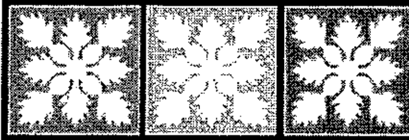

Hawaii Association of Health Plans

April 2, 2012

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair
House Committee on Finance

Re: SB 2434 SD1 HD2 – Relating to the Hawaii Health Insurance Exchange

Dear Chair Oshiro, Vice Chair Lee, and Members of the Committee:

My name is Richard Jackson and I am chair of the Public Policy Committee of the Hawaii Association of Health Plans (HAHP). HAHP is a non-profit organization consisting of eight (8) member organizations: AlohaCare, HMAA, HMSA, HWMG, Kaiser Permanente, MDX Hawai'i, UHA, and UnitedHealthcare. Our mission is to promote initiatives aimed at improving the overall health of Hawaii. HAHP is also active participants in the legislative process. Before providing any testimony, all HAHP member organizations must be in unanimous agreement of the statement or position.

We appreciate the opportunity to provide testimony of our concerns with SB 2434 SD1 HD2, which relates to the creation of the Hawaii Health Connector (HHC), Hawaii's Health Insurance Exchange. HAHP supports the objective of the Affordable Care Act (ACA) and believes that it is essential that Hawaii follows the stated federal regulations in order to successfully implement the mandatory Exchange.

SB 2434 SD1 HD2 specifically removes health plans as voting members of the HHC Board of Directors, which HAHP <u>opposes</u> for good reasons. In order to ensure a Board with the most expertise for implementing the Exchange, the ACA requires that the governing board have members with "relevant experience" in such health care issues as health benefits administration, health care finance, health plan purchasing, and health policy issues related to the small group and individual markets and the uninsured.

The newly released federal regulations do not dissuade health plan representation on the Board of Directors, but instead provides that the structure of the Board shall be "not made up of a majority of voting representatives with a conflict of interest, including representatives of health insurance issuers or agents or brokers, or any other individual licensed to sell health insurance." It also states that the governing board must have at least one consumer representative. The current HHC Board meets all requirements mandated by the ACA and state statute.

In order to encourage transparency and equality, the Board of Directors has drafted a conflict of interest policy which is required by both ACA regulations and the current statute. Also, the current statute states that the decision of which health plans be offered in the Exchange fall under the jurisdiction of the Insurance Commissioner, and not the Board.

HAHP does support other provisions of the legislation which reflect the recommendations for the Exchange offered by the Interim Board of Directors. HAHP believes that in order to best serve consumers, both individual and small group markets should be offered within a single Exchange and each insurer that participates in the Exchange should be required to offer qualified plans to all State residents. We believe that these guidelines, along with the other recommendations of the Interim Board, will ultimately help ensure broader access to care and greater insurance coverage for all people of Hawaii.

Thank you for allowing us to voice our concerns over SB 2434 SD1 HD2 today.

Sincerely,

Richard Jackson
Chair, Public Policy Committee

HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro, Chair

Conference Room 308
April 2, 2012 at 5:00 p.m. (Agenda #4)

Commenting on SB 2434 SD 1 HD 2: Relating to the Hawaii Health Insurance Exchange.

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. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 40,000 people. Thank you for this opportunity to comment on SB 2434 SD 1 HD 2, which, among other things, restructures the permanent Board of Directors of the Hawaii Health Connector.

The Hawaii Health Connector will perform a critical role in health care reform that is being driven by the federal Affordable Care Act (ACA). An interim board was established by Act 205, SLH 2011, to recommend policies and procedures to define and operate the Hawaii Health Connector. The interim board included representatives of a hospital trade association, a native Hawaiian health care organization, and an organization representing federally qualified health care centers. The interim board worked well to establish the parameters for the operation of the Hawaii Health Connector. Yet representation from these three groups is excluded from the permanent board.

From the specific perspective of the Healthcare Association of Hawaii, we represent hospitals, long term care facilities, home care, hospice and durable medical goods providers. As such, we also represent the patients served by these organizations. These patients include employees of Hawaii businesses, self-employed people, and the unemployed; they include insured and uninsured people; they include native Hawaiians and immigrants. Many are likely to use the Hawaii Health Connector to access insurance coverage. As such, we support retaining representation of a hospital trade association on the permanent board. Since the permanent board should have a comprehensive understanding of the complex health care environment, we also support including representation from a native Hawaiian health care organization and an organization representing federally qualified health care centers.

Thank you for the opportunity to comment on SB 2434 SD 1 HD 2.

Hawaii's Voice for a Better Future

SB2434
FIN
Monday, April 2, 2012
5:00 p.m.
Room 308

COMMITTEE ON FINANCE
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

April 1, 2012

Re: SB2434 — Relating to the Hawaii Health Insurance Exchange

In Support and Proposing Amendments for Consumer Protection

Rep. Oshiro, Rep. Lee and members of the Committee:

From earlier testimony and extensive press coverage, I believe that Committee members are already familiar with the community position on the establishment and operational controversies related to both the interim and permanent board of the Hawaii Health Connector.

Accordingly, I will summarize Kokua Council's position with a series of bullet points:

- Health insurers or their employees or subcontractors should not be voting members of the organization that will establish the rules and procedures affecting their own profit. A more clear conflict of interest would be hard to imagine. Since the ability to consult with insurers is valuable, any and all insurers (not just the largest) should be allowed to serve on an advisory panel.

- For the above and related reasons, 21 states either have passed or are considering legislation to prohibit health insurers from serving on Connector boards. Hawaii should do the same.

- There does not appear to be sufficient reason to bar providers from serving on the board, except for those contracted to advise insurers or their boards, or those employed by insurers. Barring providers (as in the current draft bill) but allowing insurers seems counter to the public interest.

- Kokua Council supports the language in the current draft placing the HHC under similar requirements as would the state's Sunshine Law. Much better would be to re-constitute the HHC as a quasi-governmental organization. Hawaii is the only state to have set up the Connector as a fully-independent non-profit. Claims by some in the press that this is not the case appear to be inaccurate. The HHC is and behaves exactly like an independent non-profit, unimpeded by state ethics laws, Sunshine laws, and not under the control of the Hawaii state government nor responsible to citizens. The only way to fully protect the public interest is to bring the HHC back into the state government.

I have faith that the citizens of Hawaii will continue to enjoy superior health benefits as we move, along with other states, towards implementing the coverage mandated by the federal Affordable Care Act. This will only be assured, however, if the Legislature allows the consumer protections built into the federal Act to be reflected in Hawaii law. At present, this is not the case. There is also a question of economics--if the HHC implements a split insurance pool, costs for the least able to pay and to the state will increase. But a split pool favors insurers, and so the issue is representative of the inherent conflict of interest of allowing insurers to participate in these healthcare decisions.

One can look at California's law, already in effect, as an example for Hawaii. It is very much the opposite of what Hawaii is doing.

I urge the Finance Committee to heed the call to make the fundamental and necessary changes in this bill in order to provide the best outcomes for everyone in Hawaii. Don't worry too much about the largest insurers, they will do ok with the proposed changes in this bill.

Larry Geller
President, Kokua Council

The **Kokua Council** is one of Hawaii's oldest advocacy groups. Kokua Council seeks to empower seniors and other concerned citizens to be effective advocates in shaping the future and well-being of our community, with particular attention to those needing help in advocating for themselves. "We embrace diversity and extend a special invitation to any senior or intergenerational minded individual interested in advocating for these important issues in Hawaii."

Faith Action for

Community Equity
Oahu and Maui Chapters

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The Rev. Sam Domingo
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The Rt. Rev. Monsignor
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Rev. Kerry Grogan
Statewide Secretary

Mr. Drew Astolfi
Executive Director

Mr. Patrick Zukemura
Oahu Lead Organizer

COMMITTEE ON FINANCE
Chair, Representative Marcus Oshiro
SB2434, SD1, HB 2
RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE

IN SUPPORT

Good morning Chair Oshiro and committee members:

I am Rev. Bob Nakata and I am the Vice-Chair of the FACE Health Care Committee and its past President. FACE is the largest State inter-faith and community organizing non-profit. We have 24 institutions on Maui, 27 on Oahu and one statewide. There are 38 churches, a Buddhist Temple, 2 Jewish congregations, 10 community groups and non-profit organizations and one labor union. FACE has a statewide participating membership base in excess of 40,000.

FACE has been a steadfast voice of the vulnerable healthcare consumer population. We have also been a part of the reform of the national healthcare in the development of the ACA. This reform also brings with it a system that focus on patients and their wellness. According to the Department of Health and Human Services (HHS) in the summary of the ACA it says in part***..."The Exchanges will provide competitive marketplaces for individuals and small employers to directly compare available private health insurance options on the basis of price, quality, and other factors. The Exchanges, which will become operational by January 1, 2014, will help enhance competition in the health insurance market, improve choice of affordable health insurance, and give small business the same purchasing clout as large businesses".***

FACE supports this bill as it will:

1) Require an actuary study before a decision is made on a separate or combined risk pooling. FACE agrees that the Hawaii Health Connector (HHC), the legislature, the consumer and small businesses require the actuarial data to make a decision on the risk pool that is correct for the State of Hawaii.

2) FACE supports the establishment of a navigator program that opens the program to all mechanisms for a complete community and stakeholder outreach and assistance excluding insurance producers and insurance brokers.

