

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P. O. Box 3378  
Honolulu, HI 96801-3378  
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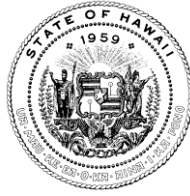
**Testimony in SUPPORT of HB1895  
RELATING TO INSURANCE**

REPRESENTATIVE DELLA BELATTI, CHAIR  
HOUSE COMMITTEE ON HEALTH

Hearing Date: February 5, 2016

Room Number: 329

- 1 **Fiscal Implications:** None for the Department of Health (DOH).
- 2 **Department Testimony:** The Department of Health supports increased access to safe and
- 3 reliable contraception. However, DOH defers to the Department of Human Services regarding
- 4 implementation issues related to monthly Medicaid eligibility and minimizing inefficient use of
- 5 benefit dollars.
- 6 DOH encourages ongoing discussion and support of Long-Acting Reversible Contraceptives
- 7 (LARC) that have higher rates of effectiveness, compliance, and satisfaction.
- 8 **Offered Amendments:** N/A



DAVID Y. IGE  
GOVERNOR  
  
SHAN S. TSUTSUI  
LT. GOVERNOR

**STATE OF HAWAII**  
**OFFICE OF THE DIRECTOR**  
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**  
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P.O. Box 541  
HONOLULU, HAWAII 96809  
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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR  
  
JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016

Friday, February 5, 2016  
8:30 a.m.

**TESTIMONY ON HOUSE BILL NO. 1895 – RELATING TO INSURANCE.**

TO THE HONORABLE DELLA AU BELATTI, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports the intent of the bill which would require insurance coverage for dispensing a three month and subsequent twelve month quantity of contraceptive supplies. The companion bill is Senate Bill 2319.

The Department takes no position on this expansion under chapter 87A, Hawaii Revised Statutes, and to Medicaid programs.

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



**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

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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. 1895**

February 5, 2016, 8:30 a.m.

**RELATING TO INSURANCE**

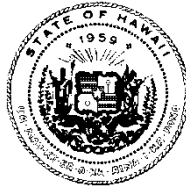
Chair Belatti, Vice Chair Creagan, and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not had an opportunity to take a position on this bill. However, the Committee should be aware of the potential impact to the EUTF. Oral contraceptives are covered under the EUTF prescription drug plans for 30, 60 and 90 day supplies. The provider has the option of completing the first prescription for oral contraceptives for 30, 60 or 90 day supplies. Generally, 30 day prescriptions are used for patients taking a new drug to minimize waste in the event that the patient experiences side effects with the prescribed drug. The EUTF plans cover the initial 30, 60 and 90 day prescriptions. Under the EUTF's prescription drug plan administered by CVS Caremark, the patient is allowed three (3) 30 day fills for the same oral contraceptive drug. After the three (3) 30 day fills, the patient is required to fill the prescription for 90 days. The EUTF plans do

not allow prescription fills greater than 90 days. However, the physicians may write prescriptions for a 12 month period reducing the patients need to visit the physician.

Under the CVS Caremark prescription drug plan, the cost of the drugs are the same whether dispensed in four (4) 90 day supplies or one 12 month supply. Savings to the EUTF plan, assuming the member copayments under both scenarios are adjusted to be equal, would come from lower dispensing fees paid by the EUTF plan to the pharmacies, from four to one dispensing fee. Based on current usage in the CVS Caremark administered prescription drug plan, the EUTF estimates the annual savings up to approximately \$82,000. However, this does not account for losses associated with situations in which a 12 month prescription is filled and charged to the plan, but the patient discontinues the drug or leaves State and county employment. Currently, the loss is limited to the 90 day supply but under the bill the loss would be up to a 12 month supply of the drug. Unfortunately, these losses are not quantifiable.

Thank you for the opportunity to testify.



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 5, 2016

TO: The Honorable Della Au Belatti, Chair  
House Committee on Health

FROM: Rachael Wong, DrPH, Director

SUBJECT: **HB 1895 - RELATING TO INSURANCE**  
Hearing: Friday, February 5, 2016; 8:30 a.m.  
Conference Room 329, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the opportunity to testify on this bill, and provides comments.

