third party insurers and Medicare fee structures. Pharmacists do not have reimbursement privileges. Very limited billing and reimbursement can be made under "incident-to billing", which is inadequate in terms of reimbursing for cost, time or expertise. This lack of insurance coverage severely limits primary care providers from affording the expertise and skill of a clinical pharmacist.

This bill will allow for coverage of activities that the clinical pharmacist provides and will help health care organizations, clinics and areas to improve patient care and health outcomes. Pharmacists are also the most accessible health care professional and can help to bridge the primary care provider shortage in this state.

Thank you for the opportunity to submit testimony.

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1. https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Transitional-Care-Management-Services-Fact-Sheet-ICN908628.pdf.
2. Isetts BJ, Schondelmeyer SW, Artz MB, Lenzard LA, Heaton AH. Clinical and economic outcomes of medication therapy management services: The Minnesota Experience. *J Am Pharm Assoc*. 2008;48:203-211.
3. Kiel PJ, McCord AD. Pharmacist Impact on Clinical Outcomes in Diabetes Disease Management Program via Collaborative Practice. *Ann Pharmacother* 2005;39:1828-32.
4. Machado M, Bajcar J, Guzzo GC, Einarson TR. Sensitivity of Patient Outcomes to Pharmacist Interventions. Part I: Systematic Review and Meta-Analysis in Diabetes Management. *Ann Pharmacother* 2007;41:1569-82.
5. Chisolm-Burns, MA, Lee JK, Spivey, CA, Slack, M, Herrier RN, et a. US Pharmacists' Effect as Team Members on Patient Care Systematic Review and Meta-analyses. *MedCare* 2010;48:923-933

An Independent Licensee of the Blue Cross and Blue Shield Association

March 26, 2019

The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance

Re: SB 25, SD2, HD1 – Relating to Insurance

Dear Chair Luke, Vice Chair Cullen, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 25, SD2, HD1, which amends various portions of the Hawaii Insurance Code under title 24, Hawaii Revised Statutes, to update and improve existing Insurance Code provisions. This measure also establishes requirements for proposed name changes and use of a trade name or assumed name, effective 10/1/19.

HMSA supports the intent of this bill, to update and improve the regulation of insurance in the State of Hawaii.

Thank you for allowing us to testify in support of SB 25, SD2, HD1.

Sincerely,

Pono Chong
Vice President, Government Relations

KAISER PERMANENTE®

Government Relations

Testimony of
Jonathan Ching
Government Relations Specialist

Before:
House Committee on Finance
The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair

March 27, 2019
2:30 p.m.
Conference Room 308

Re: SB 25, SD2, HD1, Relating to Insurance

Chair Luke, Vice Chair Cullen, and committee members, thank you for this opportunity to provide testimony on SB 25, SD2, HD1, which makes numerous housekeeping and other changes to the Insurance Code (chapter 431, Hawaii Revised Statutes) to improve the regulation of insurance in the State of Hawai‘i.

Kaiser Permanente supports the intent of the bill and offers the following COMMENTS

We appreciate the intent of this Bill and we support the clarifications that were adopted by the previous committees.

Thank you for the opportunity to testify on SB 25, SD2, HD1.

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HAWAII INSURERS COUNCIL
A trade association of property and casualty insurance companies

Pauahi Tower, Suite 2010
1003 Bishop Street
Honolulu, Hawaii 96813
Telephone (808) 525-5877

Alison H. Ueoka
President

TESTIMONY OF ALISON UEOKA

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J. K. Cullen, Vice Chair

Wednesday, March 27, 2019
2:30 p.m.

SB 25, SD2, HD1

Chair Luke, Vice Chair Cullen, and members of the Committee on Finance, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council is neutral on all sections of the bill, with the exception of Sections 18, 19, 20, and 21 which we support.

We appreciate the Divisionôs work to update laws in the area of rate making. These provisions benefit both insurer and consumer by removing redundancy and time and cost barriers. These four sections have to do with streamlining the rate process including provisions to make submissions via electronic means through a system called, SERFF. We believe these modernizing provisions are necessary and removes antiquated processes that were required prior.