3) FACE supports all forms of open meetings especially decision on healthcare for our most at risk vulnerable population. The decision to establish the HHC as a private, non-profit entity by statute has been determined, but the requirement of openness and statutory sunshine for this private, non-profit is imperative to develop a two-way documented, open dialog that will be required by meeting notices and detailed minutes. This is a must to give the public assurances of transparency, protections of potential conflicts of interest and encouragement for public input.

4) FACE supports the need for the Executive Committee meetings in this private, non-profit, but also agrees with the language in this bill that these executive committee meetings must only be a last resort to protect the specific issues a spelled out in this bill.

5) FACE acknowledges that the information and knowledge that has been and could be provided by the provider and insurer community is invaluable. However, more important is the appearance that the HHC board is free from potential conflict of interest and there is a high level of transparency of voting board members that will be made up of small businesses, consumers and other stakeholders that are required by the ACA and as provided by this bill.

This bill allows for sunshine, and a board that is made up of representative of the consumers and small businesses while giving the HHC board the flexibility to access knowledge and information from the provider and insurer community as advisors. This is necessary for the HHC board to make the right decisions to create health care access for those whose voice and representation has been unrepresented.

FACE would like to respectfully ask this committee to pass this measure. The public has been slow to engage in this discussion due to its complicated nature, but now that the public is aware of these important decisions, it is requested that this bill be passed.

Rev. Bob Nakata
Vice-Chair
FACE Healthcare Committee

April 1, 2012
TWENTY-SIXTH LEGISLATURE
Regular Session of 2012

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

To: House Committee on Finance
The Hon. Marcus R. Oshiro, Chair
The Hon. Marilyn B. Lee, Vice Chair

Hearing: April 2, 2012, 5:00 p.m. Conference Room 308

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

The Hawaii Coalition for Health is celebrating 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 access to health care 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.

HCFH supports SB 2434 SD1 HD2, which has evolved into a pro-consumer bill the Finance Committee can be proud of reporting out to the floor, for the following reasons:

The mandatory establishment of insurance exchanges, which is an essential component of the Patient Protection and Affordable Care Act, is a "change-agent" of immense proportions because it has the capacity to break the insurance/big business hegemony which imposes an otherwise insurmountable disadvantage on our small businesses in competing with large multinationals. HCFH estimates that the initial size of the market the Connector is required to serve will exceed $300 million annually, and that the market has the potential to grow from those beginnings substantially. The exchange can bring increased competition with resulting

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lower rates to Hawaii's insurance market, but obviously not if it is governed by the insurers whose interests are inapposite to increasing competition and lowering their rates. In fact, the Center for Consumer Information and Insurance Oversight, which was created within the U.S. Department of Health and Human Services to oversee, among other things, the insurance exchanges, states on its website that the purpose of the exchanges is to increase competition and reduce rates for consumers at least 7-10%.

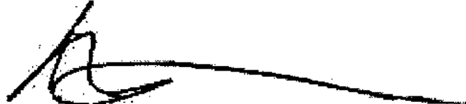
SB 2434, as it emerged from the Senate, SB 2434, codified a potentially injurious separation of risk pools between the users of the Connector. HD2 strikes that provision and requires an evaluation to determine if separating the risk pools for consumers and small businesses will really benefit either group. Certainly codifying separate risk pools without such a study was a precipitous step, and had the potential to perpetually entrench higher premiums for consumers and small businesses. Hawaii's market is already segmented. According to common wisdom, and the very purpose of the Affordable Care Act to spread risk across the entire nation, further segmenting Hawaii's market is not likely to benefit consumers. Certainly Hawaii's unique health insurance market mandates that we study the issue before irrevocably committing the Connector to that plan.

The HCFH has worked for the past 16 years, sometimes in partnership and sometimes adversely, with Hawaii's health insurers to ensure access to quality care. It should go without saying that Hawaii's health insurers have a very powerful ability to influence our healthcare future, its affordability, and access. Insurers hold unique information and insight into the market, and, while HCFH disagrees with the direction they have taken it, they have contributed expertise to the implementation and design of the Connector that will hopefully prove beneficial in the long run. HCFH does not question the integrity of the individuals who have made contributions to the concept, but they are hopelessly conflicted both because they are employed by entities that have powerful vested interests in the direction of the exchange, but because they cannot reasonably be expected to share the point of view of consumers and small businesses, coming as they do from a big business background. The HD2 amendments preserve the availability of the expertise of <u>all</u> of Hawaii's health insurers without committing the Connector to their keeping with voting positions on the governing board. This is intelligent, pro-consumer design which this Committee should unanimously support and commend to this Legislature and the Governor.

The HD2 amendments furthermore mandate reasonable transparency measures for the Connector, which the Legislature established as a private, independent non-profit entity. The business of the Connector will be of immense public importance. Certainly this Committee is aware that all uninsured persons and all of those who may be eligible for MedQUEST will be directed through the Connector in meeting the federal individual mandate requirements. It is through the Connector that millions in federal subsidies will be distributed directly to the very health plans offering plans in the exchange. The State and the public, certainly all taxpayers, have a very strong interest in making certain that the Connector fulfills its purposes. HCFH maintains that the Connector should have been commended to the stewardship of a government agency, or at the very least, a truly quasi-governmental entity under the watchful eye of the Legislature and subject to Hawaii's Sunshine Laws. Inasmuch as the Connector has been committed, at least for the present, to a private and independent non-profit entity, the public's interest demands that the governing board and all operations of the Connector be conducted with the utmost candor and disclosure. As amended SB 2434 SB1 HD2 achieves a workable initial standard.

For all of the reasons stated, the Hawaii Coalition for Health **strongly supports** SB 2434 SD1 HD2 and urges all members of the House Committee on Finance to vote in favor of the Bill.

HAWAII COALITION FOR HEALTH



by Rafael del Castillo

Hawaii Coalition for Health, 302 California Ave., Suite 209, Wahiawa, Hawai`i 96786
Post Office Box 26389, Honolulu, Hawai`i 96825-6389

To: Committee on Finance
Representative Marcus R. Oshiro, Chair

Date: April 2, 2012, Conference Room 308, 5:00 p.m.

Re: **SB2434 , SD1, HD2 – RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE**

Chair Oshiro and Committee Members:

AARP is a membership organization of people 50 and older with nearly 150,000 members in Hawaii. We are committed to championing access to affordable, quality health care for all generations, providing the tools needed to save for retirement, and serving as a reliable information source on issues critical to Americans age 50+.

AARP **supports** SB2434, SD1 HD2 which requires the Hawaii Health Connector to conduct an assessment before establishing a program to serve the individual and the small group markets; establishes a navigator program; clarifies the conduct of board meetings; establishes staggered terms for board members and clarifies board composition; and clarifies the role of DHS in determining Medicaid eligibility. We are providing the following comments for clarification:

Conflict of Interest
AARP appreciates and supports the bill's amendment to Chapter 435H-4 (b), Hawaii Revised Statutes, by the House Committee on Consumer Protection and Commerce, that provided that insurers on the Connector board may serve only in an advisory capacity and shall be non-voting members, as it addresses conflict of interest and consumer protection issues. It is good public policy and the consumer is best served by this amendment. Board members who represent insurers should not be allowed to vote on board matters, as the insurers they represent will stand to gain financially by board policy and decisions.

The Hawaii Health Connector will be responsible for setting up a health plan marketplace for approximately 100,000 residents without health insurance. This represents approximately $300 million of new income for insurers. As consumers will be purchasing health coverage through this Connector it is critical that consumers be protected from any financial conflict of interest resulting from decisions made by the Connector board. This conflict of interest is inherent when a Connector board member is employed by an insurer. There are competing interests and loyalties, regardless of the personal integrity of the board member employed by an insurer. A health insurer employee has the duty and responsibility to contribute to achieving the highest premiums and profits possible for its employer. This is in direct conflict with the consumer interest in obtaining insurance at the lowest possible rates.

Open-Meeting Requirements
AARP supports the bill's amendment to Chapter 435H, Hawaii Revised Statutes, that added new section Chapter 435H-C, relating to open meetings; board of directors; notices; agenda. This provision is necessary as the Office of Information Practices (OIP) in its March 22, 2012 Memorandum Opinion stated that the Interim Connector Board is not subject to the requirements of the Sunshine Law. The OIP Memorandum Opinion states: "It is clear from a plain reading of

Chapter435H, HRS, that the Connector is a nonprofit entity and not part of State government. It is undisputed that the Connector's board of directors is not a board subject to the Sunshine Law."

AARP believes that the function of the Hawaii Health Insurance Exchange is of such significance, and since it is receiving approximately $15 million in taxpayer dollars for its development, that transparency of board meetings and actions, and public disclosure of board reports and minutes in accordance with open meeting requirements such as the Sunshine Law would provide the consumer with assurance that there is no specter of any conflict of interests, real or perceived. This would also provide a level playing field for insurers to compete.

Risk Pools
AARP supports the amendment to Chapter 435H, Hawaii Revised Statutes, that added new section Chapter 434H-A, relating to Risk pools; assessment. This amendment requires that the Connector conduct an assessment to determine the quality and of basic health plans and the financial impact if risk pools for the individual and small group markets are separated or combined. Separating the two programs would mean fewer individuals over which to spread the costs and risk. If the two programs were merged it would allow for costs to be spread to more participants; especially since these risk pools are relatively small, as the Hawaii Prepaid Health Care Act covers over 90% of all Hawaii residents.

Establishing the Connector Board as a State Agency
AARP recommends that the Connector Board be established as a State agency or quasi-governmental entity in order to make the Connector board subject to state Sunshine Law requirements.

