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GORDON I. ITO
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TO THE HOUSE COMMITTEE ON HEALTH

**TWENTY-SIXTH LEGISLATURE
Regular Session of 2012**

**Friday, February 3, 2012
9:00 a.m.**

TESTIMONY ON HOUSE BILL NO. 2817 – RELATING TO HEALTH INSURANCE

**TO THE HONORABLE RYAN I. YAMANE, CHAIR, AND MEMBERS OF THE
COMMITTEE:**

My name is Gordon Ito, State Insurance Commissioner ("Commissioner"), testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department supports this bill.

The purpose of this bill is to extend the guaranteed issue for sole proprietor program for another year under Act 120 (SLH 2008) so that it meets up with the implementation of guaranteed issuance under the Affordable Care Act in 2014. We believe that sole proprietors are benefitting from the program and that it should be extended.

We thank this Committee for the opportunity to present testimony on this matter.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 3, 2012

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

House Committee on Health

Re: HB 2817 – Relating to Health Insurance

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 2817. This Bill will extend until March 23, 2014, the requirement that health plans offer insurance coverage for sole proprietors.

In compliance with the federal Affordable Care Act, this Legislature established the Hawaii Health Connector (Connector) last year as Hawaii's health insurance exchange. The Connector is working to meet the mandated January 1, 2014, deadline to be fully operational with the capability to offer health plans for individuals and small businesses of one to 50 employees. This measure simply provides an extension of the sole proprietor coverage until sole proprietors are capable of acquiring coverage through the Connector.

Thank you for allowing us to testify in support of HB 2817.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal stroke extending to the right.

Jennifer Diesman
Vice President
Government Relations



**Testimony to the House Committee on Health
Friday, February 3, 2012 at 9:00 a.m.
Conference Room 329, State Capitol**

RE: HOUSE BILL NO. 2817 RELATING TO HEALTH INSURANCE

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

The Chamber of Commerce of Hawaii ("The Chamber") supports the intent of HB 2817 relating to Health Insurance.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 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 extends Act 120, Session Laws of Hawaii 2008, which required group health issuers to offer small group health plans to self-employed individuals who are licensed by the department of commerce and consumer affairs and are located in the group issuer's service areas. It authorized the insurance commissioner to exempt certain group health plans based on specified criteria, and allows limits on timing of enrollment and reenrollment to control adverse selection and plan costs.

Providing adequate and quality health care is essential in producing a healthy population and economy. Providing an opportunity for self-employed individuals to obtain health insurance is a critical component of this objective.

In 2008, the Chamber supported the intent of the bill, but expressed that we had concerns about the potential unintended consequences of this measure. One of the concerns was the increases in premium costs due to adverse selection.

However, if within the time the law came into effect to now, the law did not have an adverse impact on businesses, then we ask the measure be passed for further discussion. Thank you for the opportunity to submit testimony.