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 LT GOVERNOR

LAWRENCE M. REIFURTH
 DIRECTOR
 RONALD BOYER
 DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Wednesday, April 01, 2009
2:00 p.m.

TESTIMONY ON SENATE BILL NO. 166, SD 1, HD 1 – RELATING TO INSURANCE.

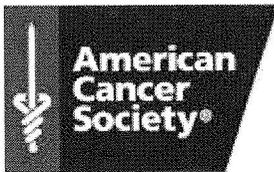
TO THE HONORABLE MARCUS OSHIRO, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is J.P. Schmidt, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department takes no position on this bill.

The purpose of this bill is to mandate parity of coverage for oral and intravenous chemotherapy. We have no doctors on staff, so we cannot express an opinion on the medical merits of the bill. In addition, any mandated benefit helps some people, but also imposes increased cost burdens on the employers and individuals that pay the premiums.

We note that mandated benefits are required by law to undergo a review by the Legislative Auditor.

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



March 31, 2009

Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

Hearing:

2:00 P.M., Wednesday, April 1, 2009
Hawaii State Capitol, Room 308

RE: SB166, SD1, HD1, Relating to Insurance

Testimony in Strong Support

Chair Oshiro, Vice Chair Lee, and members of the Committee on Finance. My name is George Massengale and I am here on behalf of the American Cancer Society Hawaii Pacific Inc. Thank you for the opportunity to testify in strong support of SB166, SD1, HD1, which would require insurance to provide parity of coverage for oral and intravenous chemotherapy.

The American Cancer Society Hawaii Pacific Inc. was formed in 1959, and is a community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service. This mission is consistent with the Society's ambitious 2015 goals of slashing the cancer mortality rate by 50%, reducing the incidence of cancer by 25%, and improving the quality of life of cancer patients and survivors by reducing the pain and suffering that cancer causes.

Chemotherapy is the use of medicines or drugs to treat disease. Many times this treatment is called just "chemo." **Surgery and radiation therapy remove, kill, or damage cancer cells in a certain area,** but chemo works throughout the whole body. **Chemo can kill cancer cells that have metastasized or spread to parts of the body far away from the primary (original) tumor.**

There are more than 100 chemo drugs which are used in many combinations. A single chemo drug can be used to treat cancer. But for the most part, the drugs work better when used in certain combinations. Your chemo treatment will likely include more than one drug. This is called *combination chemotherapy*. A combination of drugs with different actions can work together to kill more cancer cells. It can also reduce the chance that the cancer may become resistant to any one chemo drug.

The primary advantage of oral chemotherapy is that it can be taken at home. People who are given chemotherapy by i.v. infusions often spend up to one week out of every month either in the hospital or traveling to and from the hospital to receive their treatment.

In closing, we would note that we believe that this is a good bill. It accomplishes several purposes. It provides cancer patients with additional chemotherapy options, and offers greater flexibility. It also

reduces the out-of-pocket expense associated with cancer treatment; these expenses can add thousands of dollars to the overall cost of treatment. Finally, in Hawaii many of our residents must travel from neighbor islands to Honolulu for treatment and spend a night or two.

We believe that SB166, SD1, HD1, is a win win for everyone, the patient, our health care system, and the health insurance carrier.

Mahalo for the opportunity to provide testimony in strong support of this measure.

Very truly yours,



George S. Massengale, JD
Director of Government Relations

Testimony of
Phyllis Dendle
Director of Government Relations

House Committee on Finance
The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair

April 1, 2009
2:00 pm
Conference Room 308
Agenda #5

SB 166 SD1 HD1 RELATING TO INSURANCE

Chair Oshiro and committee members, thank you for the opportunity to provide testimony on this bill which seeks to provide parity in coverage for oral and intravenous chemotherapy

Kaiser Permanente Hawaii opposes this bill.

Attempting to create parity in coverage for treatment is a worthy goal. This bill however will have the opposite effect. It will provide benefits to people with cancer that are superior to what is provided to people with any other serious condition.

At Kaiser, we regularly review our benefits because of advances in medical treatment and changes in the needs of our members. When we do this our decisions are driven by a set of principles. First, all benefits must be sound medical practice provided when medically necessary and in compliance with state and federal laws. We then consider other things like does this benefit restore health and function to the member, does it balance comprehensiveness with affordability, does it apply equally to all medical conditions and all types of members.