Chapter 435H-2, Hawaii Revised Statutes, specifies that: "The Connector shall not be an agency of the State and shall not be subject to laws or rules regulating rulemaking, public employment, or public procurement. The connector shall be a Hawaii nonprofit corporation organized and governed pursuant to chapter 414D, the Hawaii nonprofit corporation act." To date, Hawaii is the only state that has created a health insurance exchange as a private, nonprofit corporation.

Because of the Connector Board's status as a nonprofit corporation, consumer groups have experienced difficulty in obtaining board documents, and information and responses to inquiries related to deliberations and decisions. In fact, the Connector Board's legal counsel makes a distinction between board members and members of the public. In communication to the Connector's Executive Director regarding any obligation to provide documents requested by a non-board member, its legal counsel indicated that: "Neither you nor any member of the Connector is obligated to respond to her questions or accede to her demands regarding documents and the like. She is entitled to the same treatment afforded any other member of the public."

Because of the Connector Board's status as a nonprofit corporation, the Connector's legal counsel has indicated that: "We acknowledge the directive under ACA that public and other stakeholder input and discussion be facilitated and sought out. We believe that the Connector Board and staff has met and continues to meet its legal obligations to so." In other words, because of the Connector Board's status as a nonprofit corporation, they can hide behind the rationale that they have met statutory requirements, which do not subject the Connector to Sunshine and other applicable State laws.

Thank you for the opportunity to testify.

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Monday, April 2, 2012

To: The Honorable Marcus R. Oshiro
Chair, House Committee on Finance

From: 'Ohana Health Plan

Re: Senate Bill 2434, Senate Draft 1, House Draft 2-Relating to the Hawaii Health Insurance Exchange

Hearing: Monday, April 2, 2012, 5:00 p.m.
Hawai'i State Capitol, Room 308

'Ohana Health Plan is managed by a local team of experienced health care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.6 million Medicaid and Medicare members nationwide. 'Ohana has been able to take WellCare's national experience and that of our local team to develop an 'Ohana care model that addresses local members' health care, long-term care and care coordination needs.

We appreciate this opportunity to submit these comments on Senate Bill 2434, Senate Draft 1, House Draft 2-Relating to the Hawaii Health Insurance Exchange. The purpose of this measure is to specify that the Hawaii Health Connector establish a separate program and risk pool to serve the individual market and a separate program and risk pool to serve the small group market, establish staggered terms for board members, clarify qualifications of and restrictions on navigators, and to clarify the role of the Department of Human Services in determining Medicaid eligibility.

'Ohana Health Plan has concerns with this latest draft of the bill as it has removed all health plan insurers and providers as voting members of the Board. We are concerned that it may go against the intent of the final rules that were released by the U.S. Department of Health and Human Services which states that "majority of voting members have relevant health care experience." We recommend that the committee consider amending the measure to restore some of the health plan insurers and providers as voting members of the Connector Board.

We would also like to take this opportunity to encourage the Committee to consider amending the bill to include authorizing language for a Basic Health Plan (BHP) option so as to give the Administration and the Connector Board the statutory ability to move forward with a BHP should they choose to do so.

The inclusion of a BHP in the Health Insurance Exchange will offer a high-quality, cost-effective mechanism for providing health coverage for low-income populations. Individuals and families under 200% of poverty frequently change jobs and often experience fluctuations in income. In the past, this meant that they churned, or moved back and forth, between public coverage like Medicaid and CHIP and uninsured status. Since BHP health plans can and should be designed to coordinate seamlessly with Medicaid and CHIP - using the same providers, rate schedules and health plans – BHP enrollees will be able to obtain uninterrupted care even if their source of coverage changes.

We would also recommend that Hawaii's BHP leverage its existing robust QUEST, QxEA and CHIP health plan community in order to allow families in which parents and children are eligible for varying affordability programs to maintain coverage in the same plan, rather than having parents and children divided between various coverage sources.

'Ohana would recommend that QUEST and QxEA plans be automatically deemed as approved BHP plans. Medicaid plans have significant experience serving low-income populations and contracting with essential community providers. Medicaid managed care plans are already subject to stringent licensing and certification processes that far exceed the minimum requirements set out in the Affordable Care Act to participate as a BHP provider. Deeming of QUEST plans will reduce the administrative burden on the state and facilitate rapid implementation. To further simplify BHP implementation, we recommend that Hawaii establish a BHP by amending existing Quest, QxEA and CHIP managed care contracts. Building upon these existing infrastructures, BHP becomes a "turnkey" start-up, thus reducing administrative costs and improving seamless coordination with other programs.

Thank you for this opportunity to comment on Senate Bill 2434, Senate Draft 1, House Draft 2-Relating to the Hawaii Health Insurance Exchange.

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MAILING ADDRESS
PO. Box 617
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March 31, 2012

TO: Chair Marcus Oshiro, Vice Chair Marilyn Lee
Members of the House Committee on Finance

FROM: Americans for Democratic Action/Hawaii
Barbara Polk, Legislative Chair

SUBJECT: SUPPORT FOR SB 2434 SD1 HD2 RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE

Americans for Democratic Action/Hawii is pleased to support the HD2 of this bill. We have been very concerned about several matters in the bill as originally submitted.

In Section 1 of HD2, we are pleased that the current draft requires reconsideration and a careful analysis of the impact of separate risk pools for individuals and small businesses vs. a single pool. We believe the direction the Interim Board of the Health Connector had chosen is likely to result in higher than necessary rates for individuals and possibly also for small businesses.

We also strongly support the HD2's inclusion of wording requiring the Board to follow provisions currently found in the sunshine law, since OIP has ruled that as an independent, non-profit, the Board is not required to follow this law. It is not appropriate that a Board with such major public responsibility be permitted to develop its own policies in this area.

In Section 2, we believe that it is necessary to define "Consumer" given the changes in the composition of the Board included in Section 3. We would suggest it include individuals who would be exchange users and representatives of organizations that advocate for disadvantaged groups likely to be insured through the Connector. (Note, Section 3 already reserves a spot for one employer.)

In Section 3, we support HD2's expansion of representation of consumers on the Board of the Hawaii Health Connector. To date, there has been little opportunity for consumer input to the Board. In fact, only hours after promising in a Senate hearing that they would expand access to the Board for consumers, the interim Board rejected a proposal for a broadly representative consumer committee that would report to the Board as recommended by its own Community Outreach Committee.

Finally, although the changes made in HD 2 are positive, we are concerned that the decision of the legislature last year to establish the Hawaii Health Insurance Exchange Board as an independent non-profiit was a serious error. No other state has done so. Colorado, the only other state to set up their Board as a non-profit has not exempted it from state ethics and open government provisions and has instituted a ten-person review committee to oversee the Board. We urge the legislature to consider such a

review committee, or, better yet, place the entire operation under the Department of Health as a governmental entity, rather than as an independent non-profit.

HPCA

HAWAI'I PRIMARY CARE ASSOCIATION

House Committee on Finance
The Hon. Marcus R. Oshiro, Chair
The Hon. Marilyn B. Lee, Vice Chair

Testimony in Support of SB 2434, SD1, HD2

Relating to the Hawai'i Health Insurance Exchange
Submitted by Nani Medeiros, Policy and Public Affairs Director
April 2, 2012, 5:00 pm, Conference Room 308

The Hawai'i Primary Care Association, representing community health centers in Hawai'i **supports**, SB 2434, SD1, HD2, relating to the Hawai'i Health Insurance Exchange. This bill is a significant departure from previous reiterations of the measure and we would like to offer our comments and support for six different aspects of the bill as currently written.

1.) SB 2434, SD1, HD2 calls for an evaluation of the financial impact upon consumers if the risk pools housed within the exchange are separated or combined. We support such an evaluation, but would like to point out that many such studies have already been conducted, most notably by the Massachusetts Insurance Exchange, and *Health Affairs*, 31, no.2 (2012):290-298.

In Massachusetts, the state went to great lengths to ensure the individual and small market options were together in the form of a single pool. As a result of keeping the risk pools combined, rates for small business increased nominally while premiums for individuals decreased significantly. The Health Affairs study found that individual consumers saved on average 10% ($600) while small employers saw no increase in their costs.

Insurance exchanges rely on a large number of consumers to minimize the associated risk for all purchasers. Already the State of Hawai'i is at a disadvantage in this regard because the Prepaid Healthcare Act covers such a large percentage of working individuals (a point highlighted by Herb Schultz, Regional Director HHS Region IX.) If the exchange were to be further parsed into individual and small market options, the smaller pools would be much more susceptible to associated risk. This susceptibility simultaneously reduces the consumer's purchasing leverage and enhances the bargaining power of insurers. Such a situation would stand in stark contradiction to the legislative intent of ACA in creating insurance exchanges: to support consumers and small businesses. Studying the affects of a separated or combined risk pool is in the best interest of the state and our consumers.

2.) HPCA has consistently opposed limiting exchange navigators to non-profit organizations. Requiring that navigators be nonprofit entities under Chapter 414D, Hawai'i Revised Statutes, is a far more narrow definition than allowed under the federal Affordable Care Act (ACA).

The ACA allows eligible entities to include trade, industry, professional associations, commercial fishing industry organizations, ranching and farming organizations, community and consumer-focused nonprofit groups, chambers of commerce, unions, resource partners of the Small Business Administration, other licensed insurance agents and brokers, and other entities capable of carrying out the required duties and can meet required standards and provide required information. Limiting navigators to nonprofits may significantly reduce the number of effective navigators in Hawai'i, in addition to preventing qualified people from providing a necessary service.