**PURPOSE:** The purpose of this bill is to require insurers to cover a three-month period for the first dispensing of prescription contraceptive supplies to an insured; and requires insurers to cover a twelve-month period for the subsequent dispensing of the same contraceptive supply to the insured.

We appreciate and support the intent of the measure to provide greater access to contraceptives as such availability helps support the health of our families through intended pregnancies and births. Currently the Med-QUEST Division (MQD) covers contraceptives under the QUEST Integration program and provides contraceptives for 30 days up to three months.

Also the Medicaid program determines and provides coverage on a monthly basis. The bill requirement of dispensing of contraceptive supplies for an initial 3-months and a subsequent 12-month period may therefore result in some increased costs since the Medicaid program would be providing contraceptive supplies to some individuals who were no longer eligible due to a change in circumstance (found employment, change in household size).

We also suggest the following clinical perspective be considered: adverse reactions to medication can occur within the first month or so of starting the medication that would require a

new prescription for a different medication thereby having to discard the two months of supplies from initial prescription.

An additional option that the Medicaid program provides for Medicaid recipients is Long Acting Reversible Contraceptives (LARC) which has the highest rate of effectiveness, continuation rate, user satisfaction and is highly cost effective. MQD has been working with the Department of Health and our managed care plans to increase utilization of LARC for its members as it provides protection from unintended pregnancies for three to five years yet the process is reversible with rapid return to fertility upon removal.

We appreciate the intent and are available to discuss increased availability and access to contraceptives for Medicaid beneficiaries.

Thank you for the opportunity to testify on this measure.

To: Hawaii State House of Representatives Committee on Health  
Hearing Date/Time: Friday, February 5, 2016, 8:30 a.m.  
Place: Hawaii State Capitol, Rm. 329  
Re: Testimony of Planned Parenthood of Hawaii in support of H.B. 1875, Relating to Insurance, and offering an amendment

Dear Chair Belatti and Members of the Committee,

Planned Parenthood Votes Northwest and Hawaii (“PPVNH”) writes in support of H.B. 1875, which requires insurers to cover a twelve month supply of prescription contraception. However, we request that the committee remove the three months of initial dispensing requirement so that prescribers together with their patients are able to make the best decisions for patients’ health care.

PPVNH is dedicated to advocating for women’s full equality in health care access and supports H.B. 1875 because it will go far to reduce the barriers that women face when attempting to access consistent and reliable contraception. By guaranteeing women’s access to a full 12 month supply of contraception at one time, H.B. 1875 will make contraception more accessible and have the effect of reducing unintended pregnancy and its associated costs to taxpayers.

We see firsthand the impact of policies designed to limit women’s access to contraceptives, and Hawaii’s current policy and practice of only requiring insurance companies to cover 1-3 months of contraception has contributed to Hawaii’s high unintended pregnancy rate and corresponding costs to taxpayers. Despite often receiving a 12 month prescription for birth control after consultation with their physicians, current policy and practice require women to return time and time again to the pharmacist to refill their prescriptions. This means shuffling already demanding schedules to make trips to the pharmacy between work, school, child care, elder care, travel and all the other day to day responsibilities that women shoulder and increasing their risk of unintended pregnancy when they are unable to accommodate this added responsibility. For low-income women and those in rural areas without a nearby pharmacy, regular travel to a pharmacy may become an insurmountable barrier to access – placing them at an even higher risk of unplanned pregnancy.

Birth control is highly effective so long as it is used consistently, so a steady and reliable supply is key to reducing unplanned pregnancy. Dispensing a one-year supply of birth control is associated with a 30 percent reduction in the odds of experiencing an unplanned pregnancy compared with dispensing for 30 or 90 days. This means that making contraception more accessible also saves money. By preventing just one unintended pregnancy, an insurer will save the cost of a delivery - a minimum of \$17,400. That is enough savings to pay for 29 additional years of contraception.