In the case of benefits for drug treatment for illness, therapy provided in the clinic or hospital that must be administered by a clinician is covered as part of an office visit or a hospitalization. Drugs that are prescribed to a patient to take outside of a medical facility and

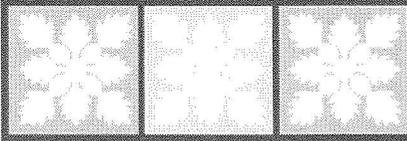
are dispensed by the pharmacy are covered by the patient's drug rider. This applies to members regardless of the condition with which they are diagnosed.

Nearly all Kaiser Permanente members have coverage for prescription drugs. Patients that can not afford their treatment may apply for medical financial assistance.

In the case of patients with cancer, intravenous chemotherapy is administered in the hospital or a clinic and therefore has no additional cost to the patient. Oral chemotherapy is dispensed like any other take home treatment and members are charged the same copayment they would pay for any other take home drug.

Rather than providing parity for drug treatment this bill will enhance the benefits only for patients with cancer. We believe this is an unintended consequence of this proposal. Therefore we urge the committee to hold this bill and instead request the auditor to review this proposed benefit to determine its impact on the community.

Thank you for your consideration.



Hawaii Association of Health Plans

April 1, 2009

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

House Committee on Finance

Re: SB 166 SD1 HD1 – Relating to Insurance

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

My name is Rick Jackson and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare
Hawaii Medical Assurance Association
HMSA
Hawaii-Western Management Group, Inc.

MDX Hawai‘i
University Health Alliance
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

Thank you for the opportunity to testify on SB 166 SD1 HD1, which would require health plans to provide coverage for oral chemotherapy under the same terms and rates as provided for intravenous chemotherapy. For the record, all HAHP commercial health plans offer such coverage through their pharmacy benefits riders, and for that reason the oral chemotherapy drugs are not included in the medical benefit plan. Pharmacy rider coverage is extended to virtually every covered commercial member. HAHP strongly prefers to avoid “hard coding” pharmacy benefits in commercial medical plans, and opposes this measure.

HAHP recognizes that legislative health mandates are often driven by the desire for improved health care services to the community; as health plans, our member organizations are committed to the same ideal. In general, however, HAHP member organizations oppose legislative health mandates as inefficient mechanisms for health care improvement for three (3) reasons:

1. Mandates, by their basic nature, increase health care costs for employers and employees.

• AlohaCare • HMAA • HMSA • HWMG • MDX Hawaii • UHA • UnitedHealthcare •
HAHP c/o Howard Lee, UHA, 700 Bishop Street, Suite 300 Honolulu 96813
www.hahp.org

2. We believe employers should have the right to, working with their health plan, define the benefit package they offer to their employees. Mandates misallocate scarce resources by requiring consumers (and their employers) to spend available funds on benefits that they would otherwise not choose to purchase.

3. Mandates impose static clinical procedures which can fail to promote evidence-based medicine, defined as the daily practice of medicine based on the highest level of available evidence determined through scientific study. Evidence-based medicine promotes high quality care. Unfortunately, even when a mandate promotes evidence-based medicine when adopted, the mandate does not timely change to reflect medical advances, new medical technology, or other new developments. Mandates can become obsolete or even harmful to patients.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Jackson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rick Jackson
President

MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

April 1, 2009

Honorable Marcus Oshiro, Chair
Honorable Marilyn B. Lee, Vice Chair
Committee on Finance
House of Representatives
State Capitol
415 South King Street
Honolulu, Hawaii 96813

Re: S.B. No. 166, S.D. 1, H.D.1, RELATING TO INSURANCE

Dear Chair Oshiro, Vice Chair Lee, and Committee Members:

On behalf of the American Family Life Assurance Company of Columbus (AFLAC), we respectfully submit the following written testimony with respect to Senate Bill No. 166, Senate Draft 1, House Draft 1, relating to insurance which is to be heard by your Committee on Finance on April 1, 2009.

AFLAC submitted testimony to the House Committee on Health with respect to S.B. No. 166, S.D. 1, which heard this measure on March 20, 2009. We are appreciative of the amendment made by the Health Committee in House Draft 1 to exclude limited benefit policies and have no comments with respect to House Draft 1.