The HPCA strongly supports the House Draft 2 language, which removes limitations on entities eligible to serve as exchange navigators.

3.) Newly inserted language under §435-H-A states "...the connector shall conduct an assessment to determine the quality of basic health plans offered..." The HPCA would like to offer both a clarifying comment and a comment of support to this language.

First, the language written here should read "...the connector shall conduct an assessment to determine the quality of **qualified** health plans offered..."

Second, the reason for such a distinction is important in that the Basic Health Plan (not to be confused with Hawai'i's Basic Health Hawai'i Plan for COFA migrants) is a federally funded Medicaid-like program authorized in the ACA that is targeted at individuals and families earning between 133-200% of the federal poverty level (FPL). This is the same income demographic that will lose their Medicaid insurance in Hawai'i on April 1, 2012. The Basic Health Plan operates with the federal government automatically providing states with 95% of the funding they would have provided in tax breaks and subsidies for those individuals purchasing health insurance through the exchange. States then disseminate those funds, often time incurring a savings in the process.

The Basic Health Plan is an opportunity to provide health care to a greater number of low-income people, while affording significant savings to both the state and consumer. Therefore, the HPCA recommends amending language to replace "basic" with "qualified" and adding new language that the connector offer and determine eligibility for the basic health plan.

4.) The HPCA has voiced concerns about the makeup of the connector board.

The HPCA understands and respects the contributions that health plans and their employees have made in the effort to stand up a health insurance exchange in Hawai'i. Their experience and expertise on insurance matters is invaluable and should be included in a fair, appropriate and unbiased manner as the connector establishment process moves forward. We have serious qualms over allowing health plans, their employees, or subcontractors, to be voting members of a health

insurance exchange board that will: develop health benefit plans; certify qualified health plans; approve premium increases for plans in, or entering, the exchange; have access to the data of health plans applying to be offered in the exchange; influence the setting of premium/plan rates; develop and operate a navigator program; assess user fees/taxes on health plans or consumers; and conduct business in which the plan has a direct financial interest.

Exchanges were established to support consumers and small businesses access to quality, affordable health insurance. A health plan may not necessarily act in the best interest of the consumer or the state if they have profitable interests tied to their voting actions. Currently, twenty-one states have either passed or are considering language prohibiting health plan inclusion on exchange boards; seven have prohibited it.

HPCA disagrees with the previous committee's decision to remove healthcare providers (their employees, contractors, subcontractors etc.) for conflict of interest purposes. Healthcare providers do not set payment rates, will not be receiving tax credits directly from the federal government based on exchange consumer/small employer enrollees, and have no direct fiscal stake in the business of an insurance exchange. Further, this bill has passed through both houses of the legislature without a single piece of testimony raising the issue of provider conflict of interest. Similarly, the federal final regulations issued by HHS two weeks ago make no mention of providers as a conflicted parties on boards of exchanges; in contrast they identify insurance plans as conflicted parties that while allowed on boards, may not make up a majority of board membership. If this committee retains language in the House Draft 2 to remove providers as voting members of the connector board, we suggest a definition of "insurer" be added to this bill which is on par, and equivalent to, the definition of "provider."

5.) The HPCA strongly supports the mandate that the connector shall keep full and accurate minutes that reflect the discussions held by the board. It also supports that these minutes must be able made available in a timely manner. It is our finding that previous attempts to keep an accurate written record of meeting occurrences have fallen woefully short and we support any measure to strengthen that effort.

6.) Finally, as an representative organization of community centers, which operate to provide quality healthcare to underserved populations, it is of paramount importance to us that consumer needs and concerns be heard, considered, and addressed in a timely manner. The HPCA strongly supports that all exchange meetings be open to the public, and especially supports the statement that:

> The board shall afford all interested persons an opportunity to submit data, views, or arguments in writing on any item listed on the agenda. The board shall also afford all interested persons an opportunity to present oral testimony on any agenda item; provided that the board may adopt rules to allow for the reasonable administration of oral testimony.

Prior to this point, public input and the voice of consumers has been minimal at best. When such input has been solicited, it has been as a single agenda item at the end of meetings, often

performed under a time shortage. In order for public input to truly be of substance, it must be as part of the topical conversation and not merely as an afterthought.

Additionally, the combination of the last two points, along with the stronger requirements for notifications of meetings and various other provisions, will serve to bring the exchange in line with state Sunshine requirements. As an entity receiving considerable amounts of taxpayer dollars for infrastructure, start-up, and development, it is imperative that the exchange complies with such good governance practices, particularly if they are operating absent sunshine and oversight as a private, non-profit 501(c)(3).

In addition, the HPCA would like to point out that each of the issues listed above would best be addressed by revisiting the overall structural integrity of the Hawai'i Health Insurance Exchange. To date, Hawai'i is the only state in the country to have created an exchange as a private, non-profit organization. Since that time, the connector has acted in accordance with state non-profit law and not the federal Affordable Care Act. As a result, issues such as conflicts of interest, lack of Sunshine provisions and the minimization of consumer voices have been allowed to occur.

The answer to this quandary could best answered in one of two ways. First, if the state is insistent upon maintaining the exchange as a non-profit entity, it should be made into a quasi-governmental entity. States such as Colorado have achieved this by formulating a legislative committee comprised of subject matter committee chairs and various leadership positions to provide oversight and guidance to the non-profit. In this way, the exchange would have strong oversight provisions in place and be subject to state Sunshine jurisdiction. Second, the state could house the exchange in the DCCA (or some such state department) and make it a governmental entity. This too would provide stronger oversight provisions and subject the actions of the exchange to Sunshine provisions.

For these reasons the HPCA supports SB 2434 SD1 HD2, and urges the committee to consider our suggested amendments.

Thank you for the opportunity to testify.

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Committee on Finance
Rep. Marcus R. Oshiro, Chair, Rep. Marilyn B. Lee, Vice-Chair
Committee on Finance

Monday, April 2, 2012, 5:00 pm, Room 308
SB2434, SD1,HD1 — RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE

TESTIMONY
Janet Mason, Vice-President, League of Women Voters of Hawaii

Chair Oshrio, Vice Chair Lee and Committee Members:

The League of Women Voters of Hawaii supports SB2434, SD1, HD1, and we respectfully offer comments for your consideration.

SUMMARY OF PREVIOUS TESTIMONY ON SB2434

The League of Women Voters of Hawaii believes health insurers and health insurance producers (agents and brokers who sell health insurance) should be prohibited from serving on the Connector Board which sells its products or those of a competitor as outlined in SB2434, SD1, HD2 . We think insurers and insurance providers have important expertise to offer the Connector, but in a public advisory capacity only. We have also testified that consumer representation on the Board should be greatly strengthened; our specific suggestion was that five of the fifteen Board members should be independent health care consumers, as outlined in Section 3, b of SB2434.

We also previously testified that with respect to the design of the Connector, recommending that careful consideration should be given to establishing a single pooled market for the small group and individual sectors[1], and a single risk pool for this program. Whether this is a good design for Hawaii can only be determined with certainty after an actuarial analysis of the population expected to be served in the Connector, so we urge this be done as soon as possible. It will be the foundation for operating the Connector responsibly, and alternate designs should be reexamined regularly as a normal part of achieving the goals of ACA in Hawaii. As outlined in SB2434, SD1, HD1 we do think that qualified health plans must be required to offer a plan to both the small group and individual sectors; otherwise "cherry picking" the more profitable sector and ignoring the less profitable sector could occur.

Regarding the Navigator program, SB2434, SD1, HD1 correctly prohibits insurance producers and brokers from serving as navigators for the connector, since these parties play an active role in marketing exchange products. It is important to retain this prohibition as otherwise intolerable conflicts of interest would be permitted.

[1] "Nagao, Mark, "How Choices in Exchange Design for States Could affect Insurance Premiums and Levels of Coverage," Health Affairs, pp. 293-294.

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Finally, we have testified that the functions of the Hawaii health Connector are of such significance to the public that all of its business should be conducted in accordance with the Sunshine Law, §§ 92-1 to 92-13, and all Board members and employees should be subject to the State ethics law. These requirements are still missing from SB2434, SD1, HD1 and presumably this is because the Connector, unlike such Exchanges in almost all other states, is a private nonprofit exempt from these State laws.

PUBLIC FINANCE IMPLICATIONS

State governments have substantial latitude in how they implement various aspects of the Affordable Care Act (ACA). We have comments on four public policy issues: 1) consumer protection, 2) the Basic Health Plan option, 3) requirements for a self-sustaining Connector and 4) accountability.

Consumer Protection,

Consumers' Union surveys document the widely held perception that people dread shopping for health insurance. [2] In view of Hawaii's legacy as the 'health" State, its tradition of protecting consumers and the obvious financial implications to the State if we don't, we submit that it is the State, and not the nonprofit Connector, who should establish a quality rating system and other related standards for Connector health plans. Quality ratings should include affordability, provision of chronic care management and care coordination, and provision of interpretation and transportation assistance. How will the Connector be able to provide such assessments without a conflict of interest if Qualified Health Plan executives are currently members of the Board of the Connector?

