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TO THE HOUSE COMMITTEE ON
HEALTH AND HUMAN SERVICES

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Wednesday, January 24, 2018
10:00 am

**TESTIMONY ON HOUSE BILL NO. 1705 – RELATING TO HEALTH COVERAGE
FOR PORT-WINE STAINS.**

TO THE HONORABLE JOHN M. MIZUNO, CHAIR, AND MEMBERS OF THE
COMMITTEE:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on H.B. 1705, Relating to Health Coverage for Port-Wine Stains. My name is Gordon Ito, and I am the Insurance Commissioner for the Department’s Insurance Division. The Department offers the following comments.

The purpose of this bill is to add a mandated health insurance benefit for treatment of port-wine stains up to a lifetime cap of an unspecified dollar amount.

The addition of a new mandated coverage may trigger section 1311(d)(3) of the federal Patient Protection and Affordable Care Act (“PPACA”), which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the State’s qualified health plan under PPACA.

Additionally, any proposed mandated health insurance coverage requires the passage of a concurrent resolution requesting the State Auditor to prepare and submit a report assessing the social and financial impacts of the proposed mandate, pursuant to Hawaii Revised Statutes section 23-51. Therefore, we respectfully request that this bill

be amended so that the State Auditor is tasked with reporting the economic impact of the expanded coverage on affected insurers.

We thank the Committee for the opportunity to testify on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2018**

ON THE FOLLOWING MEASURE:

H.B. NO. 1705, RELATING TO HEALTH COVERAGE FOR PORT-WINE STAINS.

BEFORE THE:

HOUSE COMMITTEE ON HEALTH AND HUMAN SERVICES

DATE: Wednesday, January 24, 2018 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Russell A. Suzuki, First Deputy Attorney General, or
Daniel K. Jacob, Deputy Attorney General

Chair Mizuno and Members of the Committee:

The Department of the Attorney General provides the following comments:

The purpose of this bill is to “require insurers, hospital and medical service plans, and health maintenance organizations to provide coverage for medical procedures to eliminate or provide maximum feasible treatment of port-wine stains.” Pursuant to section 1311(d)(3)(B)(ii) of the Patient Protection and Affordable Care Act, a state shall make payments to defray the cost of any additional benefits mandated by the state that are not included within the state selected benchmark plan. States may defray the cost by either making the payment to an individual enrolled in a qualified health plan offered in the state, or on behalf of an individual enrolled in a qualified health plan directly to the qualified health plan in which such individual is enrolled. We are informed that the Hawaii state benchmark plan does not provide coverage for medical procedures to eliminate or provide treatment for port-wine stains. Therefore, if this additional benefit is mandated, the State would be required to defray the cost.

Thank you for the opportunity to provide testimony.



An Independent Licensee of the Blue Cross and Blue Shield Association

January 24, 2018

The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
House Committee on Health and Human Services

Re: HB 1705 – Relating to Health Coverage for Port-Wine Stains

Dear Chair Mizuno, Vice Chair Kobayashi, and Committee Members:

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on HB 1705, which would mandate health plan coverage for treatment of port-wine stains beginning January 1, 2019. We appreciate the intent of this measure and would draw the Committee's attention to the following:

- Current HMSA policy defers to the member's primary care physician, or appropriate provider, to determine what is medically necessary treatment for a member exhibiting port-wine stains;
- Section 2c should be amended to require notification via electronic form (including posting on our website) and and/or other methods that are acceptable and effective rather than solely by written communication:

(c) Every insurer shall provide notice to its policyholders regarding the coverage required by this section. Notice shall be posted on the insurer's website and provided via email to policyholders no later than January 1, 2019.

Thank you for allowing us to testify on HB1705.

Sincerely,

Pono Chong
Vice-President, Government Relations

No attachment to testimony.

-Committee Clerk, KW

HB-1705

Submitted on: 1/22/2018 11:06:35 PM

Testimony for HHS on 1/24/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Foster		Support	No

Comments:

Mahalo,

Scott Foster, Chair

The Kupuna Caucus of the Democratic Party of Hawai`i

MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

January 23, 2018

Honorable John M. Mizuno, Chair
Honorable Bertrand Kobayashi, Vice Chair
Committee on Health & Human Services
House of Representatives
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Re: H.B. NO. 1705 RELATING TO HEALTH COVERAGE FOR PORT-WINE STAINS

Dear Chair Mizuno, Vice Chair Kobayashi and Committee Members:

On behalf of the American Family Life Assurance Company of Columbus (AFLAC), we respectfully submit the following written comments on House Bill No. 1705, relating to health coverage for port-wine stains, which is to be heard by your Committee Health and Human Services on January 24, 2018.

The purpose of House Bill No. 1705 is to require insurers to provide coverage for port-wine stains. While section 431:10A-102.5, Hawaii Revised Statutes, contains a general exclusion for limited benefit health policies, AFLAC's concern with House Bill No. 1705 is that, as drafted, the inclusion of the phrase "Notwithstanding any other law to the contrary" in the new section to be added to article 10A, chapter 431, Hawaii Revised Statutes, by Section 2 of House Bill No. 1705 may create some ambiguity as to whether these mandates could be interpreted to apply to AFLAC's supplementary health insurance for which such mandated coverage of port-wine stains would not be appropriate. Specifically, there are certain types of limited benefit insurance, for example, supplemental insurance covering only accidental injuries, hospital stays or specific diseases, for which it would not be appropriate to mandate coverage of port-wine stains.

At present, limited benefit insurance policies allow consumers to acquire supplemental insurance coverage, for example for specific diseases, at a low cost. Requiring that such limited benefit insurance policies (*e.g.*, accidental injury, hospital confinement or specified disease) also include port-wine stains is not appropriate and is unnecessary because such policies are intended to be supplemental and limited in nature. Requiring limited benefit insurance to cover port-wine stains will not result in additional protection for the consumer, as such coverage will be provided in the primary insurance, and will likely harm the consumer by unnecessarily increasing the cost of limited benefit insurance and/or causing such insurance to become unavailable.

For the foregoing reasons, we respectfully request that the new subsection (a) to be added to article 10A, chapter 431, Hawaii Revised Statutes, by Section 2 of House Bill No. 1705 be amended as follows:

"§431:10A- **Port-wine stain coverage.** (a) Notwithstanding any other law to the contrary, each individual or group health or sickness insurance plan, policy, contract, or agreement issued or renewed in the State after December 31, 2018, other than 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, shall provide coverage for medical procedures, laser surgery, remediation, and any necessary post-acute medical services related to port-wine stain, for policyholders and individuals covered under the individual or group health or sickness insurance plan, policy, contract, or agreement. Coverage required pursuant to this section shall include any medical procedures, laser surgery, remediation, or necessary post-acute medical services required to eliminate or provide maximum feasible treatment for port-wine stain for up to twenty years from the date the port-wine stain was medically detected; provided that no insurer shall be required to pay more than \$ _____ per covered individual for medical procedures, laser surgery, remediation, and any necessary post-acute medical services subject to this section unless the insurance plan, policy, contract, or agreement states otherwise.

(Additional language underscored.)

The proposed exception is based upon similar exceptions in mandated coverage for limited benefit health insurance policies contained in section 431:10A-102.5, Hawaii Revised Statutes.

Honorable John M. Mizuno, Chair
Honorable Bertrand Kobayashi, Vice Chair
Committee on Health & Human Services
January 23, 2018
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Thank you for your consideration of the foregoing.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP

A handwritten signature in black ink that reads "Peter J. Hamasaki" with a stylized flourish at the end.

Peter J. Hamasaki

PJH:fk