

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 8, 2011

The Honorable Ryan Yamane, Chair
The Honorable Dee Morikawa, Vice Chair
House Committee on Health

Re: HB 1134 – Relating to Prepaid Health Care

Dear Chair Yamane, Vice Chair Morikawa and Members of the Committee:

The Hawaii Medical Service Association (HMSA) supports HB 1134 which would repeal Section 393-51, Hawaii Revised Statutes, the termination provision in the State's Prepaid Health Care Act (PHCA). This Bill also repeals Act 99, Session Laws of Hawaii 1994, which would repeal that statutory termination upon specific federal action.

Residents in Hawaii have benefitted from expanded health care coverage under a unique and successful employer health care mandate that has been in place for more than 30 years – the PHCA. The overall impact of the law since 1974 has been the maintenance of relatively robust private benefit plans, low rates of uninsured, and some of the lowest premiums in the country. While Hawaii suffers from some of the same issues relative to access, quality and cost as states across the country, the PHCA has been the backbone over the years ensuring system stability and moderation of problems in health care delivery and finance.

Although the current system has been preserved through legislative language included by Hawaii's Congressional Delegation in the federal health care reform law, the Affordable Care Act (ACA), it may unintentionally be jeopardized without further federal- and state-level legislative fixes prior to the implementation of a newly mandated health insurance exchange in 2014.

Work to create Hawaii's health exchange, through which individuals may shop for an appropriate health plan, has just begun. This Legislature will consider legislation to do just that. But, while the states scramble to address the ACA, the shift in the balance of power in Washington confounds those efforts and confuses what health care reform eventually will cover.

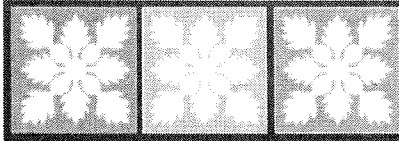
Hawaii's prepaid system is established and proven to be effective.

There must be coordination of PHCA and the ACA, specifically with respect to how PHCA will work in tandem with the exchange. Resolution of this uncertainty would ensure that Hawaii's businesses, insurers, and residents understand the way in which they should invest their appreciable yet limited resources, particularly if they must radically change the way health care is done in Hawaii. The provisions of HB 1134 offer a simple, single step to maintain the premium health care that the majority of people in Hawaii already enjoy.

Sincerely,

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

Jennifer Diesman
Vice President
Government Relations



Hawaii Association of Health Plans

February 8, 2011

The Honorable Ryan Yamane, Chair
The Honorable Dee Morikawa, Vice Chair

House Committee on Health

Re: HB 1134 – Relating to Prepaid Health Care

Dear Chair Yamane, Vice Chair Morikawa 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 eight (8) member organizations:

AlohaCare	Kaiser Permanente
Hawaii Medical Assurance Association	MDX Hawai‘i
HMSA	University Health Alliance
Hawaii-Western Management Group, Inc.	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 appreciates the opportunity to provide testimony in support of HB 1134 which would repeal the sunset clause from Hawaii’s Prepaid Health Care Act (PHCA).

Hawaii is unique in the nation when it comes to the provision of health care. Under the PHCA, the state enjoys a lower uninsured rate than most of the country, experiences lower premiums on average and provides for comprehensive benefits for those receiving employer-based coverage. Despite passage of federal health care reform know as the Affordable Care Act (ACA), there are many in the community who believe that the PHCA should remain intact, as its provisions, in many regards are stronger than those required by the ACA.

We believe that removing the sunset provision from the PHCA will assist in its preservation and therefore we respectfully urge the Committee to support this measure.

Sincerely,

Howard Lee
President

• AlohaCare • HMAA • HMSA • HWMG • Kaiser Permanente • MDX Hawaii • UHA • UnitedHealthcare •
HAHP c/o Howard Lee, UHA, 700 Bishop Street, Suite 300 Honolulu 96813
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HOUSE COMMITTEE ON HEALTH
Rep. Ryan Yamane, Chair

Conference Room 329
Feb. 8, 2011 at 9:30 a.m.