Thank you for the opportunity to testify.

LATE

**TESTIMONY ON SENATE BILL NO. 25,
SENATE DRAFT 2, HOUSE DRAFT 1
RELATING TO INSURANCE**

HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Wednesday, March 27, 2019, 2:30 p.m.
Conference Room 308
State Capitol
415 South Beretania Street

To Representative Sylvia Luke, Chair; Representative Ty J.K. Cullen, Vice Chair; and members of the House Committee on Finance:

My name is Matthew Takamine and I am submitting this testimony as a director and President of the Hawaii Captive Insurance Council ("HCIC"). The HCIC is a nonprofit corporation that is committed to promoting, developing, and maintaining a quality captive insurance industry in the State of Hawaii. In partnership with the State of Hawaii Insurance Division, the HCIC provides information and education on issues affecting captive insurance companies, and assists the State of Hawaii in promoting Hawaii as a quality captive insurance domicile on the local, national, and international level.

The HCIC **supports** Sections 23 and 24 of Senate Bill No. 25, Senate Draft 2, House Draft 1 ("SB25 SD2 HD1"), which amend Sections 431:19-103 and 431:19-115 of Article 19 of the Hawaii Insurance Code. The HCIC takes no position regarding the other sections of SB25 SD2 HD1.

Section 23 of SB25 SD2 HD1 requires captive insurance companies to apply to the Hawaii Department of Commerce and Consumer Affairs and the Hawaii Insurance Commissioner ("Commissioner") for approval of the use or change of a trade name or an assumed name.

Section 24 of SB25 SD2 HD1 adds Article 15 to the list of other articles or sections within the Hawaii Insurance Code that are applicable to all captive insurance companies licensed in Hawaii. Article 15, which does not currently apply to certain captive insurance companies, pertains to Insurers Supervision, Rehabilitation, and Liquidation, and provides the Commissioner with broad oversight powers in the event of certain adverse circumstances, such as financial difficulty or insolvency. Section 24 of SB25 SD2 HD1 also makes technical, nonsubstantive amendments to HRS §431:19-115 for the purposes of consistency, clarity, and style.

Thank you for this opportunity to submit testimony on SB25 SD2 HD1.

Respectfully submitted:
Matthew Takamine
Director and President
Hawaii Captive Insurance Council

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS
IN SUPPORT OF SB 25, SD 2, HD 1, IN PART, RELATING TO INSURANCE

March 27, 2019

Honorable Representative Sylvia Luke, Chair
Committee on Finance
State House of Representatives
Hawaii State Capitol, Room 308
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Luke and Committee Members:

Thank you for the opportunity to testify in support of SB 25, SD 2, HD 1, in part, relating to Insurance.

Our firm represents the American Council of Life Insurers ("ACLI"). ACLI advocates on behalf of 280 member companies dedicated to providing products and services that promote consumers' financial and retirement security. 90 million American families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. ACLI represents member companies in state, federal and international forums for public policy that supports the industry marketplace and the families that rely on life insurers' products for peace of mind. ACLI members represent 95 percent of industry assets in the United States. Two hundred twenty-one (221) ACLI member companies currently do business in the State of Hawaii; and they represent 95% of the life insurance premiums and 99% of the annuity considerations in this State.

Sections 3 and 31 of SB 25, SD 2, HD 1, amends Article 10A of Hawaii's Insurance Code.

HRS §431:10A-102.5 currently excludes from the definition of "accident insurance", "health insurance" or "sickness insurance" limited benefit health insurance contracts that pays benefits directly to the insured . . . and in which the amount of the benefit paid is not based upon the actual costs incurred by the insured." This section, therefore, expressly excludes disability income insurance, long term care and other limited benefit health insurance contracts as being "accident insurance", "health insurance" or "sickness insurance."