Thank you for your consideration of the foregoing.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP



Peter J. Hamasaki



Filipinos for Affirmative Action

3432 B-1 Kalihi Street Honolulu, HI 96819

Testimony in Strong Support of SB 166 SD 1 HD 1

April 1, 2009 · 2 p.m. · Hawai'i State Capitol · House Conference Room 308

To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair & Rep. Marilyn Lee, Vice Chair
Members of the House Committee on Finance

From: Amy Agbayani, Ph.D., Filipinos for Affirmative Action

Re: Health Insurance; Coverage; Chemotherapy

My name is Amy Agbyani. As Co-Chair of Filipinos For Affirmative Action, I submit strong support for this bill. The mission of Filipinos For Affirmative Action is to advocate for civil rights for all.

I strongly support this bill, which requires health insurance providers to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

Access to affordable health care is a significant determinant to cancer survivorship. In addition, research results from the National Cancer Institute's Center for Cancer Health Disparities have shown that Filipinos and Native Hawaiians have lower cancer survivorship rates when compared to other groups for certain types of cancer. Health insurance coverage for the cancer treatments proposed will ease this uneven cancer burden for these vulnerable groups.

Thank you for the opportunity to provide our strong support with the proposed amendments. Please consider voting yes at this critical juncture in Hawai'i's economic recovery. I appreciate the opportunity to provide testimony.

Sincerely,

Amy Agbayani, Ph.D.
Filipinos For Affirmative Action



Filipino Coalition for Solidarity

A HAWAII RIGHTS ADVOCACY GROUP • FOUNDED IN 1990

c/o 728 Nunu St. • Kailua, HI 96734 • <http://www.philippinesonline.org/thecoalition/>

Testimony in Strong Support of SB 166 SD 1 HD 1

April 1, 2009 • 2 p.m. • Hawai'i State Capitol • House Conference Room 308

To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn Lee, Vice Chair
Members of the House Committee on Finance

From: Charlene Cuaresma, President, Filipino Coalition for Solidarity

Re: Health Insurance; Coverage; Chemotherapy

My name is Charlene Cuaresma. As president of the Filipino Coalition for Solidarity, I want to express appreciation to you for hearing this important bill. Since its inception in 1990, the Coalition has represented more than 50 Filipino community leaders, whose aim is to work for social justice issues to empower Filipinos to make socially responsible contributions to Hawai'i and our global neighbors through education, advocacy, and social action. The Coalition is committed to an ongoing resolution to address health disparities as a social justice issue.

I strongly support this bill, which requires health insurance providers to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

Like many families throughout our Aloha State, cancer has touched my family in all generations in the Philippines, in Hawai'i, and across the U.S. continent. Cancer's catastrophic impact on the family is greatly feared for its economic hardship, as much as for the suffering of the disease itself. I have also served as a former Medical Affairs Director of the American Cancer Society Hawai'i Pacific Inc., where transportation and lodging for neighbor island, as well as rural O'ahu cancer patients loomed as barriers to treatment. This bill will ameliorate these problems by providing access to more affordable cancer treatment at home, while reducing the disruption of one's support network.

Please consider enacting this important bill. Thank you for allowing me to provide testimony.

Respectfully,

Charlene Cuaresma, MPH
President
Filipino Coalition for Solidarity

Filipino American Citizens League

Jake Manegdeg, President
P. O. Box 270126 * Honolulu, Hawai'i 96827

Testimony in Strong Support of SB 166 SD 1 HD 1

April 1, 2009 | 2 p.m. | Hawai'i State Capitol | House Conference Room 308

To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn Lee, Vice Chair
Members of the House Committee on Finance

From: Jake Manegdeg, President, Filipino American Citizens League

Re: Health Insurance; Coverage; Chemotherapy

My name is Jake Manegdeg. I am the president of the Filipino American Citizens League. The Filipino American Citizens League was formed over ten years ago to contribute to the advancement of civil rights and social justice for minority groups, underserved populations, and vulnerable communities through education, advocacy, and social action.

As a cancer survivor myself, I strongly support this bill, which requires health insurance providers to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

The primary advantage of oral chemotherapy is that it can be taken at home. People who are given chemotherapy intravenously often spend up to one week out of every month in the hospital or traveling to and from a hospital for treatment.

I believe this is a good resolution because it may help to provide cancer patients with additional treatment options. Additionally, this helps neighbor island cancer patients, because it can reduce their out-of-pocket expenses associated with having to fly to Honolulu for their chemotherapy treatment and having to stay a day or two before returning home.

I respectfully ask that you pass this resolution. Thank you for allowing me to provide testimony.

