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TO THE SENATE COMMITTEES ON HEALTH AND  
COMMERCE AND CONSUMER PROTECTION

TWENTY-FIFTH LEGISLATURE  
Regular Session of 2009

Monday, February 23, 2009  
3:00 p.m.

**TESTIMONY ON SENATE BILL NO. 940 – RELATING TO INSURANCE.**

TO THE HONORABLE DAVID Y. IGE AND ROSALYN H. BAKER, CHAIRS, AND  
MEMBERS OF THE COMMITTEES:

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 direct payment to the  
State of Hawaii for provision of pre-hospital treatment and transport services under  
circumstances where the State and the health insurer have not entered into a contract.

Direct payment to a non-participating provider may encourage a health insurer to  
enter into a mutually beneficial participating provider contract with the State of Hawaii.  
If the insurer does not, this bill helps the State get compensated for the cost of services  
that it must provide Hawaii’s people.

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