Unfortunately, §431:10A-102.5 currently is in Part I of Article 10A of the Insurance Code. Part I of Article 10A only governs Individual Accident and Health or Sickness Insurance Policies. I've attached Part I of Article 10A which is the receptacle of §431-10A-102.5 for your information. Provisions governing group and blanket disability insurance is set forth in Part II of Article 10A. I've attached the 1st page of Part II of Article 10A for your information.

Thus, because §431:10A-102.5 is currently in Part I of Article 10A of the Insurance Code and that part only governs Individual Accident and Health or Sickness Insurance Policies, Group disability insurance is considered "accident insurance", "health insurance" or "sickness insurance" under current law.

Sections 3 and 31 of SB 25, SD 2, HD 1, amend Hawaii's Insurance Code by moving the definition of Limited Benefit Health Insurance, currently in Part 1 (§431:10A-102.5), to Part VI of Article 10A of the Code (Miscellaneous Provisions). I've attached the 1st page of Part VI of Article 10A for your information.

ACLI supports this amendment and concurs with the bill's sponsor that the relocation of this provision will finally clarify that the definition of Limited Benefit Health Insurance applies to both individual and group disability income insurance policies – and not merely individual policies as dictated by its current location in the Insurance Code.

ACLI is in strong support of Section 6 of the bill which amends §431:5-307 by deleting the optional language in the NAIC's Standard Valuation Model Law that requires the Insurance Commissioner to adopt a rule whenever a change in the valuation manual is adopted by the NAIC.

Again, thank you for the opportunity to testify in support of SB 25, SD 2, HD 1, in part, relating to Insurance.

LAW OFFICES OF
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Case Notes

As chapter 432D does not cover the field of managed care regulation and because §§432D-2, 432E-1, and this article can be read together and there is no explicit language or policy reason not to give each statute effect, chapter 432D does not repeal chapter 432E by implication. 126 H. 326, 271 P.3d 621 (2012).

Properly licensed HMOs, like plaintiff, were authorized pursuant to §432D-1 to "provide or arrange", at their option, for the closed panel health care services required under the managed care plan program; accident and health insurers were authorized under §431:10A-205(b) to arrange for medical services for members using a defined network of providers, i.e., particular "hospitals or persons"; thus, this article and chapter 432D authorized both accident and health insurers and HMOs as risk-bearing entities, to provide the closed panel product required by the managed care plan contracts. 126 H. 326, 271 P.3d 621 (2012).

PART I. INDIVIDUAL ACCIDENT AND HEALTH OR SICKNESS POLICIES

§431:10A-102.5 Limited benefit health insurance. (a) Except as provided in subsection (b) or elsewhere in this article, when used in this article, the terms "accident insurance", "health insurance", or "sickness insurance" shall not include an accident-only, specified disease, hospital indemnity, long-term care, disability, dental, vision, medicare supplement, or other limited benefit health insurance contract that pays benefits directly to the insured or the insured's assigns and in which the amount of the benefit paid is not based upon the actual costs incurred by the insured.

(b) When used in sections 431:10A-104, 431:10A-105, 431:10A-106, 431:10A-107, 431:10A-108, 431:10A-109, 431:10A-110, 431:10A-111, 431:10A-112, 431:10A-113, 431:10A-114, 431:10A-117, 431:10A-118, 431:10A-601, 431:10A-602, 431:10A-603, and 431:10A-604, except as otherwise provided, the terms "accident insurance", "accident and health or sickness insurance", "health insurance", or "sickness insurance" shall include an accident-only, specified disease, hospital indemnity, long-term care, disability, dental, vision, medicare supplement, or other limited benefit health insurance contract regardless of the manner in which benefits are paid; provided that if any of the requirements set forth in the foregoing sections as applied to long-term care insurance conflict with the provisions of article 10H, the provisions of article 10H shall govern and control. [L 2010, c 115, §1; am L 2011, c 12, §1; am L 2014, c 186, §7]