#### Requested Amendment

We respectfully request that this committee remove language in (d)(1) that allows insurers to cover only a “three-month period for the first dispensing of prescription contraceptive supplies to an insured” and instead add language after (d)(2) to the effect that the bill does not preclude physicians from prescribing less than 12 months dispensing upon initial prescription of a new drug. We understand the concern that patients not receive an entire year’s supply when first receiving the prescription, and that is why most providers

already only prescribe three months upon initial dispensing and then require follow-up care. This amendment will ensure that doctors and patients can continue to communicate about the best course of treatment rather than allowing insurers to make that decision.

Washington's state insurance program has successfully implemented this program for over two years, following the U.S. Selected Practice Recommendations for Contraceptive Use, MMWR volume 62, 2013, "The more pill packs given up to 13 cycles, the higher the continuation rates." Further, the MMWR states, "In addition to continuation, a greater number of pill packs provided was associated with fewer pregnancy tests, fewer pregnancies, and lower cost per client." See [http://www.hca.wa.gov/medicaid/billing/documents/guides/familyplanningprovider\\_bi.pdf](http://www.hca.wa.gov/medicaid/billing/documents/guides/familyplanningprovider_bi.pdf).

Thank you for this opportunity to testify in support of H.B. 1875 and for considering this amendment to further increase women's access to health care and reduce unintended pregnancy and its cost to taxpayers.

Sincerely,  
Laurie Field  
Hawaii Legislative Director and Public Affairs Manager

### Sources

- With perfect use, hormonal birth control has a failure rate of less than 5%  
*Source:*  
Trussell, J. Contraceptive failure in the United States. *Contraception*: 2011 May; 83(5): 397-404.  
<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3638209/>
- One in four women say they have missed pills because they could not get the next pack in time; dispensing one-year's supply at a time reduces the odds of experiencing an unintended pregnancy by 30% and is associated with a 46% in the odds of needing an abortion.  
*Source:*  
Foster, Diana et al. Number of Oral Contraceptive Pill Packages Dispensed and Subsequent Unintended Pregnancies. *Obstetrics & Gynecology*: Mar 2011; Vol 117, Iss 3 pp 556-572.  
[http://journals.lww.com/greenjournal/Abstract/2011/03000/Number\\_of\\_Oral\\_Contraceptive\\_Pill\\_Packages.8.aspx](http://journals.lww.com/greenjournal/Abstract/2011/03000/Number_of_Oral_Contraceptive_Pill_Packages.8.aspx)
- 19% of women who inconsistently use birth control account for 43% of unintended pregnancies whereas the two-thirds of women who use birth control consistently only make up 5%.  
*Source:*  
"Contraceptive Use in the United States." Guttmacher Institute, October 2015  
[http://www.guttmacher.org/pubs/fb\\_contr\\_use.html](http://www.guttmacher.org/pubs/fb_contr_use.html)
- Insurance plans that dispense one-year's supply of birth control instead of limit dispensing to one or three cycles lower their direct costs on follow-up visits and pregnancy tests, as well as long-term unintended pregnancy management.  
*Source:*  
Foster, Diana et al. Number of Oral Contraceptive Pill Packages Dispensed, Method Continuation, and Costs. *Obstetrics & Gynecology*: Nov 2006; Vol 18, Iss 5 pp 1107-1114  
[http://journals.lww.com/greenjournal/Fulltext/2006/11000/Number\\_of\\_Oral\\_Contraceptive\\_Pill\\_Packages.10.aspx](http://journals.lww.com/greenjournal/Fulltext/2006/11000/Number_of_Oral_Contraceptive_Pill_Packages.10.aspx)





To:  
COMMITTEE ON HEALTH  
Rep. Della Au Belatti, Chair  
Rep. Richard P. Creagan, Vice Chair

DATE: Friday, February 05, 2016  
TIME: 8:30 AM  
PLACE: Conference Room 329

From: Hawaii Medical Association  
Dr. Scott McCaffrey, MD, President  
Dr. Linda Rasmussen, MD, Legislative Co-Chair  
Dr. Ronald Keinitz, MD, Legislative Co-Chair  
Dr. Christopher Flanders, DO, Executive Director  
Lauren Zirbel, Community and Government Relations