Premium regulation for buyers deserves much emphasis. Hawaii's 2011 Act 205, which enabled the Federal ACA here, is not clear on whether the Exchange is to duplicate or replace the duties of the Insurance Commissioner. It simply states, "The commissioner, a member of the Board, shall retain full regulatory jurisdiction pursuant to the authority granted to the commissioner by part II of article 2 of chapter 431 over all insurers and qualified plans and qualified dental plans included in the Connector." Yet the Insurance Commissioner is only 1 of 15 Connector Board members. ***Can the Insurance Commissioner be outvoted on proposed rates for a Qualified Plan? This strikes at the core consumer protection of independent ratemaking.***

What happens to ratemaking *after* the Insurance Commissioner admits Qualified Plans to the Connector? The Federal ACA states that "Rate regulation for qualified plans and qualified dental plans included in the Connector shall be pursuant to applicable state-and Federal law." We think sorting out the respective roles in rate regulation is critical, and strongly urge the Legislature to pursue a legal clarification of this most important consumer protection. Is the Federal Government to share ratemaking responsibility with the nonprofit Connector? Is the State Insurance Commissioner to share ratemaking oversight with the nonprofit Connector? Some of this dilemma could be eliminated entirely if the Connector were not a separate nonprofit organization.

[2] What's behind the Door: Consumers' Difficulties Selecting Health Plans, ***Consumers Union***, Health Policy Brief, January 2012.

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A Basic Health Plan for Hawaii?

The Affordable Care Act contains a little known but potentially significant provision that would allow Hawaii to create a more affordable alternative to the health insurance Connector – the Basic Health Plan (BHP), a Medicaid-like insurance plan targeted at people with incomes between 133% and 200% of the federal poverty level. Legal immigrants who are not eligible for Medicaid could qualify for the BHP as well. Hawaii would contract with health plans or providers to create a managed care plan meeting essential health benefit requirements.

BHP would be state-run and federally-state financed, but this is important because the federal government foots such a large share of a BHP. If Hawaii decided to create a Basic Health Plan it would mostly likely contract with private Medicaid managed care organizations, but Hawaii could also adopt a fee-for-service reimbursement approach combined with primary care case management.

The League believes Hawaii should give the Basic Health Plan serious consideration, for both financial and policy reasons. We are still facing budget pressures at the same time that we are grappling with how to establish the Connector and update insurance and Medicaid administrative systems to meet requirements of the Affordable Care Act by 2014. The Basic Health Plan could offer a cost effective option distinct from the Connector for reducing the number of lower-income uninsured people. We have options, but ***the League suggests these options are best evaluated by the State itself (not the Connector),*** under the oversight of the Department of Human Services and the Insurance Commissioner. A careful independent analysis is best in the long run.

It's possible the Basic Health Plan could repurpose federal Connector funds and help to shore up the State Medicaid program by infusing money into Medicaid provider networks and reducing member turnover. To finance the BHP, Hawaii would receive 95% of the federal money that otherwise would have been spent on premium and cost-sharing subsidies for the target population in the Connector. One estimate suggests that states would save up to $1,000 per member annually based on the lower rates charged by Medicaid providers if they are able to access Medicaid provider network discounts for BHP participants. [3] The formula for Federal subsidies to such a BHP is not set yet, to our knowledge, and understandably Hawaii would want to minimize the risk that the cost of providing benefits under Basic Health may exceed the federal funding we receive.

We do not know how many people in Hawaii could be eligible for this alternative plan. Tabulations by the McKinsey Center for U.S. Health System Reform from the most recent Current Population Survey suggest that 19% of the non-elderly uninsured in the United States have incomes that would qualify, [4] and the Urban Institute estimates that states could garner about $1,000 of excess subsidy per enrollee if they guide those near poverty into BP's. However, any savings must be returned to the BHP for things such as increased provider rates or higher subsidies.

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[3] Day, Rosemarie, Garrett, Bowen and Connolly, Ceci, ""The Basic Health Plan – an Emerging Option for States," McKinsey Center for U.S. Health System Reform, March 24, 2011, pp. 2.
[4] Ibid, p.2.

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One option would be to design the Basic Health Plan similar to the Children's Health Insurance Program (CHIP), setting provider rates and consumer co-payments a notch above what Medicaid pays, yet still lower than Connector rates. This might be an ideal approach for both the State and providers.

Detailed federal guidance for BHPs is still unclear, and to our knowledge the Connector Board has not made a formal evaluation of this option, though they discussed this matter in 2011 Board meetings. We are aware that advocates for low-income consumers such as the Hawaii Primary Care Association are pressing to put the idea on the state's agenda.

If Hawaii establishes a plan, enrollees would not have the option of purchasing insurance through the Connector. Without enrollees from the BHP target income group, Connector enrollment would fall. If adopted, the Basic Health Plan could pull a significant percentage of the individual population out of the Connector, making it harder for the Connector to be self-sustaining. That is because the anticipated risk pools would likely be smaller and administrative costs higher since they would be spread across fewer enrollees. This could also reduce the Connector's leverage in the marketplace, because it will be offering insurance to a smaller group. Similarly, the converse is true: the Medicaid program would gain leverage, since it would be purchasing for more people. ***This is a complex policy decision, and obviously underscores the importance of making an independent analysis of the feasibility of a Basic Health Plan for Hawaii, since leaving the Connector for the BHP may not be in the financial interest of members on the Connector board.*** The impact and feasibility of this option should be studied, before the nonprofit Connector rushes to make a decision on behalf of Hawaii. Can health plan payment rates be sufficient to ensure access to a robust provider network yet not be excessive?

Requirements for a Self-Sustaining Connector

Through 2014, the Connector's operations will be supported through the Federal grant of approximately $15 million to Hawaii. But under the terms of the Affordable Care Act and Hawaii's Act 205 that implemented the Federal Act, the Connector must be self-supporting in 2015. The ACA permits "assessments or user fees to participating health insurance issuers, or to otherwise generate funding, to support its operations." Since the Connector will provide administrative functions in marketing and acquisition that are now conducted and paid for by health plans it seems appropriate for health plans to pay the operating assessments.

We haven't seen a business plan for the Connector, which should include estimates of the revenue required for operation. In December 2010, Oregon estimated its annual operating expense would be approximately 3% of average premiums (decreasing to 2.8% by 2016). If there were 100 thousand Hawaii residents with an average annual premium of $3,500 dollars, ***a conservative estimate is about $10,500,000 annually in what is easily construed as a premium tax; this taxation will occur outside the State treasury because the Connector is established as a nonprofit.***

If the governance and structure described in Act 205 isn't remedied, it's conceivable the "Connector" could operate in this manner even if the Federal health care act is repealed, although the Act specifies that "the State shall not be responsible for the financial operations or solvency of the connector." Act 205 prohibits State general funds from being used to fund development or operation of the Connector, but if revenues

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are insufficient, just where will the money come from? We see that Act 205 tried to address this by authorizing acceptance of "grants, endowments, fees or gifts in cash or otherwise from public or private sources, including corporations, businesses, foundations, governments, individuals and other sources subject to rules adopted by the board." Rules for acceptance of gifts from vendors who sell health plans through the Connector should be strict, comparable to those proscribed in the State Ethics Code. For that matter, the ***League believes rules should be identical to the State ethics code,*** but once again we are confronted with the fact that this is a private nonprofit, outside the purview of State Ethics law.

Accountability – Where is It?

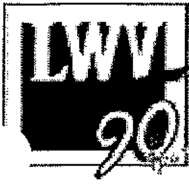
The ACA requires that the Connector be self-supporting beginning in 2015, when there will no longer be Federal funds available to operate the exchange. ***Since the Connector was organized as a private nonprofit under Act 205, little accountability is required of the Connector.*** It will not take part in normal State budgeting review, yet it is inconceivable to us that the State would not make up any operating budget shortfall for this critical resource.

Act 205 of 2011 established the Connector, so that it "shall not be an agency of the State and shall not be subject to laws or rules regulating rulemaking, public employment or public procurement." This is very troubling to the League because of the criticality of the Connector, and the League's core values of transparency, ethics and accountability in government.

We wonder too if this nonprofit status will result in expense that could be avoided if the Connector were a public venture which could leverage existing State resources for information technology, contracting, hiring and other management functions .necessary to establish and operate the Connector.

The Exchange could have been housed in a State agency, and it should be, given the importance of this venture and the fact that Federal funds were awarded to the Department of Commerce and Consumer Affairs to implement the Connector. Instead, it is to be run by a nonprofit with little consumer participation and no-day-to-day regulatory oversight. The Exchange employees will not be state employees, so their recruitment, hiring, and compensation are not known. Does Act 205 specify Board members should serve without compensation? Connector employees and the Board will not be subject to State Sunshine laws or State Ethics regulations by virtue of being employees of the nonprofit
.

Was the Board required under Act 205 to create an initial operational and financial plan? Though Act 205 specifies that the connector "shall be audited annually by the state auditor," we expect this means the legislative auditor will provide a management audit, not audited financial statements. If true, this is certainly a departure from typical management controls. There is an attempt to address this in SB2434, SD1, HD 2, Section 3 e which states: "the board shall manage the budget of the connector in accordance to generally accepted accounting principles and a plan for financial organization adopted by the legislature based on recommendations of the interim board." A budget is not the same as pro forma financial statements, and pro forma financial statements are not subject to audit – they are merely a projection for planning purposes. More to the point, did the interim board complete this task, and did the legislature adopt a plan for financial organization? If the Connector is a private nonprofit why make it responsible to the legislature for its operational plan? This comes across as a half-hearted attempt to introduce some accountability to the State, when the State has little governance role in the Connector.



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Is this a situation where the Governor should appoint all nominees to the Board, or is this a situation where the legislature should appoint some Board members?

