



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 26, 2009

MEMORANDUM

TO: Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Lillian B. Koller, Director


SUBJECT: **H.B. 697 – RELATING TO TEMPORARY HEALTH INSURANCE FOR
UNEMPLOYED PERSONS**

Hearing: Thursday, February 26, 2009, 4:00 P.M.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to establish a temporary health insurance program for unemployed individuals. Places the program in the Department of Human Services and appropriates general funds.

DEPARTMENT'S POSITION: While the Department of Human Services (DHS) acknowledges that this measure has merit, DHS must respectfully oppose this bill, because, given the current fiscal difficulties, it would not be prudent to pursue enactment at this time.

It's important to note that for children, they are eligible for our QUEST Medicaid program if the household income is 300% of the federal poverty level or less. If a household member loses his or her job, we encourage them to apply on behalf of their children for QUEST coverage. For example, a family of four can earn over \$73,000



annually and qualify. DHS encourages any parent who has lost a job or might otherwise have an income below this threshold to apply for QUEST for their children

Fortunately, the American Recovery and Reinvestment Act (ARRA) provides some relief for those who have become unemployed and are eligible to purchase COBRA. The ARRA has specific provisions for the Federal government to pay for 65% of COBRA payments for certain individuals who have lost employment. This subsidy does not involve the State.

Both of the programs proposed in H.B. 697 are cost prohibitive given the State's current fiscal difficulties. The programs proposed in this bill would be entirely State funded, and the burdensome administration requiring verification of eligibility, tracking of certifications, and collecting monthly premiums would be costly and also entirely State funded. DHS would require additional staff in order to not compromise other Med-QUEST programs.

Thank you for the opportunity to testify on this bill.

The Twenty-Fifth Legislature
Regular Session of 2009



HOUSE OF REPRESENTATIVES
Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

State Capitol, Conference Room 308
Thursday, February 26, 2009; 4:00 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 697
RELATING TO TEMPORARY HEALTH INSURANCE FOR UNEMPLOYED PERSONS**

The ILWU Local 142 supports H.B. 697, which establishes a temporary health insurance program for unemployed individuals and appropriates funds.

The unemployment rate in Hawaii is the highest it's been in a decade. Thousands of Hawaii residents are without jobs or have reduced work hours. Most are collecting unemployment benefits, but many have exhausted their eligibility for benefits. With seriously reduced income, most of them find themselves and their families without health insurance, placing an additional burden on hospitals and insurance plans.

H.B. 697 will help to close that gap and provide coverage to those who would otherwise be uninsured. While the Legislature may believe the State cannot afford such expenditure in this difficult economic climate, the alternative of having more people uninsured yet requiring health services which cost must be borne by taxpayers or passed on to employers and employees by insurance companies is unacceptable as well.

The ILWU urges passage of H.B. 697. Thank you for the opportunity to share our views on this matter.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 26, 2009

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

House Committee on Finance

Re: HB 697 – Relating to Temporary Health Insurance for Unemployed Persons

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 697.

While Hawaii can boast a lower than average uninsured rate due to the Prepaid Health Care Act (PHCA), it also must be noted that when the economy is not faring well and unemployment is rising the PHCA cannot assist those who have lost their health care coverage along with their jobs.

The initiative outlined in HB 697 could help uninsured individuals in need of health care coverage in this difficult environment. Allowing those who are out-of-work to utilize the existing QUEST plan for health care coverage will likely curb expensive and unaffordable trips to the emergency room. The provision of Consolidated Omnibus Budget Reconciliation Act (COBRA) subsidies would ensure that many more people would opt to receive their coverage in this fashion. With Hawaii's unemployment rate hitting a ten year high, the legislature's proposal to provide assistance in this fashion makes good sense.

Thank you for the opportunity to testify in support of HB 697.

Sincerely,

Jennifer Diesman
Assistant Vice President
Government Relations



UNITE HERE! LOCAL 5 HAWAII

Eric Gill, Financial Secretary-Treasurer

Hernando Ramos Tan, President

Godfrey Maeshiro, Senior Vice-President

Wednesday, February 25, 2009

Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair
House Committee on Finance

Testimony regarding HB 697; relating to Temporary Health Insurance

Chair Oshiro, Vice Chair Lee, members of the House Committee on Finance, I submit this testimony on behalf of UNITE HERE! Local 5 – a local labor organization representing more than 11,000 hotel and health care workers throughout our State.

We appreciate the opportunity to testify in support of House Bill 697 which would establish a temporary health insurance program for unemployed individuals.

Given our State's current economic climate and our increasing unemployment rates, the intent of HB 697 makes good sense. While we recognize that HB 697 would require an appropriation of State funds, we also believe that such an investment would ultimately outweigh the assumed costs to taxpayers if no relief to the unemployed were passed.

Thank you for the opportunity to provide our views on this measure.

Sincerely,

Cade M. Watanabe
Community/Political Organizer