

SB41

Testimony



Testimony to the Senate Committee on Judiciary and Labor

Tuesday, March 1, 2011

9:00 a.m.

Conference Room 016, State Capitol

RE: SENATE BILL NO. 41 RELATING THE HAWAII PREPAID HEALTH CARE ACT

Chair Hee, Vice Chair Shimabukuro, and Members of the Committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber would like to provide comments on SB 41 relating to the Hawaii Prepaid Health Care Act.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure repeals the sunset provision of the Hawaii Prepaid Health Care Act and repeals Act 99, Session Laws of Hawaii 1994, which repealed the sunset provision of the Hawaii Prepaid Health Care Act effective upon certain federal law.

The Hawaii Legislature recognized in 1994 that it does not have the authority to substantively amend the Prepaid Health Care Act. This bill is a well meaning attempt to undo what was done, but like its predecessor cannot have any legal effect based on the narrow exception to the Employee Retirement Income Security Act (ERISA) granted Hawaii's law.

The Chamber believes the people of Hawaii need time to understand the benefits of the Affordable Care Act (ACA) passed last year before determining which model will hold down costs. When the Prepaid Health Care Act was passed, employees were expected to share equally in the cost of premiums capped at 1.5% of their income. We all recognize that health care costs exceed that percentage across the country and in Hawaii the differential is borne by businesses small and large. The extra costs could be alleviated partially under the ACA. However, as a community we need to have an open debate on whether the Prepaid Health Care Act or ACA is preferred.

The Chamber of Commerce is in favor of any measures that will foster that debate and serious discussion. Thank you for the opportunity to submit comments.



HAWAII MEDICAL ASSOCIATION

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To: COMMITTEE ON JUDICIARY AND LABOR
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, 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: SB 41 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.

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