On March 23rd, during interviews in the Senate Consumer Protection Committee confirmation hearings for the Governor's nominees to the Connector Board, at least two holdover nominees from the interim Board mentioned the extreme time pressure the Board felt during their 2011 meetings. It's obvious to the League that this atmosphere continues. Having secured Federal funding for startup of the Connector, the Board's agenda is to use as much of that as possible, as quickly as possible.

But let's take a deep breath here. Hawaii already has a marketplace where more than 90% of our citizens have health insurance, even if we don't have the full promise of the ACA. While we support the intent of SB2434, S.D. 1, H.D. 2 to properly restructure the governance of the Connector, we are left with more questions than answers about whether this can be done with a nonprofit model. Our opinion is the present Connector arrangement gives too much authority to this nonprofit Board, an untenable arrangement for a public insurance market. Please use SB2434, SD1, HD2 to restore the hope of a fair deal for Hawaii's small group and individual health care markets. We have time to do this, but the time has come.

Thank you for the opportunity to submit testimony

HMSA

An Independent Licensee of the Blue Cross and Blue Shield Association

April 2, 2012

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair

House Committee on Finance

Re: SB 2434, SD1, HD2 – Relating to the Hawaii Health Insurance Exchange

Dear Chair Oshiro, Vice Chair Lee, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to comment on SB 2434, SD1, HD2. HMSA fully supports the intent and purpose of the Affordable Care Act (ACA), and we believe it is imperative for Hawaii to have a health insurance exchange successfully operational by the federally mandate deadline. Both SB 2434 and HB 1736, as originally drafted, were designed to help move Hawaii towards that goal.

Pursuant to Act 205, SLH 2011, the Interim Board of Directors of the Hawaii Health Connector (Connector) submitted a report of its findings and recommendations, including proposed legislation, to the Legislature on December 29, 2011. SB 2434 and HB 1736 reflected those recommendations. The Interim Board of Directors subsequently voted on proposed amendments to SB 2434, and SB 2434, SD1 incorporated those proposed changes.

The Interim Board's report offered for legislative authorization certain policy recommendations on the permanent Connector Board and operations of the Connector. After due consideration, the Interim Board members agreed on the following recommendations that will provide for an efficient health insurance exchange and that meet the requirements of the ACA:

- There will be separate programs for the individual and small group markets within a single Exchange.
- Insurers offering qualified plans through the Connector shall have separate risk pools for the individual and small group markets.
- Insurers offering a qualified plan or qualified dental plan in the small group market must also offer a qualified plan in the individual market.
- Each insurer that participates in the Connector must offer qualified plans to all State residents.
- The Connector Board will select nonprofit navigators who are not insurance producers nor are insurance brokers.
- A small employer is defined as an employer with between one and 50 employees. And, beginning January 1, 2016, as an employer with between one and 100 employees.
- The terms for the Connector Board members will be staggered.
- Clarification of the Medicaid process by specifying that the Department of Human Services will perform eligibility determination for individuals applying through the Connector.

The Interim Board has been meeting tirelessly, but much more work remains for the permanent Board of Directors to now fulfill. Federal regulations governing the ACA were only issued a couple of weeks ago. Consequently, the Legislature must anticipate additional statutory changes may be needed in the future and as the federal government further clarifies the ACA and its regulations. While the Board may propose such policies, it is the Legislature that is the ultimate policy-making body, and those policies must be promulgated through statutory changes.

Detractors of the current statute propose removing plans as voting members of the Connector's Board of Directors. The plans, as well as health care providers, are two groups critical to the successful implementation of the Connector. In fact, the ACA contemplates a state exchange board that is comprised of individuals with knowledge about the health care system. The recently issued federal regulations call for the majority of voting members of an exchange's governing board to have relevant experience in:

- health benefits administration;
- health care finance;
- health plan purchasing;
- health care delivery system administration;
- public health; or
- health policy issues related to the small group and individual markets and the uninsured.

While we appreciate the concern over the possibility of conflicts of interest, the ACA itself does not preclude membership of plans on governing board of a state exchange. In fact, the federal regulations simply specify that the governing board:

> (i)s not made up of a majority of voting representatives with a conflict of interest, including representatives of health insurance issuers or agents or brokers, or any other individual licensed to sell health insurance...,

To ensure fairness and equity in Hawaii's health exchange, the current Connector statute specifically mandates the Insurance Commissioner, and not the Connector Board, to certify health plans that will be offered in the Connector. And, the Connector's Interim Board has adopted a conflict of interest policy as is required under the ACA and current statute. Furthermore, current law provides for the State Auditor, and not and not an outside auditor retained by the Connector, to be responsible for the annual audit of the Connector, the report of which is to be submitted to the Legislature through the Insurance Commissioner.

The ACA's regulations specify that a state's exchange governing board includes "**at least one voting member** who is a consumer representative." [Emphasis added.] This provision and the specific regulatory requirement that a majority of a board have health care-related experience are evidence that the federal government does not contemplate an exchange board to be comprised of a majority of consumers.

That said, it may be beneficial for the State to have more community members on the Connector Board to offer a broader perspective on the needs of the community. The Legislature, therefore, may wish to consider expanding the Board composition to include more community members.

I personally have appreciated the opportunity to serve on the Connector's Interim Board. While there certainly has not been full agreement on every point of discussion, the professionalism and experienced contribution of the members have allowed the Interim Board to make tremendous strides to ensure the Connector becomes fully operational by the federally mandated 2014 deadline.

Thank you for the opportunity to testify on this measure.

Sincerely,

Jennifer Diesman
Vice President
Government Relations

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Testimony of
Phyllis Dendle
Director of Government Relations

Before:
House Committee on Finance
The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair

April 2, 2012
5:00pm
Conference Room 308

SB 2434 SD1 HD2 RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE

Chair Oshiro and committee members, thank you for this opportunity to provide testimony on SB2434 SD1 HD2 which amends the law concerning the health insurance exchange in Hawaii.

Kaiser Permanente Hawaii is offering comments on this bill.

We had the pleasure of working on the Hawaii Health Connector even before it was formally established by the legislature in 2011. When the HHC is up and running it will make it easy for individuals and small businesses to learn about, compare and purchase health insurance. It will enable participants to receive subsidies from the federal government to assist them in affording insurance. It provides a real opportunity to expand insurance coverage to include those currently uninsured.

The bill before you started out as an answer to the request of the legislature for proposed amendments to make necessary clarifications to the law. It has been substantially amended and no longer reflects the recommendations of the HHC interim board. We supported the earlier drafts of this bill but have concerns about it in its current form.

The creation of the insurance connector is not a simple matter since it must be designed and implemented by the end of this year. With limited staff assistance, until recently, this has been done primarily by the interim board. This is the reason the connector's board specifically has people with an understanding of health care and health insurance appointed to it. Some of the work has taken place but there are still many insurance matters to be taken care of. With this in mind we ask that if the committee passes this bill in the current form that there be a requirement that the new members appointed to the board have some knowledge of health care and insurance. The board, regardless of its composition, will need to work quickly to build the connector and would perform better if the members had knowledge of how the current systems work.

Thank you for your consideration.

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April 1, 2012

House Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

Hearing:
State Capitol Room 308
April 2, 2012, 5:00 p.m. Agenda #4

SB 2434, SD1, HD2 – Relating to the Hawaii Health Insurance Exchange

Thank you for the opportunity to provide testimony supporting SB 2434, SD1, HD2. The American Cancer Society is the nationwide, community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service. Providing access to health care is a major concern of the Society.

The Hawaii Health Insurance Exchange ("Exchange"), established by the Patient Protection and Affordable Care Act ("ACA"), is a key component of the ACA. The Exchange is designed to allow for an easier process of purchasing health insurance. We would like to comment on some of the amendments made in the HD2 version of the measure.

Consumer Involvement within the Exchange; Board Composition
Consumer involvement is one of the primary components of the health insurance exchange, and appears to be one of the key issues as this measure has moved through the legislative process. There are two distinct issues: (1) Consumer representation on the Board of Directors of the Exchange; and (2) Consumer input provided through stakeholder consultation requirements. Both of these issues are covered in rules issued by the U.S. Department of Health and Human Services ("HHS").

For consumer representation on the board of the Exchange, HHS amended its rules to state that the composition of the board "[i]ncludes at least one voting member who is a consumer

American Cancer Society Hawai'i Pacific, Inc., 2370 Nu'uanu Avenue, Honolulu, Hawaii 96817-1714
•Phone: (808) 595-7500 •Fax: (808) 595-7502 •24-Hour Cancer Info: (800) 227-2345 •http://www.cancer.org

representative."[1] While the rules only require one consumer representative, on a board that includes eleven appointed non-ex officio members, we believe this is inadequate. We recognize that the Governor chose to nominate three consumer representatives, although currently there are no specific requirements (other than in this measure) that require future nominations include at least three consumer representatives. Thus, we support the amendments made in this measure that sets a number of five consumer representatives for all future nominations to the Exchange board.

The rules also require stakeholder consultation that includes: Educated health care consumers who are enrollees in Qualified Health Plans; and advocates for enrolling hard to reach populations, which include individuals with mental health or substance abuse disorders.[2] We believe that consumer input into the implementation of the Exchange is vital to its success.

The board is currently trying to work with consumer groups, although has not yet determined what type of role the consumer groups will play in providing guidance to the board as a whole. We have concerns that the process has been moving slowly and the board has not taken any affirmative steps to provide formal guidance on how consumer groups can interact with the board. We recognize that particular members of the Exchange board want to ensure a fair and flexible process, although we would like consumers to have a formal role in advising the board.