**Re: HB 1895, Relating to Insurance**

**Position: Support**

HMA joins Hawaii ACOG in supporting this bill for the following reasons:

**Impact of Limited Contraceptive Supply Provision**

- Providing a greater number of birth control pill packs at once is associated with higher continuation rates.<sup>1</sup>
- Dispensing a greater number of birth control pill packs at once is associated with fewer pregnancy tests, fewer unplanned pregnancies, and decreased health care costs per woman.<sup>2</sup>
- ACOG and the Centers for Disease Control and Prevention (CDC) recommend prescribing or supplying up to one year of birth control pills (13 28-day pill packs), based on the woman's preferences and anticipated use.<sup>3,4,5</sup>

For these reasons, **HI ACOG & HMA supports HB 1895 and urges the Legislature to consider changing the language to allow provision of up to a 1-year's supply of contraception from the initial prescription, based on the prescriber's discretion.** We stand ready to provide you with factual information on medical issues that come before the Legislature, and hope you will contact us at any time.

<sup>1</sup> Steenland MW, Rodriguez MI, Marchbanks PA, Curtis KM. How does the number of oral contraceptive pill packs dispensed or prescribed affect continuation and other measures of consistent and correct use? A systematic review. Contraception 2013;87:605–10.

**OFFICERS**

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<sup>2</sup> Foster D, Parvataneni R, de Bocanegra H, Lewis C, Bradsberry M, Darney P. Number of oral contraceptive pill packages dispensed, method continuation, and costs. *Obstet Gynecol* 2006;108:1107–14.

<sup>3</sup> Understanding and using the U.S. Selected Practice Recommendations for Contraceptive Use, 2013. Committee Opinion No. 577. American College of Obstetricians and Gynecologists. *Obstet Gynecol* 2013;122:1132–3.

<sup>4</sup> Access to contraception. Committee Opinion No. 615. American College of Obstetricians and Gynecologists. *Obstet Gynecol* 2015;125:250–5.

<sup>5</sup> Centers for Disease Control and Prevention. Selected Practice Recommendations for Contraceptive Use. *MMWR* 2013;62

***American Congress of Obstetricians and Gynecologists  
District VIII, Hawaii (Guam & American Samoa) Section***

Greigh Hirata, MD, FACOG, Chair  
94-235 Hanawai Circle, #1B  
Waipahu, Hawaii 96797



To: Committee on Health  
Representative Della Au Bellati, Chair  
Representative Richard P. Creagen, Vice Chair

DATE: Friday, February 5, 2016  
TIME: 8:30 A.M.  
PLACE: Conference Room 229

FROM: Hawaii Section, ACOG  
Dr. Greigh Hirata, MD, FACOG, Chair  
Dr. Jennifer Salcedo, MD, MPH, MPP, FACOG, Vice-Chair  
Lauren Zirbel, Community and Government Relations

**Re: HB1895, Relating to Insurance**

**Position: Support**

Dear Representative Bellati, Representative Creagen and Committee Members,

The Hawaii Section of the American Congress of Obstetricians and Gynecologists (HI ACOG) supports HB1895 and other legislative proposals that promote increased access to contraception.

As a Section of the Nation's leading group of physicians dedicated to improving health care for women, HI ACOG represents over 160 obstetrician/gynecologist physicians in our state.

**Impact of Limited Contraceptive Supply Provision**

- Providing a greater number of birth control pill packs at once is associated with higher continuation rates.<sup>1</sup>
- Dispensing a greater number of birth control pill packs at once is associated with fewer pregnancy tests, fewer unplanned pregnancies, and decreased health care costs per woman.<sup>2</sup>
- ACOG and the Centers for Disease Control and Prevention (CDC) recommend prescribing or supplying up to one year of birth control pills (13 28-day pill packs), based on the woman's preferences and anticipated use.<sup>3,4,5</sup>

For these reasons, **HI ACOG supports HB1895 and urges the Legislature to consider changing the language to allow provision of up to a 1-year's supply of contraception from the initial prescription, based on the prescriber's discretion.** We stand ready to provide you with factual information on medical issues that come before the Legislature, and hope you will contact us at any time.

