

**LATE**

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS  
COMMENTING ON SENATE BILL 2631, RELATING TO HEALTH INSURANCE

February 8, 2012

Via e mail

Honorable Senator Josh H. Green, M.D., Chair  
Committee on Health  
Hon. Senator Rosalyn H. Baker, Chair  
Committee on Commerce and Consumer Protection  
State Senate  
Hawaii State Capitol, Conference Room 229  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Green, Chair Baker and Committee Members:

Thank you for the opportunity to comment on SB 2631, relating to Health Insurance.

Our firm represents the American Council of Life Insurers (“ACLI”), a national trade association, who represents more than three hundred (300) legal reserve life insurer and fraternal benefit society member companies operating in the United States. These member companies account for 90% of the assets and premiums of the United States Life and annuity industry. ACLI member company assets account for 91% of legal reserve company total assets. Two hundred thirty-five (235) ACLI member companies currently do business in the State of Hawaii; and they represent 93% of the life insurance premiums and 92% of the annuity considerations in this State.

As drafted, SB 2631 requires all insurers subject to its provisions to provide coverage for autism spectrum disorders. If the bill is intended to include life insurers and fraternal benefit societies issuing disability insurance, ACLI opposes the bill.

Section 2 of the bill would amend Article 10A of Hawaii’s Insurance Code to include a new section that states that “each employer group health policy . . . shall provide to the policyholder . . . coverage for . . . autism spectrum disorders.” (Page 1, lines 10 – 16).. Further, “[e]very insurer shall provide written notice to its members regarding the coverage required by this section.” (Page 1, lines 17-18). Who is an “insurer” subject to the bill’s new requirement is not defined in either Article 10A or SB 2631.

However, the bill goes on to provide that the Insurance Commissioner shall publish the amount of coverage for the specified health disorder benefit annually which shall apply to “health insurance policies subject to this section”. (Page 2, at lines 16 and 17). “Health insurance policy” is defined in the bill to mean “. . . any group health, sickness, or accident policy . . . issued by an insurance entity subject to this section.” (Page 5, at lines 11-12). By its terms, Article 10A of the Code (by reference to §431:1-205, HRS) defines “accident and health or

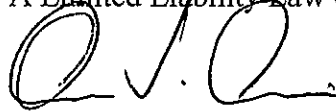
sickness insurance” to include disability insurance issued by life insurers and fraternal benefit societies in this State.

Accordingly, as drafted SB 2631 may be interpreted to include disability insurance. In order to dispel any confusion as to what this bill is intended to cover, ACLI suggests that “health insurance policy” as defined in the bill (Page 2, at lines 11-12) be amended as follows:

“Health insurance policy” means any group health, sickness, or accident policy or substitute contract or certificates issued by an insurance entity subject to this section, other than a disability income insurance policy or long term care insurance policy.

Again, thank you for the opportunity to comment on SB 2631.

LAW OFFICES OF  
OREN T. CHIKAMOTO  
A Limited Liability Law Company

A handwritten signature in black ink, appearing to read 'O.T. Chikamoto', with a stylized flourish at the end.

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February 8, 2012

Senator Josh Green M.D.  
Chair, Cmte. on Health  
Hawaii State Capitol, Room 222

Senator Rosalyn Baker  
Chair, Cmte. on Commerce & Consumer Protection  
Hawaii State Capitol, Room 230

Senator Clarence Nishihara  
Vice Chair, Cmte. on Health  
Hawaii State Capitol, Room 204

Senator Brian Taniguchi  
Vice Chair, Cmte. on Commerce & Consumer Protection  
Hawaii State Capitol, Room 219

Re: Testimony in SUPPORT of SB2631; Requires health insurers, mutual benefit societies, and health maintenance organizations to provide health care coverage and benefits for autism spectrum disorders beginning after 12/31/2012  
Committees on HTH/CPN, February 8, 2012, Room 229, 2:45 p.m.

Dear Chair Green, Vice Chair Nishihara, Chair Baker, Vice Chair Taniguchi, and Members of the Senate Committees on Health, and Commerce and Consumer Protection:

I am writing to express my support of Senate Bill 2631, which requires health insurers, mutual benefit societies, and health maintenance organizations to provide health coverage and benefits for autism spectrum disorders.

Autism is a complex neurobiological disorder that currently affects 1 in 110 children, according to the Centers for Disease Control. This disorder is four times more likely to affect boys than girls. Autism impairs a person's ability to communicate and relate to others, and is often associated with repetitive behaviors, poor eye contact, and rigidity in routines.

Children with autism often have co-occurring conditions, such as behavioral problems, speech disorders, muscle or joint problems, ear infections, allergies, vision and hearing problems, and gut issues. The wide range of co-occurring problems leads to the need for services from trained medical professionals and for a full-range of therapies, including but not limited to speech therapy, occupational therapy, behavioral therapy, and biomedical interventions.

As the mother of two children affected by autism, one of whom has been successfully mainstreamed into regular education and no longer requires any autism services, I can personally attest to the effectiveness of these interventions, as well as to the financial hardship faced by families who often have to pay for these therapies and interventions out of pocket. Medical insurance companies will tell you that these interventions are already covered in their plans; however, closer examination of the insurance plans will tell you that this is stretching the truth. Speech therapy, for example, is often denied in cases that are habilitative, when the patient needs the therapy to learn how to speak (versus rehabilitative, when the patient needs the therapy to re-learn how to speak). Psychological evaluations

are often not covered as well, with the insurance companies claiming that the necessary assessments are “educational” and not “medical.” This same reason is given for the lack of coverage for crucial behavioral consultation and one to one behavioral therapies.

The medical insurance companies will erroneously tell you that these therapies and interventions, such as speech and behavioral therapies, are already provided by the Department of Education and Department of Health, and therefore it is not necessary for the medical insurance companies to provide coverage. While some children are lucky enough to receive therapies through the Department of Education and Department of Health, many children do not receive enough necessary treatments, and many others simply do not receive any at all. Unfortunately, if these children do not get the treatments they require to become independent when they are young, they will most certainly grow up into adults who will need even more services and will cost the community millions of dollars more. Insurance coverage for autism treatments will help to prevent this tragedy from happening.

Please pass SB2631 and make this crucial step for the children with autism in Hawaii.

Sincerely,

Kalma K. Wong