



March 17, 2010

The Honorable Robert Herkes, Chair  
The Honorable Glenn Wakai, Vice Chair

House Committee on Consumer Protection and Commerce

**Re: SB 2494 SD2 HD1– Relating to Insurance**

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

My name is Howard Lee and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare  
Hawaii Medical Assurance Association  
HMSA  
Hawaii-Western Management Group, Inc.

MDX Hawai‘i  
University Health Alliance  
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

HAHP health plans would like to express support for the initiative being proposed in Part II of this measure to allow QUEST plans expand on the types of telehealth services they may currently provide and appreciates the opportunity to provide comments on SB 2494 SD2 HD1 Part I which would require EUTF allow its members to receive prescription drug benefits which are identical to those offered by their previous plan.

Although Part I of this measure currently only applies to EUTF members, the previous language included all health plans within its scope and was extremely problematic. While we are appreciative that the measure has been amended, we would like to take the opportunity to point out some of the concerns we found with the prior version of SB 2494 SD2 HD1.

The original version would have put a tremendous burden on employers and union groups since they would have ended up with multiple drug plans, different premium rates, and different benefit coverage for their employees. We also believe that the previous language in SB 2494 SD2 HD1 constituted an Employee Retirement Income Security Act (ERISA) violation because it contains a “semi-portability” requirement and would have faced additional challenges as to its legality.

# LATE TESTIMONY

Again, HAHP takes no position on the current language contained in SB 2494 SD2 HD1 Part I but wanted to raise some concerns with previous versions of this measure to alert the Committee to the dangers inherent in the earlier draft of the bill. Thank you for the opportunity to provide testimony.

Sincerely,



Howard Lee  
President