<sup>1</sup> Steenland MW, Rodriguez MI, Marchbanks PA, Curtis KM. How does the number of oral contraceptive pill packs dispensed or prescribed affect continuation and other measures of consistent and correct use? A systematic review. *Contraception* 2013;87:605–10.

<sup>2</sup> Foster D, Parvataneni R, de Bocanegra H, Lewis C, Bradsberry M, Darney P. Number of oral contraceptive pill packages dispensed, method continuation, and costs. *Obstet Gynecol* 2006;108:1107–14.

<sup>3</sup> Understanding and using the U.S. Selected Practice Recommendations for Contraceptive Use, 2013. Committee Opinion No. 577. American College of Obstetricians and Gynecologists. *Obstet Gynecol* 2013;122:1132–3.

<sup>4</sup> Access to contraception. Committee Opinion No. 615. American College of Obstetricians and Gynecologists. *Obstet Gynecol* 2015;125:250–5.

<sup>5</sup> Centers for Disease Control and Prevention. Selected Practice Recommendations for Contraceptive Use. *MMWR* 2013;62

Testimony of  
John M. Kirimitsu  
Legal and Government Relations Consultant

Before:  
House Committee on Health  
The Honorable Della Au Belatti, Chair  
The Honorable Richard P. Creagan, Vice Chair

February 5, 2016  
8:30 am  
Conference Room 329

**Re: HB 1895 Relating to Insurance**

Chair, Vice-Chair, and committee members thank you for this opportunity to provide testimony on HB 1895 relating to insurance coverage for contraceptive supplies.

**Kaiser Permanente Hawaii supports the intent of this bill but has concerns about its potential impact.**

Kaiser Permanente Hawaii supports this bill's intent to increase accessibility to prescription contraceptives, but questions why the need for an overabundant supply of such contraceptives versus a 30, 60, or 90 day supply when such contraceptives are free of charge and already readily accessible under the Affordable Care Act?

Kaiser Permanente Hawaii continues to support convenient access to contraceptives by promoting delivery by mail, covering up to a 90-consecutive-days supply, and allowing larger quantities at full retail price that will be reimbursed during the year as the coverage period is reached.

With an overabundant supply of prescribed contraceptives, Kaiser Permanente Hawaii is concerned with potential waste if the woman decides to stop using them or decides to switch contraceptives during the course of the year. Also, most important is that a woman's health may be compromised if she is prescribed an overabundance of such contraceptives because there will be no physician monitoring of the drug's risks and side effects. Through routine monitoring, a physician can discuss suitable alternatives in order to ensure a woman finds the contraceptive method that best suits her and her health best. Arguably, giving a year's supply of contraceptives may enhance the expectation that the method is acceptable and safe, while a less prescribed supply may encourage the woman to reconsider use of the method at each re-supply visit.

Thank you for your consideration.



February 4, 2016

To: Hawaii State House Committee on Health  
Hearing Date/Time: Friday, February 5, 2016 (8:30 a.m.)  
Place: Hawaii State Capitol, Rm. 229  
Re: Testimony of American Association of University Women –  
Hawaii in support of H.B. 1895, Relating to Insurance, and  
offering an amendment

Dear Chair Au Belatti, Vice Chair Creagan, and Members of the Committee,

I am grateful for this opportunity to testify in **strong support of H.B. 1895**, requiring that insurers cover a 12-month supply of prescription contraception. Plus, please amend the bill to remove the initial 3-month dispensing requirement, which will allow prescription writers to provide the best health care for their patients.

My testimony is on behalf of the approximately 400 members of the American Association of University Women (AAUW) in Hawaii, who list choice and women's reproductive health as an important current concern. My testimony is informed by my experiences teaching at the University of Hawaii at Manoa, where, almost every year, a female student in one of my classes finds herself dealing with an unplanned pregnancy.