Very Sincerely,

Jake Manegdeg
President
Filipino American Citizens League



UNITED FILIPINO COUNCIL OF HAWAII

P.O. BOX 498, Honolulu, Hawaii 96809-0498

Testimony in Strong Support of SB 166 SD 1 HD 1

April 1, 2009 · 2 p.m. · Hawai'i State Capitol · House Conference Room 308

To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn Lee, Vice Chair
Members of the House Committee on Finance

From: Eddie Agas, President,

Re: Health Insurance; Coverage; Chemotherapy

My name is Eddie Agas. I am the president of the United Filipino Council of Hawaii (UFCH), which serves as an umbrella organization with member organizations from six islands. UFCH membership is comprised of nearly 5,000 individual members. This resolution is important because it benefits not only members of our Filipino community, but also all of Hawaii's people.

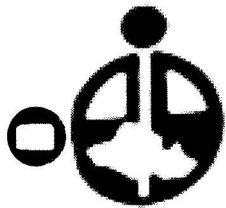
I strongly support this bill, which requires health insurance providers to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

UFCH has adopted a resolution to address public health disparities, including cancer disparities. We are deeply concerned about Hawai'i's diverse communities, including our members, who belong to Filipino civic and faith-based organizations that are represented by island councils. Neighbor islanders and rural Oahu residents are even more disadvantaged when diagnosed with cancer, because the cost of cancer treatment, as well as the multiple trips to Honolulu for cancer treatment, create catastrophic financial and emotional trauma to overcome in their quest for access to affordable health care.

I respectfully ask that you pass this resolution. Thank you for allowing me to provide testimony.

Respectfully submitted,

Eddie Agas, President, United Filipino Council of Hawaii



OAHU FILIPINO COMMUNITY COUNCIL

P.O. Box 17531 • Honolulu • Hawaii 96817

Testimony in Strong Support of SB 166 SD 1 HD 1

Unit Organizations

Alliance of Residential
Carehome Administrators
Aloha Saguibsib Cultural
Foundation, Inc.
Annac ti Bado iti Hawaii
Annac ti Batac
Annac ti Caoayan 2002
Annak ti Kailokuan iti
America
Annak ti Sinait iti Hawaii
Asingan Organization of
Hawaii
Badoc-Pinili Aid
Association of Hawaii
Banna Association of
Hawaii
Bannatiran Association of
Hawaii
Batangas Association of
Hawaii
Bulacan Circle of Hawaii
Caballeros de Dimasalang
Cabugao Sons & Daughters
of Hawaii
Candonians of Hawaii
Caoayan ISAH
Cavitenians of Hawaii
Dingras Association of
Hawaii
Divine Word College
Alumni Association
FilAm Sports USA
Fil American Citizens
League
Filipino Business Women's
Club
Filipino Nurses Organization
of Hawaii
Filipino Women's Civic
Club
GUMIL Hawaii
GUMIL Oahu
Hawaii Filipino Women's
Club
Hawaii Council of Bilingual
Educators
ILAH
Ilocos Nortenians of
America
INCAT Alumni Association
of Hawaii
International Filipino
Society of Hawaii
Kalayaan Phil.-Hi. Int.
La Union Circle of
Hawaii
Lingayen Gulf Club of
Hawaii

April 1, 2009 • 2 p.m. • Hawai'i State Capitol
House Conference Room 308

**To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn Lee, Vice Chair
Members of the House Committee on Finance**

From: Cirvalina Longboy, President, OFCC

Re: Health Insurance; Coverage; Chemotherapy

My name is Cirvalina Longboy, president of the Oahu Filipino Community Council. OFCC is an umbrella organization that represents a network of non-profit civic groups with a unified vision to improve the lives of our Filipino communities.

I strongly support this bill, which requires health insurance providers to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

This is an important action that is in keeping with our ongoing resolution to increase civic engagement to do something about cancer disparities, which affect Filipinos, Native Hawaiians, Pacific Islanders, Hispanics, and immigrants, more than any other groups in Hawai'i, because they are at greater risk for poorer health outcomes when diagnosed with cancer.

I respectfully ask that you pass this bill. Thank you for the opportunity to provide testimony in strong support.

