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THE SENATE
26th LEGISLATURE
REGULAR SESSION of 2011

**LATE
TESTIMONY**

COMMITTEE ON HEALTH
Senator Josh Green, Chair

2/16/11

SB 857
Relating to Medical Savings Account

Chair Green and Members of the Health Committee,

My name is Max Sword, here on behalf of Outrigger Hotels Hawaii, in support of this bill.

Hawaii is the only state in the union, which does not allow Medical Savings Account (MSA) or what is known nationally as a Health Savings Accounts for the general public. Under the current laws, I believe only State of Hawaii Employees or those under collective-bargaining agreements are allowed to have such an account.

Why can't the private sector employees have the same opportunity? Also with the coming implementation of the National Healthcare or Obamacare, MSAs will allow employees to shop the Health Insurance Exchanges that will be required under that legislation.

What can a MSA do for the employees?

First off it allows them another option to manage their medical costs. With MSAs, an employee will be motivated to go shopping, because it is their money, for such item as drugs. Because it is their money, they are also motivated to stay healthy, so they tend to change their lifestyle. They are able to get catastrophic coverage because they would be able to get coverage. Just like an auto policy, you take care of the minor dings, they take care of the major ailment. In the end, with MSAs, what is saved becomes an asset to the employee

These results are not antidotes, they have been proven out nationally. A respected national consultant and former head of Kaiser here in Hawaii said in that her experience medical premiums have gone down between 15 and 50% nationally with the implementation of MSAs.

I urge your committee to pass out this bill and thank you for allowing me to testify.