On behalf of all these constituencies, I argue that passage of H.B. 1895 is important, with great potential to decrease unplanned pregnancy rates across the state. A major argument for moving H.B. 1895 forward is that the economic cost of not implementing this bill is far more burdensome on taxpayers than the financial cost of applying this bill. In other words, **providing 12-months of prescription contraception at a time is far cheaper than dealing with the outcomes of not providing it this way, and having women miss taking their pills.** The costs of not taking contraceptive pills are borne by taxpayers (e.g., medical costs of unplanned pregnancies, child support, etc.), and by young mothers (e.g., loss of academic opportunities, resulting in diminished employment prospects and lower wages than peers leading to a lifetime of disadvantage, etc.). Lest this information not be taken seriously, let me provide some numbers supporting this argument. A 2011 Brookings Institute analysis estimated that American "taxpayers spend about \$12 billion annually on publicly financed medical care for women who experience unintended pregnancies and on infants who were conceived unintentionally" (Monea & Thomas 2011). Additional data supports the findings that "unintended pregnancies are particularly concentrated among individuals for whom they are likely to be the most disruptive and who are less likely to have the resources needed to deal with the consequences of becoming pregnant unintentionally. Among women who are teenaged, unmarried, or low-income, the proportion of pregnancies that are unintended exceeds 60 percent" (Monea & Thomas 2011). An examination of the 2010 unintended pregnancy rates by states

demonstrates that Hawaii scores as one of the most highly ranked states ([www.guttmacher.org](http://www.guttmacher.org)), ultimately costing individuals and taxpayers vast amounts of dollars, which could be spent in more productive ways, if contraceptive prescriptions were dispensed in a manner suiting women. Barriers to taking contraceptive pills consistently include women's lack of access to transportation, forgetting, pharmacy not filling orders in a timely manner, pharmacists not stocking sufficient amounts of pills, etc.

In conclusion, passage of H.B. 1895 (please with the requested amendment) is an important step toward lowering barriers to contraception and improving health and wellbeing for women, their partners, and their families, and ultimately, the wider Hawaiian population.

Thank you for the opportunity to testify.

Sincerely  
Susan J. Wurtzburg, Ph.D.  
Policy Chair

## HLTtestimony

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From: mailinglist@capitol.hawaii.gov  
Sent: Thursday, February 04, 2016 11:44 PM  
To: HLTtestimony  
Cc: annsfreed@gmail.com  
Subject: Submitted testimony for HB1895 on Feb 5, 2016 08:30AM

### **HB1895**

Submitted on: 2/4/2016

Testimony for HLT on Feb 5, 2016 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Hawaii Women's Coalition	Support	No

Comments: The Coalition is in support of this bill. We agree that length of filled prescription should be extended to allow easier access to birth control thereby preventing costly, unwanted pregnancies.

Ann S. Freed Co-Chair Hawaii Women's Coalition

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS  
COMMENTING ON HOUSE BILL HB 1895 RELATING TO INSURANCE

February 5, 2016

Via e mail: [capitol.hawaii.gov/submittestimony.aspx](http://capitol.hawaii.gov/submittestimony.aspx)

Honorable Representative Della Au Belatti, Chair  
Committee on Health  
State House of Representatives  
Hawaii State Capitol, Conference Room 329  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Au Belatti and Committee Members:

Thank you for the opportunity to comment on HB 1895, relating to Insurance.

Our firm represents the American Council of Life Insurers (“ACLI”), a Washington, D.C., based trade association with approximately 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers’ products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. Two hundred nineteen (216) ACLI member companies currently do business in the State of Hawaii; and they represent 93% of the life insurance premiums and 88% of the annuity considerations in this State.

HB 1895 seeks to amend §431: 10A-116.6, relating to contraceptive services and benefits which all accident and health or sickness insurance policies, plans contracts or agreements are required to provide.

By its terms, Article 10A of the Code (by reference to HRS §431:1-205) defines “accident and health or sickness insurance” to include disability income insurance.