Sincerely,

Cirvalina Longboy
President
Oahu Filipino Community Council

Unit Organizations

Magsingal Association of
Hawaii
Narvacan/San Antonio Club of
Hawaii
Nueva Vizcaya Association of
Hawaii
Pasquinios Association of
Hawaii
Philippine Cultural Foundation
Philippine Nurses
Association of Hawaii
Piddig Association of Hawaii
Sanchez Mira Association of
Hawaii
San Manuel Pangasinan
Association of Hawaii
San Nicolaneos USA
San Nicolas Goodwill
Foundation
San Nicolas Teachers of
Hawaii
Santa Lucia Association of
Hawaii
Sarrat Association of Hawaii
Sarrat International Inc.
Sinait Nt. High School Alumni
of Hawaii
Solsona of Hawaii
Tarlac Mutual Club of Hawaii
TPCP
Kalihi Ballroom, Inc.
Sadiri ti San Nicolas iti Hawaii
Samar Leyte Association of
Hawaii
Sampaguita/Sunflower Club of
Hawaii
San Juan Association of
Hawaii
San Nicolas Nat. High
Santa Marians of Hawaii
School Alumni
Santa Nicolas Nat. High
School Bingao Annex
Tagalog Association of Oahu
United Bacarreños of Hawaii
United Group of Home
Operators
United Pangasinan of Hawaii
United Urdaneta Club of
Hawaii
United Vintarinians of Hawaii
Vigan Association of Hawaii



Nursing Advocates & Mentors, Inc.

... a non-profit organization with a mission to address the global nursing shortage by providing guidance and assistance for nursing colleagues to obtain their professional license in nursing.

P.O. Box 2034 Aiea, HI 96701
E-mail: bramosrazon@aol.com

Beatrice Ramos-Razon,
RN, FACDONA
President

Tessie Oculito, RN
Vice President

D Jun Obaldo, RN, BSN
Corresponding Secretary

Au Curameng, RN, CM
Recording Secretary

Margie A. Berueda, RN, CM
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Edel Matias, RN, CM

Cielito Lyn Matias, RN, BSN

Brenda Monegas, RN

Oscar Querido, RN

Lucy Porte, RNC

Violeta Sadural, RN, BSN

Tina Salvador, RN, BSN, CNN

Ramon Sumibcay, CPT, AN

Testimony in Strong Support of SB 166 SD 1 HD 1

April 1, 2009 · 2 p.m. · Hawai'i State Capitol · House Conference Room 308

To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair & Rep. Marilyn Lee, Vice Chair
Members of the House Committee on Finance

From: Beatrice Ramos-Razon, RN, FACDONA
President, Nursing Advocates and Mentors, Inc
Executive Director, Philippine Nurses Association Hawaii

Re: Health Insurance; Coverage; Chemotherapy

My name is Beatrice Ramos-Razon. As the Founder and President of NAMI (Nursing Advocates & Mentors, Inc.). NAMI's membership is comprised of over 75 volunteer nurses, instructors, allied health care professionals, and Filipino leaders, who are dedicated to improve the health of Hawai'i's people by addressing not only a statewide, but worldwide nursing shortage, through the training and mentoring of foreign graduate nurses, many of whom come from underprivileged backgrounds, to pass Hawai'i's nurses board exams.

I strongly support this bill, which requires health insurance providers to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

NAMI has also engaged in partnerships with the Asian American Network for Cancer Awareness, Research and Training, and the American Cancer Society to address cancer disparities in the Filipino community. I respectfully ask that you pass this resolution, because many families, including Filipinos, do not have access to treatment due to lack of resources to pay for lifesaving cancer treatment. Their financial burden is compounded due to a lack of affordable transportation, and a place to stay on Oahu, if they reside on the neighbor islands, as well as rural Oahu. Thank you for allowing me to provide testimony.

Sincerely,

Beatrice Ramos-Razon, RN, FACDONA
President, Nursing Advocates and Mentors, Inc.
Executive Director, Philippine Nurses Association Hawaii



TESTIMONY IN STRONG SUPPORT OF SB 166 SD1 HD1

House Committee on Finance
April 1, 2009, 2 pm
Hawai'i State Capital
House Conference Rm. 308

From:

Reginald Ho, MD, Principal Investigator
Reuben Guerrero, MD, Clinical Director
Miles Muraoka, PhD, Research Director
Charlene Cuaresma, MPH, Community Director
Amy Agbayani, Ph.D., Community Leader
Asian American Network for Cancer Awareness, Research and Training
A National Cancer Institute Community Network Program
c/o 728 Nunu St., Kailua, Hawai'i 96734

TO: House Committee on Finance Members
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

RE: Health Insurance; Coverage; Chemotherapy

Dear Rep. Marcus Oshiro, Chair; Rep. Marilyn Lee, Vice Chair; and House Finance Committee Members:

My name is Reginald Ho, Principal Investigator for the Asian American Network for Cancer Awareness Research and Training (AANCART), which is a Community Network Program of the National Cancer Institute. AANCART was established to address cancer disparities among Asian Americans through research, education, training, and advocacy. I am an oncologist at Straub Clinic and Hospital. I also served as the first national president of the American Cancer Society of Asian descent.

