



An Independent Licensee of the Blue Cross and Blue Shield Association

February 23, 2016

The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair
Senate Committee on Ways and Means

Re: SB 2668, SD1 – Relating to Insurance

Dear Chair Tokuda, Chair Dela Cruz, and Members of the Committee:

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on SB 2668, SD1, which attempts to address concerns over balance or “surprise” billings. It establishes disclosure requirements for non-participating healthcare providers, and it specifies the amount a nonparticipating provider may bill for services performed without authorization of a health plan. HMSA supports the intent of this Bill and offer comments.

HMSA certainly understands and is sensitive to concerns our members have when faced with substantial balance billings. We appreciate this legislation’s intent to give a patient advanced notice of the potential cost of having healthcare services rendered by a non-participating provider. This will greatly enhance transparency in the healthcare system.

We also appreciate provisions in this measure that will limit the charge for a service rendered by a non-participating provider to 120 percent of the Medicare rate for the same service. This would be in alignment with the national agenda to control the negative impacts of balance billings on the consumer and on the healthcare system.

The Affordable Care Act (ACA) prohibits greater out of pocket costs for emergency services received from a nonparticipating provider. While the ACA does not prevent balance billing, it does require health plans to reimburse a “reasonable” amount for emergency services rendered by nonparticipating providers and includes a formula for calculating that amount.

More recently, President Obama’s FY 2017 budget for the Centers for Medicare and Medicaid Services includes a provision to eliminate surprise out-of-network bills. Specifically, hospitals would be required to take “reasonable steps” to match patients with in-network providers, and all physicians who regularly provide services in hospitals would be required to accept “an appropriate” in-network rate as payment in full. If a hospital fails to match a patient to an in-network provider, the patient would still be protected from surprise out-of-network charges.

Thank you for allowing us to testify on SB 2668, SD1.

Sincerely,

Jennifer Diesman
Vice President, Government Relations

February 23, 2016 at 9:50 AM
Conference Room 211

Senate Committee on Ways and Means

To: Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair

From: Michael Robinson
Vice President – Government Relations & Community Affairs

Re: Submitting comments – SB 2668, SD1 – Relating to Insurance

My name is Michael Robinson, Vice President, Government Relations and Community Affairs at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawai'i Pacific Health is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawai'i Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

HPH appreciates the opportunity to submit comments regarding SB 2668, SD1 which specifies disclosure requirements for health care providers, health care facilities, or hospitals shall disclose in writing to a patient or prospective patient prior to the provision of nonemergency services that are not authorized by the patient's health care plan.

We understand the issues both patients and providers face with respect to the lack of transparency and inadequacy of health plan provider networks resulting in "surprise" or "balance" billing practices in certain parts of our nation. At the same time, we also want to ensure that legislation addresses the particular issues that Hawai'i's patients face and creates an environment which encourages – rather than hinder - network participation by both providers and consumers that is informed by the dynamics of our local market.

The issue of "surprise billing" is complex requiring a complex solution beyond 3rd party adjudication of billing disputes. The solution needs to incorporate all facets of the problem including the current state of network adequacy in Hawai'i, patient information and motivation, and available information amongst and between stakeholders.

In order for providers to either comply with or evaluate the benefits of SB 2668, significant initial discussion regarding the shared responsibilities between plans,

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providers and patients would need to occur in order to best inform the direction needed to move forward. We offer that it would initially be helpful to have a discussion and process involving relevant stakeholders to first assess the extent of the problems based on the experience of patients within the State of Hawai'i and then determine the steps needed to address the need identified.

Thank you for the opportunity to provide comment.



February 23, 2016 at 9:50 AM
Conference Room 211

Senate Committee on Ways and Means

To: Chair Jill N. Tokuda
Vice Chair Donovan M. Dela Cruz

From: George Greene
President and CEO
Healthcare Association of Hawaii

Re: **Submitting Comments**
SB 2668 SD 1, Relating to Insurance

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 180 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

We would like to thank the committee for the opportunity to **submit comments** on SB 2668 SD 1. While we appreciate the intent of this bill, we have concerns that the current version of this measure could place significant additional burdens on providers and delay care. We look forward to working with the committees and other stakeholders should this legislation progress.

Thank you for your time and consideration of this matter.