

HMSA

MAR 02 2009



An Independent Licensee of the Blue Cross and Blue Shield Association

LATE

LATE

March 2, 2009

The Honorable Rosalyn Baker, Chair
The Honorable David Ige, Vice Chair
Senate Committee on Commerce and Consumer Protection

Re: SB 892 – Relating to Insurance

Dear Chair Baker, Vice Chair Ige and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 892. HMSA has concerns with the language in Section 3 of this measure but takes no position on the remainder of the bill.

In Section 3 of SB 892, proposed language would seem to give the Insurance Commissioner the latitude to draft rules concerning how health plans are audited that may not follow the National Association of Insurance Commissioners' (NAIC) guidelines. We would respectfully request clarifying language be added to this section to ensure that the rules drafted by the Insurance Commissioner mirror the NAIC guidelines which health plans are already following today. To accomplish this we would request some additional language which would be added to page 6, line 12 to read as follows:

[.] , or rules adopted by the commissioner which shall only include the National Association of Insurance Commissioners' annual statement instructions, following the practices and procedures prescribed by the National Association of Insurance Commissioners' accounting practices and procedure manuals.

This language would ensure that any administrative rules adopted by the Insurance Commissioner mirror NAIC guidelines. Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read "JDiesman".

Jennifer Diesman
Assistant Vice President
Government Relations