Along with my AANCART colleagues listed above, we submit strong support for this bill, which requires health insurance providers to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

AANCART is especially concerned about the cancer disparities for Native Hawaiians, Pacific Islanders, Hispanics, Filipinos, and immigrants who are the most vulnerable to cancer and the least likely to be able to access care. This resolution would go a long way to help everyone during these dire economic times.

Thank you for hearing this bill, and for considering the merits of this proposed policy to reduce suffering and the high costs of health care. We respectfully ask that you pass this bill. Thank you for allowing us to provide testimony.

Sincerely,

Reginald Ho, Miles Muraoka, Reuben Guerrero, Charlene Cuaresma, Amy Agbayani
AANCART Hawai'i



An Independent Licensee of the Blue Cross and Blue Shield Association

April 1, 2009

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

House Committee on Finance

Re: SB 166 SD1 HD1 – Relating to Insurance

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 166 SD1 HD1.

HMSA members with prescription drug coverage as part of their health care plan would typically face no barriers to receiving oral chemotherapy for their cancer treatment as opposed to intravenously administered or injected cancer medications. For HMSA members, 96% have plans which include prescription drug coverage. In the rare instances, perhaps two to three cases per year, when an HMSA member has no prescription drug coverage, HMSA's Member Advocacy Department works to assist them.

It is also important to note that changing the current reimbursement structure for these medications could end up requiring HMSA members to pay more out-of-pocket costs. Oral chemotherapy medications can cost as much as \$5,000 per month. Currently HMSA provides coverage for oral chemotherapy medications under our prescription drug plan. As such, the member generally pays a \$55 or \$20 co-payment per month which equates to a maximum of \$660 annually. If these medications were included under the medical plan instead, an individual member would end up paying more. For HMSA plans, an individual member's annual maximum out-of-pocket cost is generally \$2,000. This means that shifting the drug from being covered by our prescription drug plan would increase our member's out-of-pocket cost from \$600 to \$2,000.

Additionally, as this measure has been moving through the legislative process, we have made numerous inquiries within HMSA to determine if our members were experiencing any issues obtaining these medications or services related to them. From information we have received from internal HMSA departments, these medications require no special observation or dispensation. Members receiving oral chemotherapy typically have the medication sent to their home or it is picked up at their local pharmacy. It is not general practice to require that the individual take the initial dosage under the supervision of a physician, however if the treating physician would like the individual to visit the office the first time the medication is being ingested, HMSA would cover the cost of the physician's office visit.

Since we are unable to discover any issue for our members that this measure is attempting to address we believe that SB 166 SD1 HD1 is unnecessary. We feel that this is especially true given the fact that out-of-pocket costs

for some of our neediest members may rise if this is passed. We do not believe that this is the Legislature's intent and therefore would respectfully request the Committee see fit to hold this measure.

Thank you for the opportunity to provide testimony today.

Sincerely,



Jennifer Diesman
Assistant Vice President
Government Relations

April 1, 2009

TO: House Finance Committee
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

FROM: David Derris, D.D.S., Treasurer and Board of Directors of Hawaii Prostate Cancer Coalition

DATE: Wednesday, April 1, 2009
Conference Room 308
2:00 p.m.

RE: SB 166, SD1, HD1, Relating to Insurance

Chair Oshiro and Members of the Committee:

My name is Dr. David Derris and I strongly support SB 166, SD1, HD1, which ensures that oral chemotherapy treatments are covered by health insurance by requiring health insurance providers to provide parity of coverage for oral and intravenous chemotherapy.

The cost of health care and pharmaceutical drugs has become so high that some patients must decide on paying for care or paying for food and other necessities of life. One of the factors contributing to the high cost of chemotherapy for cancer patients is known as the "Chemotherapy Concession". This was revealed in a 2006 article by University of Michigan and Harvard researchers published in Health Affairs March/April 2006 25(20 437-443, titled "Does Reimbursement Influence Chemotherapy Treatment for Cancer Patients".