§431:10A-105 Required provisions. Except as provided in section 431:10A-107, each policy of accident and health or sickness insurance delivered or issued for delivery to any person in this State shall contain the provisions set forth below. These provisions shall be in the words in which they appear below; provided that the insurer may substitute corresponding provisions of different wording certified by an officer of the insurer to be in substantial conformance with the wording below that are in each instance not less favorable in any respect to the insured or the beneficiary. The provisions shall be preceded individually by the specified caption or by appropriate individual or group captions or subcaptions that are substantially similar to the specified captions. The provisions required by this section are as follows:

(1) "Entire Contract; Changes: This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless the approval is endorsed on or attached to this policy. No agent has authority to change this policy or to waive any of its provisions";

(2) (A) "Time Limit on Certain Defenses:

(c) Where the ability to make restitution can be demonstrated, any person convicted under this section shall be ordered by a court to make restitution to an insurer or any other person for any financial loss sustained by the insurer or other person caused by the act or acts for which the person was convicted.

(d) A person, if acting without malice, shall not be subject to civil liability for providing information, including filing a report, furnishing oral or written evidence, providing documents, or giving testimony concerning suspected, anticipated, or completed public or private insurance fraud to a court, the commissioner, the insurance fraud investigations unit, the National Association of Insurance Commissioners, any federal, state, or county law enforcement or regulatory agency, or another insurer if the information is provided only for the purpose of preventing, investigating, or prosecuting insurance fraud, except if the person commits perjury.

(e) This section shall not supersede any other law relating to theft, fraud, or deception. Insurance fraud may be prosecuted under this section, or any other applicable section, and may be enjoined by a court of competent jurisdiction.

(f) An insurer shall have a civil cause of action to recover payments or benefits from any person who has intentionally obtained payments or benefits in violation of this section; provided that no recovery shall be allowed if the person has made restitution under subsection (c). [L 2003, c 125, §2]

PART II. GROUP AND BLANKET DISABILITY INSURANCE

Attorney General Opinions

Section 431:10A-601 applied to all parts of article 10A if the category of policy under consideration included family coverage, as defined in §431:10A-103. Att. Gen. Op. 97-10.

§431:10A-201 Definitions. For the purposes of this article:

(1) (A) Blanket disability insurance policy means any policy or contract of accident and health or sickness insurance which conforms with the description and complies with one of the following requirements:

(i) A policy issued to any common carrier of passengers, which carrier shall be deemed the policyholder, covering a group defined as all persons who may become such passengers, and whereby such passengers shall be insured against loss or damage resulting from death or bodily injury either while, or as a result of, being such passengers.

(ii) A policy issued in the name of any volunteer fire department, first aid or ambulance squad, or volunteer police organization, which shall be deemed the policyholder, and covering all the members of any such organization against loss from accidents resulting from hazards incidental to duties in connection with such organizations.

(iii) A policy issued in the name of any established organization whether incorporated or not, having community recognition and operated for the welfare of the community and its members and not for profit, which shall be deemed the policyholder, and covering all volunteer workers who serve without pecuniary compensation and the members of the organization, against loss from accidents occurring while engaged in the actual performance of duties on behalf of such organization or in the activities thereof.

(3) The calendar year experience applicable to such insurance offered under this part. Item (3) shall include:
(A) Premiums earned,
(B) Claims paid during the calendar year,
(C) The amount of claims reserve established,
(D) Administrative expenses,
(E) Commissions,
(F) Promotional expenses,
(G) Taxes,
(H) Contingency reserve,
(I) Other expenses, and
(J) Profit and loss for the year.

The commissioner shall require the association to provide any and all information concerning the operations of the association deemed relevant by the commissioner for inclusion in the report. [L 1987, c 347, pt of §2]

§431:10A-409 Articles of association; agent, membership list; deception. (a) Any association formed in accordance with this part shall file the following with the commissioner:
(1) The articles of association;
(2) All amendments and supplements to the articles of association;
(3) A designation in writing of a resident of this State as agent for the service of process; and
(4) A list of insurers who are members of the association and all supplements thereto.

