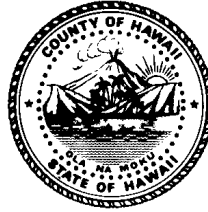


Harry Kim
Mayor



Roy Takemoto
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March 11, 2020

Senator Laura H. Thielen, Chair
Senator Lorraine R. Inouye, Vice Chair
Committee on Government Operations

Senator Brian T. Taniguchi
Senator Les Ihara, Jr., Vice Chair
Committee on Labor, Culture and the Arts

Dear Chairs Thielen and Taniguchi, Vice Chairs Inouye and Ihara, and Committee Members:

RE: SCR 102/SR 66 Requesting the Legislative Reference Bureau to Conduct a Study on the Feasibility of Enacting Statutory Authority for Collective Negotiation Between Physicians and Health Care Insurers in Hawai'i to Restrain or Balance the Monopsonistic Market Power of Healthcare Insurers Over Independent Physicians

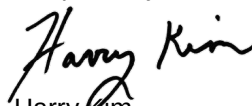
Hawai'i's healthcare system is in crisis. We do not have enough providers, and many of the providers we have are at or near retirement age. There is little prospect that we will somehow generate enough new providers to replace those we are losing, and the situation gets worse with every passing year.

The Legislature has actively tried to address the problem with innovative approaches, but it is clear that more must be done. If we do not improve the economics of practicing medicine, we will not have enough medical practitioners to meet the needs of our citizenry. We are at a breaking point.

There are many reforms to be tried, but one of the most promising is to allow collective action by physicians when dealing with health benefit plans. Such an innovation will not be without cost—if the plans have to pay out more, they will charge higher premiums. But the alternative—the status quo—is unacceptable. It is time to consider “collective mediation.”

I hope you will approve SCR 102 and SR 66.

Respectfully Submitted,


Harry Kim
MAYOR