We would also like to note that under the current version of this measure, there will be twelve voting members of the Exchange board. As a result of insurers having non-voting advisory roles on the board, there is an even number of voting members that could impede a majority vote should the board members evenly split on a vote.

Transparency

The current HD2 version of this measure includes similar language found in Chapter 92, Hawaii Revised Statutes, commonly referred to as the "sunshine law." These amendments appear to open meetings up to the public as a whole while also allowing easier access to community advocates who have been closely following the implementation of the Exchange.

One important amendment, on page 3, lines 1-6, requires the board to allow public comment, both orally and in writing, on any agenda item. The amendment would provide interested persons who attend the meetings to be able to comment throughout the meeting. This would be a significant change from current practice, as the board provides for public comment at a single time toward the end of the agenda. Regardless of the number of consumer members on the board and the inclusion of a consumer advocate committee or advisory group, it is difficult to afford representation to every consumer group and constituency in the State. By allowing

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[1] *See* 45 CFR 155.110(c)(3)(i). < http://www.gpo.gov/fdsys/pkg/FR-2012-03-27/pdf/2012-6125.pdf> retrieved on 4/1/12.

[2] See 45 CFR 155.130 (a) & (c). < http://www.gpo.gov/fdsys/pkg/FR-2012-03-27/pdf/2012-6125.pdf> retrieved on 4/1/12.

American Cancer Society Hawai'i Pacific, Inc., 2370 Nu'uanu Avenue, Honolulu, Hawaii 96817-1714
•Phone: (808) 595-7500 •Fax: (808) 595-7502 •24-Hour Cancer Info: (800) 227-2345 •http://www.cancer.org

comments in this manner, any group or individual can meaningfully participate in the process without having a formal role with the Exchange.

While the new amendments regarding transparency are welcome, the committee should also be aware that, unlike chapter 92, Hawaii Revised Statutes, there are no specified enforcement provisions in this section of the measure. As such, it is unclear whether the Office of Information Practices has administrative authority over complaints or if a person may affirmatively enforce these provisions in the circuit court. An affirmative enforcement provision will help clarify this issue, since OIP has already issued guidance that the Exchange falls outside of Chapter 92 and its enforcement powers. The committee may wish to consider including provisions similar to Section 92-1.5 and 92-12.

We recognize that the implementation of the Exchange is a daunting task with tight benchmarks and deadlines that must be met in the upcoming months. We would hope that work continues to include consumer representation as the Exchange move forward. Thank you for allowing us the opportunity to provide testimony on this measure.

Sincerely,

Cory Chun
Government Relations Director

American Cancer Society Hawai'i Pacific, Inc., 2370 Nu'uanu Avenue, Honolulu, Hawaii 96817-1714
•Phone: (808) 595-7500 •Fax: (808) 595-7502 •24-Hour Cancer Info: (800) 227-2345 •http://www.cancer.org

April 1, 2012

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair
House Committee on Finance

April 2, 2012, 5:00pm
Conference Room 308

Re: SB 2434, SD1, HD2 Relating to the Hawaii Health Insurance Exchange

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

Consumers for Fairness appreciates the opportunity to provide comments on SB 2434, SD1, HD2 as it is currently worded. Consumers for Fairness supports the amendments contained in HD2. However, after reviewing the Federal Rules issued by the Department of Health and Human Services, specifically Section 155.110 relating to entities eligible to carry out Exchange functions, we recommend that the Hawaii Health Connector be established as a quasi-public State entity, not a private non-profit. This entity should be attached to the Department of Labor and Industrial Relations (DLIR) or the Department of Commerce and Consumer Affairs (DCCA) for administrative purposes. .

Section 155.110 provides in part that "the State must ensure that the Exchange has in place a clearly-defined governing board that:

(1) Is administered under a formal, publicly-adopted operating charter or by-laws;

(2) Holds regular public governing board meetings that are announced in advance;

(3) Represents consumer interests by ensuring that overall board membership:
   (i) Includes at least one voting member who is a consumer representative;
   (ii) Is not made up of a majority of voting representatives with a conflict of interest, including representatives of health insurance issuers or agents or brokers, or any other individual licensed to sell health insurance; and

(4) Ensures that a majority of the voting members on its governing board have relevant experience in health benefits administration, health care finance, health plan purchasing, health care delivery system administration, public health, or health policy issues related to the small group and individual markets and the uninsured."

"The Exchange must have in place and make publicly available a set of guiding governance principles that include ethics, conflict of interest standards, accountability and transparency standards, and disclosure of financial interest."

These mandates for Exchange governance can best be accomplished through a quasi-public entity that is under the purview of the State.

Act 205 currently provides for the Director of Commerce and Consumer Affairs, the Director of Health, the Director of Human Services, and the Director of Labor and Industrial Relations, or their designees to be ex-officio, voting members of the Connector's governing board. Their participation as members of the governing board should be retained, as it will foster collaboration between these four stakeholders in carrying out the functions of the Hawaii Health Connector.

Thank you for the opportunity to provide comments on SB 2434, SD1, HD2.

Respectfully submitted,
Consumers for Fairness

To: Committee on Finance, Representative Marcus R. Oshiro, Chair

Date: Monday, April 2, 2012, State Capitol Conference Room 308, 5:00 p.m.

Re: SB 2434, SD1, HD2 - Relating to the Hawaii Health Insurance Exchange

Chair Oshiro and Committee Members, thank you for the opportunity to submit written testimony in SUPPORT of SB 2434, SD1, HD2. My name is T. J. Davies and I am an AARP volunteer and live in the Kakaako area. The passage of this bill is important because:

It contains amendments that minimize conflict of interest as insurers would only serve as non-voting board members in an advisory capacity, and

It contains amendments that allow for greater public openness.

The Connector is designed and managed by a board of directors. Good governance principles (and common sense) require boards with such responsibilities to include representatives of the people who will be affected by the decisions to be made. In the context of Hawaii's Connector, a "consumer" is a prospective buyer on the exchange — a small group purchaser (like a small business employer) or an individual.

The Connector should have more representatives of likely buyers — i.e., small business owners, and those not already covered through their employers, such as the unemployed or under-employed, rural residents who have fewer health care options, and people who may be subject to discrimination in the individual health insurance market, such as those with pre-existing conditions in accordance with the Affordable Care Act.

The House Finance Committee should retain all the provisions of the bill and send it to the House floor for a vote that the full Legislature will pass.

A Connector designed and governed in the interests of health insurance consumers will have the best chance of advancing health care reform in Hawaii.

However, the proposed bill does NOT address changing from a private nonprofit agency to a quasi-governmental agency subject to the ethics, conflict of interest and "sunshine" laws of the state?

I urge you to support consumers by voting yes on SB 2434, SD1, HD2.

Thank you for the opportunity to submit my testimony.

T. J. Davies, Jr., Volunteer
AARP Chapter 60; Kokua Council for Senior Citizens
Kakaako (District 23 / Senate District 12)

House Committee on Finance
Monday, April 2, 2012 – 5:00 pm

Senate Bill 2434 SD1 HD2
Relating to the Hawaii Health Insurance Connector

To: The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair
Members of the House Committee on Finance

Thank you for the opportunity to testify in **full support** of Senate Bill 2434 SD1 HD2.

The recent controversy over the Hawaii Health Connector's board of directors demonstrates the vital importance of this issue to the future of our state's health care system and has stirred the public at large, including consumers like me, to act.

The most troubling aspect of this entire episode over the Connector's board and the work of the insurance exchange is how members of the legislature, who should be holding the public's interest in the highest regard, have facilitated the suppression of consumer voices while insulating campaign contributors and lobbyists.

Many, including supporters of the insurance plans and the Governor's office itself, have praised the involvement of insurance plans in the work of the Connector thus far. Let's put aside the fact that the board has accomplished little over the last year – having hired an Executive Director only four months ago, and taken up conflict of interest issues and consumer engagement only *after* a public outcry. Assuming that insurance plans, as essential stakeholders in the health care system, have vital expertise and knowledge to contribute to the process, why can't that contribution still be provided in an advisory, non-voting capacity?

Why is the price of cooperation from insurance plans a vote that, potentially, influences hundreds of millions in taxpayer dollars?

It's almost unconscionable that anyone could fail to see how clear the financial conflicts of interest are for insurance plans to be involved in establishing a vehicle through which they will receive hundreds of millions of dollars in subsidies for previously uninsured individuals. Many metaphors describing this situation have been offered to previous committees, but colorful language isn't necessary when it's plain to see that the clearest solution to a *potential* conflict of interest is to remove the circumstances that give rise to that potential.

To be blunt: **removing insurers from the board as voting members provides a guarantee that no conflict of interest can occur, and guarantees it to a degree far greater than any self-policed internal board policy ever could.**

Other bills introduced this session have sought to remove conflicts of interest for insurance plans; however, these bills were quietly killed by insurance plan supporters in both the House and Senate Consumer Protection Committees. The measure before you now exists in its current form only as the result of the recent public outcry by consumer advocacy organizations.

It's important to note that in modifying the Connector bill to address the conflict of interest issue, the **House Consumer Protection Committee drew a dangerous false equivalency between insurance plans and providers** by removing both from the board. It's no secret that providers have been at the mercy of ever-shrinking reimbursements from insurance plans, so to somehow equate their roles in the health care system is bizarre.

The Connector will be selling *insurance*, not *health care services*. The federal subsidies and all premiums paid through the Connector will go into the coffers of insurance plans. Providers will then be reimbursed via their contracts with insurers, not the Connector.