(b) The name of any association or any advertising or promotional material used in connection with extended health insurance to be sold, offered or issued pursuant to this section shall not be such as to mislead or deceive the public. [L 1987, c 347, pt of §2]

§431:10A-410 Violation of other laws. No act done, action taken, or agreement made pursuant to the authority conferred by this part shall constitute a violation of or grounds for prosecution or civil proceedings under any other law of this State which does not specifically refer to insurance. [L 1987, c 347, pt of §2]

PART V. LONG-TERM CARE INSURANCE—REPEALED

§§431:10A-521 to 531 REPEALED. L 1999, c 93, §8.

Cross References

For present provisions, see article 10H, this chapter.

[PART VI. MISCELLANEOUS PROVISIONS]

[§431:10A-601] Reciprocal beneficiary family coverage defined; policyholder and employer responsibility for costs; availability. (a) Any other law to the contrary notwithstanding, reciprocal beneficiary family coverage, as defined in subsection (b), shall be made available to reciprocal beneficiaries, as defined in chapter 572C, but only to the extent that family coverage, as defined in section 431:10A-103, is currently available to individuals who are not reciprocal beneficiaries.

(b) As used in this section, "reciprocal beneficiary family coverage" means a policy that insures, originally or upon subsequent amendment, a reciprocal beneficiary who shall be deemed the policyholder, the other party to the policyholder's reciprocal beneficiary relationship registered pursuant to chapter 572C, and dependent children or any child of any other person dependent upon either reciprocal beneficiary.

(c) If a reciprocal beneficiary policyholder incurs additional costs or premiums, if any, by electing reciprocal beneficiary family coverage under this section, the employer may pay additional costs or premiums. [L 1997, c 383, §4; am L 2004, c 122, §37]

Attorney General Opinions

Section applied only to insurers, and not mutual benefit societies or health maintenance organizations. Att. Gen. Op. 97-5.

As provided by subsection (c), an employer does not violate the reciprocal beneficiaries act [L 1997, c 383] if it chooses not to pay any additional cost or premium incurred by the employee in electing reciprocal beneficiary family coverage. Att. Gen. Op. 97-10.

Section applied to all parts of article 10A if the category of policy under consideration included family coverage, as defined in §431:10A-103. Att. Gen. Op. 97-10.

The division will be responsible for enforcement of health insurance provisions of the reciprocal beneficiaries act [L 1997, c 383]; those provisions can only be enforced against insurers, not employers. Att. Gen. Op. 97-10.

The employer is not required to pay the additional costs incurred by an employee's election for reciprocal beneficiary coverage. The focus is on the insurance contract and the policyholder and recognizes that the reciprocal beneficiary, as policyholder, is the one who incurs the cost. Att. Gen. Op. 97-10.

The placement of this section in article 10A makes clear that the legislative intent was to mandate benefits that must be made available by insurers that write contracts of insurance providing family coverage; moreover, the statute specifies that the coverage be made available to reciprocal beneficiaries, not to employers. Att. Gen. Op. 97-10.

There is nothing in the reciprocal beneficiaries act [L 1997, c 383] that would prevent an insurer from making reciprocal beneficiary family coverage available in a policy separate from the policy it uses to make regular family coverage available. Att. Gen. Op. 97-10.

To the extent that the reciprocal beneficiaries act [L 1997, c 383] does impose obligations on insurers, it may provide a basis for affected persons to seek relief by, for example, seeking declaratory relief under chapter 632. Att. Gen. Op. 97-10.