Commenting on HB 1134.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. The Healthcare Association takes no position on HB 1134, which repeals the sunset clause of the Prepaid Health Care Act (PHCA), and appreciates this opportunity to comment on it.

The Healthcare Association does not sit before this committee to speak in opposition to the PHCA. In Hawaii, the PHCA has been responsible for reducing the uninsured rate and maintaining one of the lowest uninsured rates in the nation for nearly 30 years. It is understandable that there is an interest in preserving it.

Last year the Affordable Care Act (ACA) was signed into law. Its stated goal is to cover 95% to 97% of our residents. Although the law has been enacted, many of the rules have not yet been written. The ACA will become operational in stages, taking several years before it becomes fully effective.

Since there are so many specifics yet to be defined as the ACA becomes implemented, we believe that passage of HB 1134 in its current form would be premature, although we support continued dialog and are simply providing comments on the bill.



HAWAII MEDICAL ASSOCIATION

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Tuesday, February 8, 2011; 9:30AM Conference Room 329

To: COMMITTEE ON HEALTH
Rep. Ryan Yamane, Chair
Rep. Dee Morikawa, Vice Chair

From: Hawaii Medical Association
Dr. Morris Mitsunaga, MD, President
Linda Rasmussen, MD, Legislative Co-Chair
Dr. Joseph Zobian, MD, Legislative Co-Chair
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: HB 1134 RELATING TO THE HAWAII PREPAID HEALTH CARE ACT

Chairs & Committee Members:

Hawaii Medical Association supports universal access to health care.

We have a real dilemma in that our Prepaid Health Care law (PHCA) ensures better benefits than those required for the insurance exchanges under PPACA. From that point of view, the PHCA should be extended. However, the PHCA does not cover those who are not eligible for employer-based health insurance, and we need to do something about that population to comply with the PPACA.

HMA would like to participate in a task force to compare options and decide what direction we want to go, and then deal with the PHCA extension issue accordingly. This task force needs representation from the Abercrombie administration, DHS, DOH, and the legislature, as well as from the health care provider community (doctors, advanced practice nurses and hospitals).

Thank you for the opportunity to testify.

OFFICERS

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+++The Twenty-Sixth Legislature
Regular Session of 2011

HOUSE OF REPRESENTATIVES
Committee on Health
Rep. Ryan I. Yamane, Chair
Rep. Dee Morikawa, Vice Chair

State Capitol, Conference Room 329
Tuesday, February 8, 2011; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1134
RELATING TO PREPAID HEALTH CARE**

The ILWU Local 142 supports H.B. 1134, which repeals the sunset provision, enacted in 1994, of the Hawaii Prepaid Health Care Act. The sunset was included to allow the chapter to terminate when federal legislation provides for voluntary prepaid health care for Hawaii residents "in a manner at least as favorable as the health care provided by this chapter" or when federal law provides "for mandatory prepaid health care."

Although federal health care reform legislation has been adopted by Congress and the President, it is still far from what the Hawaii law provides. In Hawaii, all employers must provide health plan coverage to employees who work more than 20 hours a week for four consecutive weeks. The law also provides a standard for the coverage provided. Federal health care reform provides for individual mandates, not employer mandates, and the coverage standard is well below what Hawaii requires.

H.B. 1134 will remove the sunset provision from the Hawaii Prepaid Health Care Act and remain silent on any federal legislation. We think this is a prudent measure because no one can deny that the Hawaii law is superior to federal health care reform enacted thus far. For federal law to accomplish what Hawaii law has done is likely to take a while, especially in light of the opposition being mounted by Republicans and several states.

In the event that federal legislation is enacted that exceeds coverage that Hawaii law provides, we are confident that Hawaii's congressional delegation will ensure that Hawaii residents will not be shortchanged.

The ILWU urges passage of H.B. 1134. Thank you for the opportunity to share our views on this issue.