

LATE



March 18, 2012
TWENTY-SIXTH LEGISLATURE
Regular Session of 2012

From: HAWAII COALITION FOR HEALTH
by Rafael del Castillo
Submitted on the Capitol Website

To: Senate Committee on Commerce and Consumer Protection,
Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair

Hearing: March 23, 2012, 9:00 a.m. Conference Room 229

Re: Nominees to the Board of Directors of the Hawai'i Health Connector

Senators Baker and Taniguchi, and
honorable members of the Senate Committee on Commerce and Consumer Protection:

Thank you for the opportunity to submit testimony on Senate Bill 2434 SD1 HD1.

The Hawaii Coalition for Health celebrates the beginning of its sixteenth year advocating for Hawai'i's health consumers. HCFH has served on the Patient Bill of Rights and Responsibilities Task Force, the MedQUEST Advisory Committee, and has testified numerous times before the Legislature on matters of consumer interest and health insurance issues. HCFH regularly receives input from a wide variety of organizations and individuals with decade-upon-decade of experience and knowledge in health insurance and access to health care. HCFH has consistently employed its information and expertise to inform the Legislature and the State and Federal Administrations, and to advocate for better benefits and beneficial competition in health insurance. Hawaii is unique among the fifty states in having established the requirement that employees have prepaid healthcare since 1973, something the Affordable Care Act was enacted to ensure for the rest of the nation. For that reason, and others, it is incumbent on all of us to take care in implementing all of the Affordable Care Act requirements to produce the long term benefits it is designed to create, instead of harming our health insurance market and sacrificing benefits we already enjoy.

- The Hawaii Coalition for Health supports confirmation to the Board of Directors of the Hawai'i Health Connector of the following Gubernatorial nominees:

GM 620 Gubernatorial Nominee, ROBERT HIROKAWA, for a term to expire 6-30-2014. Mr. Hirokawa has served on the interim board and will bring unique perspective, experience, and

302 California Avenue, Suite 209, Wahiawa, Hawai'i 96786
Post Office Box 26389, Honolulu, Hawai'i 96825-6389
Phone (808)622-2655; Facsimile (808) 622-5599

knowledge of the health care market and the Affordable Care Act to the Board of Directors. HCFH has no conflict of interest concerns with Mr. Hirokawa's appointment.

GM 643 Gubernatorial Nominee, CLEMENTINA CERIA-ULEP, for a term to expire 6-30-2014. Ms. Ceria-Ulep brings a wealth of experience and knowledge of health care and health care issues to the Board of Directors. Through the many ways she has served the community, and the many roles in which she has served, she has accumulated important contacts that will help the Board of Directors formulate and implement effective outreach measures to reach the uninsured and underinsured. HCFH has no conflict of interest concerns with Ms. Ceria-Ulep's appointment.

GM 626 Gubernatorial Nominee, MICHAEL GLEASON, for a term to expire 6-30-2015. Mr. Gleason also brings a wealth of knowledge and experience it will be helpful for the Board of Directors to have, as well as community contacts that will help with implementing effective outreach. HCFH has no conflict of interest concerns with Mr. Gleason's appointment.

- The Hawaii Coalition for Health opposes confirmation to the Board of Directors of the Hawai'i Health Connector of the following Gubernatorial nominees:

GM 624 Gubernatorial Nominee, JOAN DANIELEY, for a term to expire 6-30-2015. Ms. Danieley would be a fine candidate for many types of appointment, but not for the Connector Board of Directors. Ms. Danieley has an employment relationship with Hawaii's second largest commercial health insurer, an insurer which has a financial interest in the \$300 million uninsured market. The DHHS Center for Consumer Information & Insurance Oversight has issued guidance on the exchanges stating that the exchange is a change-agent, intended to reduce insurance rates and increase competition, to empower consumers, and to provide small businesses with the same purchasing power their large business competitors have. Kaiser has no interest in increasing competition, and a strong interest in maintaining the status quo in rates instead of seeing them reduced through increased competition. Even if Kaiser was inclined to see those changes come about, it would unduly risk retaliation from its large business clients. It simply would not be smart business for Kaiser to assist the Connector in realizing the goals of the Affordable Care Act. Ms. Danieley therefore has hopelessly irreconcilable conflicts of interest and HCFH must strongly oppose her confirmation.

GM 625 Gubernatorial Nominee, JENNIFER DIESMAN, for a term to expire 6-30-2014. HCFH has frequent dealings with HMSA on behalf of patients seeking coverage of medical procedures, and we appreciate the working relationship that we have. Our opposition to Ms. Diesman's appointment is no reflection on her or HMSA. HMSA makes many fine contributions to the community, and Ms. Diesman would be a fine candidate for many types of appointment, but not for the Connector Board of Directors. Ms. Diesman has an employment relationship with Hawaii's largest commercial health insurer, an insurer which has a very large financial interest in the \$300 million uninsured market. The DHHS Center for Consumer Information & Insurance Oversight has issued guidance on the exchanges stating that the exchange is a change-agent, intended to reduce insurance rates and increase competition, to empower consumers, and to provide small businesses with the same purchasing power their large business competitors have. HMSA has no interest in increasing competition, and a strong

interest in maintaining the status quo in rates instead of seeing them reduced through increased competition. Even if HMSA was inclined to see those changes come about, it would unduly risk retaliation from its large business clients. It simply would not be smart business for HMSA to assist the Connector in realizing the goals of the Affordable Care Act. Ms. Diesman should not be put in the position of having to choose between her employer's interests and the interests of small businesses and consumers. Service on the Connector Board of Directors requires complete fidelity to the interests of consumers and small businesses to increased competition and lower rates. Ms. Diesman therefore has hopelessly irreconcilable conflicts of interest and HCFH regrettably must strongly oppose her confirmation.

GM 628 Gubernatorial Nominee, FAYE KURREN, for a term to expire 6-30-2014. Ms. Kurren would be a fine candidate for many types of appointment, but not for the Connector Board of Directors. Ms. Kurren has an employment relationship with Hawaii's largest dental insurer, an insurer which has a financial interest in the \$300 million uninsured market. The DHHS Center for Consumer Information & Insurance Oversight has issued guidance on the exchanges stating that the exchange is a change-agent, intended to reduce insurance rates and increase competition, to empower consumers, and to provide small businesses with the same purchasing power their large business competitors have. HDS has no interest in increasing competition, and a strong interest in maintaining the status quo in rates instead of seeing them reduced through increased competition. Even if HDS was inclined to see those changes come about, it would unduly risk retaliation from its large business clients. It simply would not be smart business for HDS to assist the Connector in realizing the goals of the Affordable Care Act. Ms. Kurren therefore has hopelessly irreconcilable conflicts of interest and HCFH must strongly oppose her confirmation.

The Hawaii Coalition for Health takes no position on confirmation to the Board of Directors of the Hawai'i Health Connector of the following Gubernatorial nominees:

GM 618 Gubernatorial Nominee, SHERRY MENOR-MCNAMARA, for a term to expire 6-30-2015.

GM 621 Gubernatorial Nominee, CLIFFORD ALAKAI, for a term to expire 6-30-2016.

GM 622 Gubernatorial Nominee, GWEN RULONA, for a term to expire 6-30-2014.

GM 623 Gubernatorial Nominee, CHRISTINE SAKUDA, for a term to expire 6-30-2015.

Aloha and thank you for your efforts on behalf of Hawaii's health care insurance consumers,

Hawaii Coalition for Health

by Rafael del Castillo