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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Health and Homelessness
Friday, February 3, 2023
9:30 a.m.

State Capitol, Conference Room 329 and via Videoconference

On the following measure:
H.B. 965, RELATING TO HEALTH

Chair Belatti and Members of the Committees:

My name is Gordon Ito, and I am the Insurance Commissioner for the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

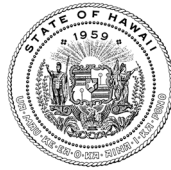
The purpose of this bill is to require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for medication used for the treatment of obesity or weight loss management for a covered individual who is overweight and has one or more related comorbidities.

We note that it is unclear whether the amendments in sections 2 through 4 of this bill, which require health plans to provide benefits for weight management medication, would be construed as "in addition to the essential health benefits" within the meaning of 45 Code of Federal Regulations (CFR) § 155.170(a), or subject to defrayment provisions under 45 CFR § 155.170(b) which apply to benefits "in addition to the essential health benefits."

For the Committee's information, Hawaii Revised Statutes section 23-51 provides, in part, that "[b]efore any legislative measure that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, [*sic*] can be considered, there shall be concurrent resolutions passed requesting the auditor to prepare and submit to the legislature a report[.]"

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.
GOVERNOR



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TESTIMONY BY DEREK MIZUNO
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON HOUSE BILL NO. 965

February 3, 2023
9:30 a.m.
Conference Room 329 & Videoconference

RELATING TO HEALTH

Chair Belatti, Vice Chair Takenouchi, and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not taken a position on this bill. EUTF staff would like to provide comments.

Currently, weight management medications are covered under the CVS prescription drug plans, paired with the HMSA medical plans, under the following circumstances:

- Member meets the Body Mass Index (BMI) requirements of obesity or is overweight with another weight-related condition (e.g., hypertension or type 2 diabetes) and
- Participation in a weight management program.

The EUTF's pharmacy benefit manager provided weight loss coverage information on their 24 government clients:

- 9 exclude coverage (two are considering changing)
- 2 cover in conjunction with a weight loss program

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

- 9 cover with utilization management controls (likely including weight loss program participation) – EUTF is included in this group
- 4 cover with no utilization management controls (one is considering adding management)

During calendar year 2022, there were 176 and 35 active employee and retiree plan members, respectively, who utilized weight loss medication at annual costs (before rebates) of \$1.04 million and \$237,000, respectively. The following are estimates of the number of HMSA/CVS members that are considered obese and overweight under the BMI criteria:

	Obese	Overweight
Active employees	20,800	15,800
Retirees	14,600	18,400

Removing the weight program participation requirement will greatly expand the number of EUTF members eligible for weight loss medication. This raises concerns on the impact it will have on the supply of these drugs for diabetes management purposes, side effects and long-term impact of these drugs, and whether members will have to continue on these drugs to maintain the weight loss.

Thank you for the opportunity to testify.

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

Before:
House Committee on Health & Homelessness
The Honorable Della Au Belatti, Chair
The Honorable Jenna Takenouchi, Vice Chair

February 3, 2023
9:30 am
Via Videoconference and Rm. 329

HB 965 Relating to Health

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on HB 965 regarding mandating coverage for weight management medications.

Kaiser Permanente Hawaii would like to offer comments on this bill.

Kaiser Permanente Hawaii appreciates the intent of this bill to help change the treatment paradigm for obesity, however, since this bill is attempting to mandate new coverage beyond the ACA's preventative services, i.e., by including weight management medications, an impact assessment report is statutorily required under Sections 23-51 and 23-52 of the Hawaii Revised Statutes. Currently, the ACA only requires coverage for obesity screening and counseling in accordance with U.S. Preventative Services Task Force (USPSTF) recommendations, and, as such, there is no federal requirement to cover weight management medications. Accordingly, an impact assessment report is statutorily required to assess among other things:

- a) the extent to which this mandated insurance coverage for weight management medications would be reasonably expected to increase the insurance premium and administrative expenses of policy holders; and
- b) the impact of this mandated coverage for weight management medications on the total cost of health care.

Additionally, Kaiser Permanente Hawaii is concerned that this bill includes a definition of "obesity" and "overweight" which may interfere with the treating physician's professional discretion in providing medically necessary medical care. Clearly, the treating physician is best qualified to diagnose the patient, as well as determining the appropriate treatment, based on

improvement outcomes and any appreciable gains in the patient's progress and said physician's medical decision making should not be limited by this bill's definitional standards.

Thank you for your consideration.

HB-965

Submitted on: 2/3/2023 9:24:31 AM

Testimony for HLT on 2/3/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Laura Keller	American Diabetes Association	Support	Written Testimony Only

Comments:

The American Diabetes Association strongly supports HB 965.