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LAWRENCE M. REIFURTH
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TO THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & BUSINESS CONCERNS

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Tuesday, March 11, 2008
8:30 a.m.

**TESTIMONY ON SENATE BILL NO. 2530, S.D. 2 – RELATING TO HEALTH
INSURANCE SUPPORT FOR SMALL BUSINESS**

TO THE HONORABLE KYLE T. YAMASHITA, 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 supports this bill, which requires group health insurers to offer small group health plans to self-employed individuals who meet certain requirements. This bill could go a long way towards reducing the number of the uninsured coming from the ranks of the some 12,000 sole proprietors in the market.

We also support giving the Commissioner discretion over whether group health issuers may offer only one small group health plan to small employers that employ only one employee. In general, we should be consistent with HIPAA in offering multiple group health plans to small employers, whether they have two or more employees, one employee, or are sole proprietors. Allowing the Commissioner to grant a health issuer an exception to the general rule for employers with only one employee basis strikes a fair balance.

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We thank this Committee for the opportunity to present testimony on this matter and ask for your favorable consideration.



**Hawaii
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REALTORS®**
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March 11, 2008

The Honorable Kyle T. Yamashita, Chair
House Committee on Economic Development &
Business Concerns
State Capitol, Room 316
Honolulu, Hawaii 96813

RE: S.B. 2530, SD2 Relating to Health Insurance Support for Small Business
Hearing Date: March 11, 2008 @ 8:30 a.m., Room 325

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS® (HAR) **supports the intent of S.B. 2530, SD2.**

The intent of the measure is admirable as it seeks to expand health insurance coverage to people who live in our communities. In recent years, costs and premiums have soared, driving up the price of doing business. Despite being the only state requiring companies to provide health insurance to employees, the percentage of Hawaii residents outside of the employer mandate of the Prepaid Health Care Act is rising. This directly affects many sole proprietors and independent contractors who are not eligible, despite our large numbers, to apply for coverage as a group.

Last month, an important membership survey was circulated to assess the needs of health insurance for REALTORS®. The response rate was about 20 percent or almost 2,000 members. Of the respondents, 18 percent did not have insurance at all. And, they expressed a sincere desire to enroll in health plans that offer a benefit package, cost sharing, and premium rates that are comparable to what are offered to employees in group plans.

Mahalo for the opportunity to testify.

HMSA



Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

March 11, 2008

The Honorable Kyle Yamashita, Chair
The Honorable Glenn Wakai, Vice Chair

House Committee on Economic Development and Business Concerns

Re: SB 2530 SD2 – Relating to Health Insurance Support for Small Business

Dear Chair Yamashita, Vice Chair Wakai and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2530 SD2 which would require health plans to allow sole proprietors and small businesses with no employees be eligible for group health care coverage. HMSA supports the intent of this measure.

This measure represents an initiative which has been debated by the Legislature for the past few years. Last year HMSA worked with the other stakeholders to come to consensus on language that would not only accomplish the intent of the measure but offer health plans some protection from adverse selection. SB 2530 SD2 currently contains this language. It also includes a 2011 sunset date which would allow for all interested parties to revisit the issue in five years to determine the costs and impacts of the legislation.

That being said, while we appreciate the Legislature's attempt to provide individuals with health care coverage we feel there may be unintended consequences if this measure were enacted such as an increase in cost to small employers. Although this measure seeks to strike a balance between providing coverage to sole proprietors while offering some protection to small groups currently purchasing services, we believe that the cost impact remains.

Thank you for the opportunity to provide testimony today.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD'.

Jennifer Diesman
Assistant Vice President
Government Relations

TRADEWIND PAINTING

March 10, 2008

TO: Chair Representative/ Kyle Yamashita
Vice Chair Representative/ Glen Wakai

House Committee Economic Development and Business Concerns

FROM: Thomas Coppola DBA: Tradewind Painting License #19278
1159 Mapuana St., Kailua, Hawaii 96734
Phone # 262-9821

Date: March 11, 2008 at 8:30 AM in Conference Room #325

My name is Thomas Coppola, owner of Tradewind Painting, in support of SB2530SDI, relating to health insurance support for small business.

REASONS:

- o Not able to get affordable Health Insurance
- o Not offered many choices for affordable Health Insurance for sole ownership
- o Many more choice and costs are offered to Corporations and LLCs

License contractors who are sole ownerships should be offered the same Health Insurance opportunities that are offered to corporations and LLCs. The law which is now in place is unfair to licensed sole ownerships.

When I was married, my wife had an insurance plan with HMSA. I only had to sign one form with no questions asked and within thirty (30) days, was insured by HMSA even though I could have had a terminal illness. When I reapplied after my divorce, I filled out extensive applications and gave them tax returns and all my medical records. It took HMSA six months to deny me insurance and said I cannot reapply for five years. I am in good health and a non-smoker. I now have HMAA at a high premium of \$430.68 per month with a cap on prescription drugs of \$1,000.00 per year. THIS IS NOT A GOOD PLAN.

I strongly support Bill# SD2530SDI, not just for myself, but for others in the State of Hawaii who would benefit from this bill.

Sincerely,


Thomas Coppola

1159 Mapuana Street • Kailua, HI • 96734 • Phone: 262-9821 • Lic.# C-19278