Disability income insurance provides cash payments designed to help individuals meet ongoing living expenses in the event they are unable to work due to illness or injury. Unlike health insurance, disability income insurance does not provide coverage for the insured’s health care or medical treatment; further, the cash payments are made directly to the insured – not to the insured’s health care providers or suppliers. Finally, the disability insurance policy typically does not dictate how the cash payments received by the insured are to be used by the insured.

HRS §431: 10A-102.5(a) provides a carve-out for “limited benefit health insurance” from the coverage and benefits requirements imposed upon all insurers issuing accident and health or sickness insurance which states:

Except as provided in subsection (b) and elsewhere in this article, when used in this article, the terms “accident insurance”, “health insurance”, or sickness

insurance” shall not include an accident-only, specified disease, hospital indemnity, long-term care, disability, dental, vision, Medicare supplement, or other limited benefit health insurance contract that pays benefits directly to the insured or the insured’s assigns and in which the amount of the benefit paid is not based upon the actual costs incurred by the insured.

Notwithstanding the foregoing, limited benefit health insurance is required to comply with the coverage and other requirements of certain sections of Article 10A of Hawaii’s Insurance Code. While the mandated sections enumerated in HRS §431: 10A-102.5(b) do not include the contraceptive coverage mandated by HRS §431: 10A-116.6, by its express terms that section reinserts the requirement that all limited benefit insurance provide contraceptives as a benefit to the insured as it states:

*Notwithstanding any provision of law to the contrary* each employer group accident and health or sickness insurance policy, contract, plan or agreement issued or renewed in this state after January 1, 2000 shall cease to exclude contraceptive services or supplies for the subscriber or any dependent of the subscriber who is covered by the policy . . . .” (Emphasis added)

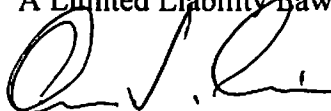
As drafted, HB 1895 would amend §431: 10A-116.6 to require the insurer to provide coverage for reimbursement to a dispenser of a 3 month supply of contraceptives and for the subsequent dispensing of contraceptives for a 12 month period to a member of the group insurance plan.

In order to dispel any confusion that disability income insurers are required to provide coverage for contraceptive services and benefits and reimbursement to suppliers of contraceptives to an insured ACLI suggests that HRS §431: 10A-116.6 be amended as follows:

| *Notwithstanding any provision of law to the contrary* each employer group accident and health or sickness insurance policy, contract, plan or agreement issued or renewed in this state after January 1, 2000 shall cease to exclude contraceptive services or supplies for the subscriber or any dependent of the subscriber who is covered by the policy subject to the exclusion under section 431:10A-116.7 and the provisions of section 431: 10A-102.5.”

Again, thank you for the opportunity to comment on HB 1895.

LAW OFFICES OF  
OREN T. CHIKAMOTO  
A Limited Liability Law Company



Oren T. Chikamoto  
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The Honorable Della Au Belatti, Chair  
House Committee on Health

Friday, February 5, 2016  
Conference Room 329; 8:30 AM

**RE: HB 1895– Relating to Insurance – IN OPPOSITION**

Aloha Chair Belatti, Vice Chair Creagan and members of the Committee:

CVS Health appreciates the opportunity to testify on HB 1895. The bill, as written, would permit a three-month (90-day) supply on the initial prescription fill for prescription contraceptives. On subsequent fills, irrespective of whether or not the beneficiary may have changed health plans, the bill permits a twelve-month supply of prescription contraceptives to be prescribed and dispensed as one fill.

While CVS Health understands the intent of HB 1895, we have serious concerns with the legislation as presently drafted and for this reason we must oppose HB 1895. Our concerns include:

- On an initial fill of a new prescription drug that will likely be taken on an ongoing basis, it is advisable for the first fill to be a one-month supply in the event the drug does not agree with the patient or turns out to be a drug that he or she cannot tolerate well. In light of those concerns, the potential waste, environmental harm (unused drugs entering the waste stream) and lost revenue that a mandatory three-month initial fill may bring, likely far outweighs any added convenience.
- As a matter of policy, CVS Health opposes mandates that do not allow the employer, Taft-Hartley Trust or state/local program to design their medical and prescription drug benefit as they choose and HB 1895 appears to intercede in that decision making.
- Perhaps most concerning is that since 2010's passage of the Affordable Care Act ('ACA'), contraceptives are required to be covered at a \$0 copay/coinsurance benefit to members. Therefore, no matter how large the days of supply, it doesn't cost the member any additional dollars to pick up, whether monthly or otherwise. This 12-month provision certainly provides an opportunity for a member to stock up on a year's supply before quitting their job or dropping their insurance.

