



HAWAII MEDICAL ASSOCIATION

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TO:

COMMITTEE ON JUDICIARY AND LABOR

Senator Gilbert S.C. Keith-Agaran, Chair

Senator Maile S.L. Shimabukuro, Vice Chair

DATE: Wednesday, March 04, 2015

TIME: 9:15 am

PLACE: Conference Room 016

FROM: Hawaii Medical Association

Dr. Christopher Flanders, DO, Executive Director

Lauren Zirbel, Community and Government Relations

Re: SB 736 RELATING TO INSURANCE

Position: Support

This measure requires an entity to send written notice to a health care provider at least thirty calendar days prior to initiating any recoupment or offset demand efforts and prohibits an entity from initiating any recoupment or offset efforts more than twelve months after an initial claim payment was received by a health care provider, with specific exceptions.

HMA believes it puts providers at an unfair disadvantage when insurers extend a retrospective audit back more than a year. Physicians have 12 months to file, why do insurers need an unlimited amount of time when they cannot demonstrate intentional wrongdoing?

Given that the State of Hawaii lost almost 100 doctors last year alone we should make every effort to not drive the rest of the practicing physicians still living in Hawaii to the mainland where reimbursements are much higher and the cost of running a practice is much lower.

According to the Star Advertiser's January 20, 2015 article entitled, Doctor shortage grows, "Hawaii's doctor shortage jumped 20 percent over the past year as more physicians left the field amid a growing demand for medical services. New estimates on physician supply and demand peg the current shortage at 890, and that's expected to jump as high as 1,500 by 2020, according to the latest figures from the University of Hawaii John A. Burns School of Medicine's Area Health Education Center... Specialties with the fastest-growing shortages include

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infectious disease and orthopedic surgery. There is a 65 percent shortage of specialists in infectious diseases like HIV/AIDS and antibiotic-resistant wounds, with only 13 doctors statewide, while a more than 50 percent shortage exists for general surgeons, with only 55 seeing patients.”¹

Our physician shortage did not come out of nowhere. It is a direct result of a hostile insurance market, which makes it difficult to practice medicine in this State. Please do something to improve this situation. By all calculations, we are already in a crisis.

Thank you for the opportunity to testify.

¹ <http://www.staradvertiser.com/s?action=login&f=y&id=289125151&id=289125151>



Senate Committee on Judiciary and Labor

The Hon. Gilbert S.C. Keith-Agaran, Chair

The Hon. Maile S.L. Shimabukuro, Vice Chair

Testimony on Senate Bill 736 SD 1

Relating to Insurance

Submitted by Nani Medeiros, Public Affairs and Policy Director

March 4, 2015, 9:15 am, Room 016

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports Senate Bill 736, which seeks to clarify insurance recoupment standards in Hawaii.

As currently written in Hawaii, no statute of limitations exists to protect healthcare providers in Hawaii from recoupment inquiries by health insurance plans, despite plans being able to seek such information in perpetuity. The proposed language in Senate Bill 736 seeks to alleviate that by bringing both sides even, imposing a twelve month limit on all recoupment efforts. Doing so will protect providers in future inquiries and alleviate the information storage burden.

The HPCA thanks you for the opportunity to testify.



Hawai'i Psychological Association

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Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S. L. Shimabukuro, Vice Chair
Committee on Judiciary and Labor

February 28, 2015

Wednesday, March 4, 2015, 9:15 a.m., Room 016

TESTIMONY IN SUPPORT OF SB 736, SD1

Honorable Chair Gilbert S.C. Keith-Agaran, Vice Chair Maile S. L. Shimabukuro and members of the committee, my name is Marie Terry-Bivens, Psy.D. and I am a psychologist and President of the Hawaii Psychological Association. I would like to provide testimony in support of SB 736, SD1.

"Recoupments" are funds that health plans have paid to providers but later seek reimbursement after the plan determined, for whatever reason, it paid out in error. There's no precise information about how often insurance companies are demanding recoupment or for how much, but it is happening more often, and to the full range of health care providers. Across the country as the recoupment demands are increasing, practices are folding as a result.

In Hawaii, it is widely recognized that we have a shortage of health practitioners in many fields. And while practitioners generally have one year to adjust their billing to insurance companies; the insurance companies have no similar restriction preventing them from reaching far back into history to recoup funds they previously paid to health care providers for their services. This is an ongoing open-ended liability for health care professionals and undermines the ability to build upon and plan a viable and economically feasible practice.

Thus far, more than half of the country has legislation limiting the time that an entity can take money back for the services that have already provided. According to a recent data search the following states have statute of limitations for medical recoupment: Alabama, Arkansas; Arizona; California; Colorado; Connecticut; District of Columbia; Florida; Georgia; Illinois; Indiana; Iowa; Kentucky; Maine; Maryland; Massachusetts; Missouri; Montana; New Hampshire; New Jersey; New York; North Carolina; Ohio; Oklahoma; South Carolina; Texas; Utah; Vermont; Virginia; Washington; and West Virginia ranging from 6-months to 30-months, with the average range of time allowed for take-backs being somewhere between 12 and 24 months.

Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
February 28, 2015
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Thank you for your consideration of my testimony in support of SB 736, SD1.

Respectfully submitted,

Marie Terry-Bivens, Psy.D.
President