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TO THE HOUSE COMMITTEES ON HEALTH AND  
CONSUMER PROTECTION AND COMMERCE

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016

Wednesday, March 23, 2016  
2:35 p.m.

**TESTIMONY ON HOUSE CONCURRENT RESOLUTION NO. 157 / HOUSE RESOLUTION NO. 108 – REQUESTING THE INSURANCE DIVISION OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO CONDUCT A SURVEY OF THE MEDICAL PROFESSIONAL COMMUNITY TO DETERMINE THE EXTENT OF THE DEVELOPMENT OF ACCOUNTABLE CARE ORGANIZATIONS AND DIRECT PRIMARY CARE OR “CONCIERGE MEDICINE” WITHIN THE COMMUNITY AND THE IMPACT OF THESE BUSINESS ARRANGEMENTS ON THE ABILITY OF PATIENTS TO ACCESS PRIMARY CARE SERVICES IN THE STATE.**

TO THE HONORABLE DELLA AU BELATTI AND ANGUS L.K. MCKELVEY, CHAIRS, AND MEMBERS OF THE COMMITTEES:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”).

The purpose of this resolution is to require that the Insurance Division (“Division”) survey the medical professional community and submit a report to the legislature. The survey is to identify the extent to which accountable care organizations (“ACOs”) have developed in Hawaii; health care providers and patients are participating in ACOs; direct primary care has penetrated Hawaii and participating health care providers and patients in direct primary care; and ACOs and direct primary care have impacted Medicare or Medicaid patient access to primary care services. The report would be due to the Legislature no later than twenty days before the convening of the Regular Session of 2017. The Department submits the following comments.

An ACO is a network of physicians, specialists, hospitals, and other health care providers that shares financial and medical responsibility. The goals of an ACO are to provide coordinated care to a patient and to limit costs and unnecessary spending. The Division has no oversight over these private network ACO arrangements as it involves direct contracts between providers. The Division is likewise not involved with direct primary care which involves direct payments between patients and providers.

ACOs were also created by Section 2706 of the Patient Protection and Affordable Care Act ("ACA") to take part in the Medicare Shared Savings Program ("MSSP") and other federal programs. A subset of Medicare beneficiaries fall under an ACA MSSP ACO. These ACOs are under the jurisdiction of the federal Department of Human Services and Centers for Medicare and Medicaid Services ("CMS").

If the intent is to survey ACA ACOs, CMS may be a more suitable entity to conduct a survey of the medical community as CMS develops ACO program regulations, defines policies on what ACOs are, how ACOs are created, and assesses ACOs for quality and financial performance.

We thank the Committees for the opportunity to present testimony on this matter.



To: Hawaii State House Committees on Health, and Consumer Protection and  
Commerce  
Hearing Date/Time: Wednesday, March 23, 2016, 2:35 p.m.  
Place: Hawaii State Capitol, Rm. 325  
Re: Testimony of Planned Parenthood of Hawaii in support of H.C.R. 157, H.R. 108

Dear Chairs Belatti and McKelvey and Members of the Committees,

Planned Parenthood Votes Northwest and Hawaii (“PPVNH”) writes in support of H.C.R. 157/H.R. 108, requesting a sunrise review of insurance coverage for sexually transmitted disease (“STD”) testing.

PPVNH is dedicated to advocating for policies that promote sexual and reproductive health care and so we support H.C.R. 157/H.R. 108 because it will shed light on the guidelines that insurance companies use to determine whether to cover STD testing. Currently, it is very difficult for patients to find out whether or not STD testing will be covered during a doctor’s visit and subsequently may decide not to be tested because they are afraid that they won’t be able to afford it. H.C.R. 157/H.R. 108 will provide patients with the information that they need to proactively take care of their health.

Further, as the economic and other costs associated with STD testing are minimal compared to the cost of treating STIs, H.C.R. 157/H.R. 108 will ensure that those who with STIs have access to the treatment and care that they need and will result in a decrease in the rates of infection and costs associated with STIs.

Thank you for this opportunity to testify in support of H.C.R. 157/H.R. 108.

Sincerely,  
Laurie Field  
Hawaii Legislative Director and Public Affairs Manager