By removing providers as well as insurers, the referring committee is essentially saying that these groups have equal stakes, and equal influence, on the health care system. The most benign interpretation of the committee's action is that it's a staggering mischaracterization of how the health care economy works. After all, no provider or provider organization in Hawaii presently sits on a cash reserve of $400 million, like some insurers in this state do.

The most malignant interpretation is that removing providers along with insurers is a form of reprisal for having been forced, at long last, to do the right thing and actually protect consumers.

Regardless of the referring committee's motivations, **removing all conflicted board members and creating a more consumer-oriented board is a welcome change**. Perhaps with new individuals on the board, who have greater expertise in implementation of complex e-commerce systems, public and patient relations, or economic analysis, the Connector will focus its work on the bottom line of consumers who are, after all, the intended beneficiaries of this health care expansion.

The other modified aspects of SB2434, specifically the sections related to the **single risk pool** and implementation of **sunshine law** provisions, are also vital to reversing the undue influence of lobbyists who have thus far been directing the Connector board onto an anti-consumer path. They will protect the financial interests of consumers, while providing for long-overdue transparency.

I encourage you to do the right thing for the thousands of Hawaii residents whose lives will be affected by this insurance exchange, and pass SB2434 SD1 HD2 without modification.

Thank you for the opportunity to testify in support of this legislation.

/s/ James Ahlo

To: Committee on Finance, Representative Marcus R. Oshiro, Chair
Date: Monday, April 2, 2012, State Capitol Conference Room 308, 5:00 p.m.
Re: **SB 2434, SD1, HD2 – Relating to the Hawaii Health Insurance**

Aloha Chair Oshiro and Committee Members,

My name is Elaine C. Goldberg and I reside in Kapolei. I am a AARP advocate, volunteer. I am in **support** of SB 2434, SD1, HD2. This bill is most important and needed for persons' living in our beautiful state where residents live in one of the healthiest states in the United States, however many coming from Southeast Asia, the Pacific Islands, and Hawaiians suffer from disparate health treatment, due to their inability to obtain health insurance, due to their financial and work situations.

University of Hawaii, John Burns School of Medicine received a grant of more 11 million dollars to study the above mentioned residents living here, suffering from diabetes, obesity, kidney failure, poor eating habits, and we all know the rest of their ailments. Hawaii is #1 in the country in the number of residents with TB-the Department of Health Lanikilla Health Center received $3.5 million dollar grant for TB research project. These residents because of not being able to obtain medical care from providers in our state not accepting Medicare and/ or Medicaid are uninsured. The result of this inability to get medical care, when ill use the ER's for their care. This helped the St. Francis System to close-a sad event for residents and creating an over abundance of patients' at other ER's.

With the creation of the Health Insurance Exchange (HIE) those uninsured will be able to purchase insurance, in accordance with their financial ability.

Although I am covered by my Federal BC/BS PPO plan, the co-payments are quite pricey and the plan does not offer a vision or dental plan. Federal Employees working and retired must purchase an additional policy for vision and dental services- there are time limitations before you may use your dental insurance for all services. Approximately 2 years ago, because of the deficit of my plan, I had to take a loan to pay for my $4,000 + for necessary dental surgery. I work part-time for the Oahu Community Correctional Center for almost 6 years –agency has made me into a 25% employee exempting me from receiving any of their insurance plans and not even permitting me to buy into their plan. They **do not** pay into Social Security, and have created the PTS Deferred comp program, which they present as "the states alternative plan to SS –however the 7.5% is deducted from my pay and state pays no contribution to this program. I have worked at the Lanai Community Hospital for 12 years as an emergency/casual hire and so state failed to contribute to SS. Employees in this PTS program cannot purchase insurance from

the state. I know of other pt-time employees who were hired to work a mere 19 or 19.5 hours/week and so leaving them without ability to purchase an individual health insurance policy, resulting in employees without health insurance. **Shame on the State** in restricting their part-time (less than 20 hrs/wk, seasonal, and casual hires) from purchasing at the states rate, the policies their other employees receive. I do hope that with the onset of the HIE all residents can obtain policies that will maintain their well being, provide preventive services and make it possible that persons do not have to use the ER's for medical care.

I do believe that dental insurance should be included in these policies; it is sad to see persons with missing teeth, gum disease, causing additional systemic problems to other body parts, being unable to obtain dental services.

In my lifetime, I have seen the fantastic medical advances, because of my employment at major noteworthy medical facilities such as Tripler, Children's Hospital of Philadelphia and at the Veteran's Administration Hospital – my vision is to see the uninsured being able to benefit by the current medical advances, cures for diseases/sicknesses and being taught how to be healthy with proper diets and exercise.

In summation, I feel that this bill gives:

- Consumers the ability to have insurance plans that they can afford.
- The uninsured will be able to obtain health insurance, which will result in a substantial decrease to Emergency Rooms.
- Consumers will be able to locate and compare health plans based on price and quality.
- Greater public presentation of actual facts.
- Minimizes conflict of interest as insurers can only serve as non-voting board members in an advisory capacity.

Mahalo,
Elaine C. Goldberg
Kapolei

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 31, 2012 9:44 AM
To: FINTestimony
Cc: laurahorigan@hotmail.com
Subject: Testimony for SB2434 on 4/2/2012 5:00:00 PM

Testimony for FIN 4/2/2012 5:00:00 PM SB2434

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Laura Horigan
Organization: AARP volunteer
E-mail: laurahorigan@hotmail.com
Submitted on: 3/31/2012

Comments:
Iam an AARP volunteer and live in the Kaimuki/Kapahulu area.The passage of this bill is important because it contains ammendments which would minimize conflict of interest as insurers would only serve as non voting board members in an advisory capacity and also allow for greater public access.

m: mailinglist@capitol.hawaii.gov
it: Sunday, April 01, 2012 4:09 PM
To: FINTestimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2434 on 4/2/2012 5:00:00 PM

Testimony for FIN 4/2/2012 5:00:00 PM SB2434

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Scott Wall
Organization: United Self Help
E-mail: robertscottwall@yahoo.com
Submitted on: 4/1/2012

Comments:
Aloha Chair Oshiro, Vice-Chair Lee, and members of the Committee.

My name is Scott Wall and I am writing on behalf of United Self Help. We strongly support SB2434 SD1, HD2.

We think that this bill has evolved into something that will serve the uninsured and under insured citizens of Hawai'i much better than in it's first draft.

still think that it could be better though and with that in mind we support the ammendments proposed by the Hawai'i Primary Care Association.

Lastly we think that the HPCA should not be considered a provider in regards to the provisions currently included in SB2434 SD1, HD2. The HPCA doesn't bill for services provided for health care and therefore should not be considered a service provider.

Mahalo,
Scott Wall
United Self Help

FINTestimony

'm: mailinglist@capitol.hawaii.gov
nt: Sunday, April 01, 2012 12:03 AM
To: FINTestimony
Cc: hewes@hawaii.edu
Subject: Testimony for SB2434 on 4/2/2012 5:00:00 PM

Testimony for FIN 4/2/2012 5:00:00 PM SB2434

Conference room: 308
Testifier position: Support
Testifier will be present: Yes
Submitted by: Casey Hewes
Organization: Individual
E-mail: hewes@hawaii.edu
Submitted on: 4/1/2012

Comments:
I support this bill because it resolves the conflicts of interest and separation of risk pools. I am a Registered and I am very disappointed to find a growing population not have medical insurance and as a result they wait until they are very sick before they seek medical care. Thank you Casey

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 30, 2012 9:33 PM
To: FINTestimony
Cc: barbarajservice@gmail.com
Subject: Testimony for SB2434 on 4/2/2012 5:00:00 PM

Testimony for FIN 4/2/2012 5:00:00 PM SB2434

Conference room: 308
Testifier position: Support
Testifier will be present: Yes
Submitted by: Barbara J. Service
Organization: Individual
E-mail: barbarajservice@gmail.com
Submitted on: 3/30/2012

Comments:
To: Committee on Finance, Representative Marcus R. Oshiro, Chair

DAte: Monday, April 2, 2012, State Capitol Conference Room 308 5:00 p.m.

re:SB2434, SD1, HD2 - Relating to the Hawaii Health Insurance Exchange

Thank you for the opportunity to submit testimoney. I am Barbara Service and I'm an AARP member who lives in the Kahala area. The passage of this bill is important because it will put consumers' interests first in accessing affordable health care, in providing access to health insurance to uninsured consumers and in assisting consumers in finding and comparing health plans.

Additionally,it will minimize confict of interest by ensuring that insurance providers would serve in an advisory capacity. The bikl also contains amendments which would make the Conncetor board more tranparent.

I urge you to support consumers by voting yes on SB2434, SD1, HD2.

Thank you for the opportunity to submit testimony.

Barbara J.Service
AARP volunteer
Representative District 19;Senate District 8

FINTestimony

'n:	mailinglist@capitol.hawaii.gov
.t:	Sunday, April 01, 2012 12:03 PM
To:	FINTestimony
Cc:	karingill@yahoo.com
Subject:	Testimony for SB2434 on 4/2/2012 5:00:00 PM

Testimony for FIN 4/2/2012 5:00:00 PM SB2434

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Karin Gill
Organization: Individual
E-mail: karingill@yahoo.com
Submitted on: 4/1/2012

Comments:
I support a bill more consistent with the goals of the Health Insurance Connector "to serve as a clearinghouse for information on all qualified plans and qualified dental plans listed or included in the Connector." I support amendments that increase consumer membership, would make insurers non-voting members, and would open meetings and minutes to the public.