CVS Health proudly operates as the largest pharmacy chain in Hawaii, under our Longs Drugs banner and we also offer our patients and clients a wide range of comprehensive, integrated pharmacy and health operations statewide including: Pharmacy Benefit Management (PBM) services (CVS/caremark), Specialty Pharmacy (CVS/specialty), Mail-Order and Retail Pharmacy (CVS/pharmacy/Longs Drugs), Retail Health Clinics (CVS/minute clinic) and a distribution center.

We thank you for your consideration of our comments and ask that the Committee hold HB 1895.

Respectfully,

A handwritten signature in black ink that reads "Eric P. Douglas". The signature is written in a cursive, flowing style.

Eric P. Douglas



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the House Committee on Health  
Friday, February 5, 2016 at 8:30 A.M.  
Conference Room 329, State Capitol**

**RE: HOUSE BILL 1895 RELATING TO INSURANCE**

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

The Chamber of Commerce Hawaii ("The Chamber") would like to **express concerns regarding** HB 1895, which requires insurers to cover a three-month period for the first dispensing of prescription contraceptive supplies to an insured and requires insurers to cover a twelve-month period for the subsequent dispensing of the same contraceptive supply to the insured.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber foresees potential problems with the cost impact and possible waste caused by the bill's requirements. For example, insured customers could lose part of the twelve-month supply or have unforeseen side effects and may require a prescription change. Also, employers will need to assume the cost of a year's supply of contraceptives even if they may no longer employ the individual. The twelve-month period in HB 1895 creates a possibility of waste of resources and money in already strained healthcare system.

Thank you for the opportunity to testify.

February 5, 2016

The Honorable Della Au Belatti, Chair  
The Honorable Richard Creagan, Vice Chair  
House Committee on Health

Re: HB 1895 – Relating to Insurance

Dear Chair Belatti, Vice Chair Creagan, and Committee Members:

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on HB 1895 which would require insurers to cover a three-month period for the first dispensing of prescription contraceptive supplies to an insured followed by a twelve-month period for the subsequent dispensing of the same contraceptive supply to the insured.

HMSA certainly supports the intent of HB 1895, however, we would like to raise the following issues:

- HMSA has specific requirements and standards that ensure members access only the highest quality providers. HB 1895 in its current form may require issuers to reimburse providers who are not part of that preferred issuer network.
- As currently written, HB 1895 may require an employer group to assume future premium costs for individuals who may not be employed with it for the twelve months of coverage required by this proposed statute?
- There is the high potential of waste with a twelve month supply of contraception; examples include, but are not limited to, the medication being found to be less effective than previously thought, unintended side effects, outdated medications if they are not taken in compliance with the prescription, medication loss, etc. Alternatively, a prescription that allows for refills up to a year could be better monitored.
- Medicaid managed care programs have a high degree of volatility in terms of eligibility which may make a twelve month supply less reasonable than a thirty or ninety day supply.

Again, we appreciate the intent of HB 1895 to expand access to necessary prescription contraceptives and look forward to working with the Committee to address the questions and concerns raised herein.

Thank you for allowing us to testify on HB 1895.

Sincerely,



Jennifer Diesman  
Vice President, Government Relations.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 03, 2016 5:40 PM  
**To:** HLTtestimony  
**Cc:** joyamarshall0416@gmail.com  
**Subject:** \*Submitted testimony for HB1895 on Feb 5, 2016 08:30AM\*

**HB1895**

Submitted on: 2/3/2016

Testimony for HLT on Feb 5, 2016 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Marshall	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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