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TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR
TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Friday, February 27, 2015
9:05 a.m.

Written Testimony Only

TESTIMONY ON SENATE BILL NO. 1217, S.D. 1 – RELATING TO INSURANCE.

TO THE HONORABLE GILBERT S.C. KEITH-AGARAN, 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 takes no position on the bill, and submits the following comments on this bill.

The purpose of this bill is to provide clarity that naturopathic physicians must be compensated similar to other providers and without discrimination.

The Department notes that as drafted, this mandate would apply to all insurers of accident and health or sickness policies, not only health insurers, mutual benefit societies, and health maintenance organizations. Also, the statute should exclude limited benefit health insurance as set forth in section 431:10A-102.5, Hawaii Revised Statutes.

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



Testimony of
John M. Kirimitsu
Legal & Government Relations Consultant

Before:
House Committee on Judiciary and Labor
The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Maile S.L. Shimabukuro, Vice Chair

February 27, 2015
9:05 am
Conference Room 016

Re: SB 1217, SD1 Relating to Insurance

Chair, Vice Chair, and committee members thank you for this opportunity to provide testimony on the decision making on this bill.

Kaiser Permanente Hawaii opposes this bill.

Kaiser Permanente generally opposes legislative mandates of health coverage for several reasons:

1. First, because they generally tend to raise the cost of delivering health care, thereby resulting in higher premiums and increased cost to the purchasers and payors of health plan coverage, whether they be employer groups or individuals;
2. Second, because they often tend to dictate how medicine should be practiced, which sometimes results in medicine that is not evidence based and usurps the role and expertise of the practicing physician and other health care professionals who provide medical treatment and services; and
3. Finally, because they often lock in statutory requirements that become outdated and do not keep pace with the ever evolving and advancing fields of medicine and medical technology.

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That being said, Kaiser Permanente has strong concerns about this bill, as written. It appears that the purpose of this bill is to prohibit insurers from “discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider’s license.” As such, Kaiser Permanente requests amendments to clarify that this bill only applies to those health care providers, namely naturopath physicians, who are participating “under the plan or coverage” of the insurer.

On Page 3, paragraph (a), lines 1-8, add that this section shall only apply to naturopathic physicians covered by the health care plan (inside its network) or by contract/agreement (outside of network). Therefore, this section should be amended as follows:

"§431:IOA- Naturopathic physicians; non-discrimination; coverage. (a) An individual and group accident and health or sickness policy, contract, plan, or agreement that provides health care coverage shall provide coverage for medically necessary health care services covered by the policy, contract, plan, or agreement when provided by a naturopathic physician **covered by the policy, contract, plan, or agreement** **and** licensed under chapter 455 for treatment within the naturopathic physician's scope of practice.

Also, to be consistent with the ACA (specifically Section 2706), which this bill appears to be modeled after, reinsert the “every willing provider” exclusion from the original draft of this bill, to ensure that insurers are not required to accept every qualified provider into its network:

[Notwithstanding subsection (a), this section shall not be construed to require that an insurer contract with or compensate any health care provider willing to abide by the terms and conditions for participation established by the insurer, who is not.]

Thank you for the opportunity to comment.



An Independent Licensee of the Blue Cross and Blue Shield Association

February 27, 2015

The Honorable Gilbert S. C. Keith-Agaran, Chair
The Honorable Maile S. Shimabukuro, Vice Chair
Senate Committee on Judiciary and Labor

Re: SB 1217, SD1 – Relating to Insurance

Dear Chair Keith-Agaran, Vice Chair Shimabukuro and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1217, SD1, which mandates coverage for the services of naturopathic physicians. HMSA offers comments on this Bill.

Numerous pieces of legislation regarding naturopaths have been debated for years at the Legislature and now may be the time to gain a better understanding of the impact that mandating their coverage could have on the health system overall. As you may be aware, the State Auditor conducted a study on coverage for these services, the 1989 study entitled, “Study of Proposed Mandatory Health Insurance for Naturopathic Care.” The overview section of this report states that “there is no evidence of a significant demand or need to require insurers to include naturopathic coverage in their plans” and that “there is no evidence that coverage will add to the cost of insurance or to the total cost of health care.” Given the date of these findings we would speculate that potentially neither of these statements are accurate today. Therefore, Committee may wish to consider having the Auditor conduct an updated study on these services, including the impact of the Affordable Care Act.

Thank you for the opportunity to comment on SB 1217, SD1. Your consideration of our suggestion is appreciated.

Sincerely,

Jennifer Diesman
Vice President, Government Relations

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc:
Subject: Submitted testimony for SB1217 on Feb 27, 2015 09:05AM
Date: Wednesday, February 25, 2015 3:04:06 PM

SB1217

Submitted on: 2/25/2015

Testimony for JDL on Feb 27, 2015 09:05AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Landon Oponui, ND	Individual	Support	No

Comments: I am in strong support of SB1217 SD1 to provide alignment of state and federal law pertaining to Section 2706 of the ACA due to the continual perpetuation of discrimination of licensed naturopathic physicians by the private insurance companies of Hawaii who are NOT in compliance with federal law.

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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From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc:
Subject: Submitted testimony for SB1217 on Feb 27, 2015 09:05AM
Date: Thursday, February 26, 2015 8:00:08 AM

SB1217

Submitted on: 2/26/2015

Testimony for JDL on Feb 27, 2015 09:05AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Frangos, PT, ND	Individual	Support	No

Comments: I stand by my original testimony in support of SB1217, approve of the amendments that were added by Senate CPN, and encourage passage of this bill by JDL. Passage of this bill is designed to stop the discrimination by insurance companies toward Naturopathic Doctors & their patients, designating enforcement at the State level. Mahalo.

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