§431:10A-602 Federally funded programs; exemption. Requirements relating to mandated coverages shall not be applicable to any insurer offering accident and health or sickness insurance under a federally funded program under the Social Security Act, as amended; provided that this exemption shall apply only to that part of the insurer's business under the federally funded program. [L 1999, c 159, §1; am L 2003, c 212, §81]

[§431:10A-603] Self-employed persons, exemption. The requirements of this article related to mandated coverages for persons insured under accident and sickness policies shall not apply to accident and sickness policies for self-employed persons in this State; provided that this exemption shall apply only to those portions of the accident and sickness policies that cover self-employed persons in this State. [L 2004, c 122, §1]

ARTICLE 10B
CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE

§431:10B-101 Purpose. The purpose of this article is to promote the public welfare by regulating credit life insurance and credit disability insurance. Nothing in this article is intended to prohibit or discourage reasonable competition. The provisions of this article shall be liberally construed. [L 1987, c 347, pt of §2]

CHAD KAWAKAMI PHARM.D., BCPS,CDE

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March 25, 2019 , 2019

Dear Committee Members:

My name is Dr. Chad Kawakami and I am an Assistant Professor of Pharmacy Practice with the Daniel K. Inouye College of Pharmacy. Thank you very much for your time in considering this bill and my testimony.

Integration of clinical pharmacists in patient care may offer increased access to health care and improved patient care outcomes. Pharmaceutical care involves pharmacist collaboration with health team members to optimize therapeutic outcomes. The scope of practice for clinical pharmacists includes pharmaceutical care or comprehensive medication management for patients with chronic diseases in addition to less complex services, such as counseling patients on medications or responding to questions about drug information.

A 2014 systematic review evaluated outpatient medication therapy management interventions.[1] The researchers concluded that pharmacists may reduce the frequency of medication-related problems and decrease some health care use and costs. Another 2016 review published in the Annals of Internal Medicine[2] concluded that pharmacist-led chronic disease management was associated with effects similar to those of usual care for resource utilizations and may improve physiologic goal attainment.

Mental health integration in primary care is becoming a standard of practice in order to break down barriers to care. More than half of all patients with depression receive their care exclusively from their primary care providers. The pharmacologic management of depression in primary care has been reported as inadequate with suboptimal clinical outcomes. Depression is frequently treated for an inadequate length of time or with insufficient antidepressant doses. Furthermore, patients often discontinue medication because of adverse effects, lack of benefit, or cost.[3-6] Depression has a huge negative impact on our

economy. Published in the Journal of Clinical psychiatry in 2015, Greenberg and colleagues examined trends in costs associated with major depressive disorder (MDD).[7] Among their major findings is that the total economic burden of MDD is now estimated to be a $210.5 billion per year. Nearly half of these costs are attributed to the workplace, including absenteeism (missed days from work) and presenteeism (reduced productivity at work), where as 45%-47% are due to direct medical costs which are shared by employers, employees, and society. In mental health, pharmacists have shown improve the quality of care and outcomes by enhancing compliance, adjustment of medications, and monitoring and managing adverse effects. Pharmacists can also facilitate the use of patient assistance programs if cost is a barrier to treatment.[8]

Pharmacist are trained to recognize and manage many chronic diseases that include high blood pressure, diabetes, and depression. We are the drug experts. Pharmacists have been shown to improve therapeutic outcomes when working in conjunction with prescribers. Pharmacists are the most accessible health care providers in the community allowing us to help improve access to- and quality of care while helping to decrease the overall cost of health care. Thank you very much for your time in considering my testimony.

Very Humbly Submitted,

Chad Kawakami Pharm.D., BCPS,CDE

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Submitted on: 3/25/2019 5:48:44 PM
Testimony for FIN on 3/27/2019 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Tsoi	Daniel K. Inouye College of Pharmacy	Support	No

Comments:

Aloha,

My name is Nicholas Tsoi and I am a 4th year student with the Daniel K. Inouye College of Pharmacy. I am writing to express my support for SB 25 2 HD 1.

Thank you,

--Nicholas

SB-25-HD-1
Submitted on: 3/26/2019 2:04:17 PM
Testimony for FIN on 3/27/2019 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Wesley Sumida	Individual	Support	No

Comments:

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee,

I strongly support this bill which reimburses pharmacists for services within their professional scope. This will allow greater access which is especially important in underserved communities.

Thank you for the opportunity to provide testimony.