
HOUSE CONCURRENT RESOLUTION

REQUESTING THE INSURANCE DIVISION OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO COLLABORATE WITH THE MEDICAL PROFESSIONAL COMMUNITY ON A SURVEY 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.

1 WHEREAS, the health care industry, nationally and
2 statewide, is undergoing tremendous reform and changes prompted
3 by the passage of the federal Patient Protection and Affordable
4 Care Act of 2010 (Affordable Care Act); and

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6 WHEREAS, the development of accountable care organizations
7 are included in these reforms and changes; and

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9 WHEREAS, accountable care organizations are networks of
10 physicians, specialists, hospitals, and other health care
11 providers that share financial and medical responsibility; and

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13 WHEREAS, the goal of accountable care organizations is to
14 provide coordinated, high quality primary care to patients while
15 avoiding unnecessary duplication of services and preventing
16 unnecessary hospitalizations; and

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18 WHEREAS, the Affordable Care Act created accountable care
19 organizations to take part in the Medicare Shared Savings
20 Program and other federal programs to help physicians,
21 hospitals, and other health care providers better coordinate
22 care for Medicare patients; and

23
24 WHEREAS, although the creation of accountable care
25 organizations is intended to save money and provide better
26 primary care to patients, some health care economists have



1 expressed concern that the formation of more accountable care
2 organizations could leave fewer independent hospitals and
3 doctors, which could potentially limit patient choice and access
4 to primary care services; and

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6 WHEREAS, the development of direct primary care or
7 concierge medicine has also grown nationally and in this State;
8 and

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10 WHEREAS, concierge medicine involves a relationship between
11 a patient and a primary care physician in which the patient pays
12 an annual fee or retainer, which may be in addition to other
13 charges; and

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15 WHEREAS, although high-end concierge medicine practices may
16 bill insurers for medical services in addition to collecting
17 retainer fees, lower-end concierge medicine practices usually do
18 not accept insurance but instead charge patients directly for
19 treatment along with membership and may post menu-style prices
20 for services and expect payment up front; and

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22 WHEREAS, eliminating insurance billing may eliminate a
23 significant portion of a concierge physician's overhead
24 expenses, which enables concierge physicians to keep their fees
25 low, take on fewer patients, and spend more time with each
26 patient; and

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28 WHEREAS, many patients who see concierge physicians pay for
29 this care in addition to their regular insurance, with the
30 rationale that under the Affordable Care Act, many new health
31 plans have high deductibles that most members will never meet,
32 which means these patients would still be paying thousands of
33 dollars out-of-pocket, and possibly even more than what they
34 would spend on concierge medicine; and

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36 WHEREAS, although fees for direct primary care or concierge
37 medicine may be lower than traditional insurance, there are some
38 concerns regarding the overall affordability of concierge
39 medicine, including the impact it may have on Medicaid and
40 Medicare patients; and

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42 WHEREAS, currently, 238,000 Hawaii residents, constituting
43 18.7 per cent of Hawaii's total population, are aged sixty or
44 older, and by 2030, this age group is projected to constitute



1 more than one-fourth, or 27.4 per cent, of the State's
2 population; and

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4 WHEREAS, while Hawaii's population is expected to increase
5 by 21 per cent between 2000 and 2030, the number of people sixty
6 years or older is expected to increase by 93.8 per cent and the
7 number of people eighty-five years or older is expected to
8 increase by 174.7 per cent during the same period; and

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10 WHEREAS, the large aging population is having, and will
11 continue to have, a major impact on the organization and
12 delivery of health care, with a shift from acute to chronic
13 illnesses, such as heart disease, cancer, stroke, chronic lower
14 respiratory diseases, Alzheimer's disease, and diabetes; and

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16 WHEREAS, Medicare is the national health insurance program
17 that offers coverage for outpatient health care services, such
18 as primary care doctor visits and certain preventative services,
19 for the majority of the population aged sixty-five or older, or
20 younger than age sixty-five with a qualifying disability or
21 illness; and

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23 WHEREAS, as of December 2015, over 338,000 individuals were
24 enrolled in the State's Medicaid program and Children's Health
25 Insurance Program; and

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27 WHEREAS, enrollees of Hawaii's Medicaid program and
28 Children's Health Insurance Program receive access to health and
29 medical services, including critical primary and acute care
30 services, through managed care plans contracted by the State's
31 Med-QUEST Division; and

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33 WHEREAS, the Department of Commerce and Consumer Affairs
34 performs a variety of functions for the benefit of consumers,
35 businesses, and the general population of the State; and

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37 WHEREAS, the Department's Insurance Division is responsible
38 for overseeing the insurance industry in the State and ensuring
39 that consumers are provided with insurance services, including
40 services relating to health care, that meet acceptable standards
41 of quality, equity, and dependability at fair rates; and

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1 WHEREAS, the Insurance Division is uniquely positioned to
2 help identify problems and devise improvements to the delivery
3 of health care in the State; now, therefore,
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5 BE IT RESOLVED by the House of Representatives of the
6 Twenty-eighth Legislature of the State of Hawaii, Regular
7 Session of 2016, the Senate concurring, that the Insurance
8 Division of the Department of Commerce and Consumer Affairs is
9 requested to collaborate with the medical professional community
10 on a survey that identifies the extent to which:
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- 12 (1) Accountable care organizations providing primary care
13 services have developed in this State;
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- 15 (2) Health care providers, including the total number and
16 type of each health care provider, are participating
17 in accountable care organizations;
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- 19 (3) Patients, including the total number of patients
20 served by each type of insurance plan, such as private
21 insurance, Medicare, or Medicaid, are provided primary
22 care through accountable care organizations;
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- 24 (4) Direct primary care or concierge medicine has
25 penetrated the Hawaii health care marketplace;
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- 27 (5) Health care providers, including the total number and
28 type of each health care provider, are participating
29 in direct primary care or concierge medicine
30 arrangements;
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- 32 (6) Patients, including the total number of patients
33 served by each type of insurance plan, such as private
34 insurance, Medicare, or Medicaid, are provided primary
35 care through direct primary care or concierge medicine
36 practices; and
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- 38 (7) Accountable care organizations and direct primary care
39 or concierge medicine have either increased or
40 decreased the access of Medicare or Medicaid patients
41 to primary care services in the State; and
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43 BE IT FURTHER RESOLVED that the Insurance Division is
44 requested to collaborate with the Board of Medicine, Hawaii



1 Medical Association, Healthcare Association of Hawaii, and
2 independent physicians associations for purposes of gathering
3 the appropriate information requested for the survey; and
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5 BE IT FURTHER RESOLVED that the Insurance Division is also
6 requested to review government websites and information from
7 government agencies, as needed, for purposes of gathering the
8 appropriate information requested for the survey; and
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10 BE IT FURTHER RESOLVED that the Insurance Division is
11 further requested to submit a report of its findings and
12 recommendations, including any proposed legislation, to the
13 Legislature no later than twenty days before the convening of
14 the Regular Session of 2017; and
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16 BE IT FURTHER RESOLVED that certified copies of this
17 Concurrent Resolution be transmitted to the Director of Commerce
18 and Consumer Affairs and the Insurance Commissioner.