The chemotherapy concession refers to the fact that unlike other doctors, oncologists can profit directly from prescribing certain drugs. Oncologists can buy intravenous chemotherapy drugs from the manufacturer and then bill Medicare (insurance carriers?) at a 6% increase in price and a 6% administration fee. These fees were set in the MMA of 2003, after uncontrolled billing for intravenous chemotherapy was allowing doctors a profit as high as 86%. Now doctors can still use the chemotherapy concession by prescribing the more expensive drug. The more expensive the drug prescribed, the

more the doctor is paid. The authors found, "Although reimbursement seems to have little effect on the primary decision to administer chemotherapy to patients with advanced solid tumors, it appears to affect the choice of drug used."

In an article dated August 17, 2005 Decision Resources, Inc., one of the worlds leading research and advisory firms for pharmaceuticals, finds that owing to the success of current oral drugs, oral chemotherapy will play a larger role in the future treatment of cancer. However, a PhysicianForum market research report of that same year, entitled "Oral Chemotherapeutic Agents: Key Success Factors and Reimbursement Issues", finds that while the use of oral chemotherapy drugs is on the rise "reduced reimbursement for clinicians" is a factor that encourages use of more traditional, intravenous treatment.

Since oral chemotherapy drugs are taken at home, by approving SB 166, SD1, HD1 you will allow patients and health insurance carriers to avoid these charges, and pay only the direct cost of the oral chemotherapy drug.

I believe this is a good bill because it provides cancer patients additional treatment options. Additionally, this helps neighbor island cancer patients because it can reduce their out-of-pocket expenses associated with having to fly to Honolulu for their chemotherapy treatment and having to stay a day or two before returning home.

I believe this bill is a win-win for everyone; the patient, our health care system, and the health insurance carriers. I respectfully ask that you pass this measure.

Thank you for allowing me to provide testimony.

David Derris, D.D.S.

Hawaii Prostate Cancer Coalition

March 30, 2009

To: Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair
FINANCE COMMITTEE

From: June T. Kunimoto

Re: Testimony in Support of SB116 for April 1, 2009 Hearing at 2:00 PM
Relating to Insurance
Description: Require Health Insurance Providers to Provide Parity of Coverage
for Oral Similar to Intravenous Cancer Treatment

Thank you Chair Oshiro, Vice Chair Lee and distinguished members of the House Finance Committee for considering Senate Bill 116..

I support SB116, a bill for an act that will require health insurance providers to provide parity of coverage for oral medication similar to intravenous cancer treatment.

Having had friends and relatives who have been diagnosed with cancer and two relatives who have died recently, I strongly support this bill. This would give cancer patients flexibility and options in cancer treatment.

Thank you.



March 31, 2009

House Finance Committee
Rep. Marcus Oshiro

Subject: Hearing on Bill SB166, Wednesday, April 1, 2000

Testimony in Support

Dear Chair Oshiro:

My name is Douglas Lent, and you are my representative. I am a cancer survivor. Six years ago when I had undergo chemotherapy I had to travel to Queens Medical Center frequently, sometimes twice a week.

Because I could not drive after chemo, someone would have to take, drop me off and come back the next day and pick me up. My family did help however, there were time that they could not, and I would have to pay for a cab.

I wish that I would have been able to take my cancer medicine at home. This bill would allow me to do that, if my cancer ever comes back.

Also, I have a sister who has cancer and lives on Kauai. She also has to travel to Honolulu for chemotherapy, which is very expensive for her because her insurance only covers the airfare and not the taxi or car rental. I would be nice if she also could get oral chemotherapy.

Please pass this bill. It is a good bill and will help a lot of people in Hawaii as well as save them money in travel cost.

Thank you,
Douglas Lent Jr.
222 Turner Street
Wahiawa

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 01, 2009 8:32 AM
To: FINTestimony
Cc: Kathleen.L.Yokouchi@dcca.hawaii.gov
Subject: Testimony for SB166 on 4/1/2009 2:00:00 PM

Testimony for FIN 4/1/2009 2:00:00 PM SB166

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: Kathleen Yokouchi
Organization: Individual
Address: 3075 Ala Poha Place, #1804 Honolulu, HI
Phone: (808) 833-6222
E-mail: Kathleen.L.Yokouchi@dcca.hawaii.gov
Submitted on: 4/1/2009

Comments: