



EXECUTIVE CHAMBERS

HONOLULU

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HOUSE COMMITTEE ON FINANCE
The Hon. Sylvia Luke, Chair
The Hon. Scott Y. Nishimoto, Vice Chair
The Hon. Aaron Ling Johanson, Vice Chair
February 26, 2014, 11:15 a.m., Room 308

House Bill 2581, HD 2 RELATING TO INSURANCE

Testimony in Support

Presented by Beth Giesting, Healthcare Transformation Coordinator, Office of the Governor

Thank you for the opportunity to support HB 2581, HD 2 Relating to Insurance. We agree that Hawaii should give careful consideration to waiver opportunities available under the Affordable Care Act. The Governor's Office would welcome the responsibility of convening task force members identified in the bill and meet with other interested stakeholders to develop strategies that would result in a universal health insurance coverage system that meets consumer and provider needs, adds value and convenience to employers, and is economically sustainable. Such a system is also the foundation for ensuring the high quality of care and improving health. We note that all of these objectives are aligned with the goals of our Health Care Transformation Plan and the work that would be carried out by the proposed new Office of Health Care Transformation identified in HB 2277, HD 1.

We are working on budgetary items needed to carry out this work and will be happy to share this with you as soon as possible.

Thank you for the opportunity to testify.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

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TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2014

Wednesday, February 26, 2014
11:15 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE BILL NO. 2581, H.D. 2 – RELATING TO INSURANCE.

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE
COMMITTEE:

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

The creation of a state innovation waiver task force is advisable to lay the groundwork for a request for a waiver from provisions of the Affordable Care Act. Hawaii has long been at the forefront of the nation in healthcare and health insurance, and a waiver may be in the best interests of the public.

The Commissioner is willing to participate on this task force.

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

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 26, 2014

The Honorable Sylvia Luke, Chair
The Honorable Scott Y. Nishimoto, Vice Chair
The Honorable Aaron Ling Johanson, Vice Chair
House Committee on Finance

Re: HB 2581, HD2 – Relating to Insurance.

Dear Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2581, HD2, which establishes a State Innovation Waiver Task Force. HMSA supports this Bill and has comments.

HMSA's vision of Hawaii is a sustainable health care system where our members are at the center of, in control of, and responsible for their own well-being. To that end, we have revolutionized the way we and our partners deliver health care to our members- - through systemic changes such as a patient-centered medical home model of health care delivery, aligned with a pay for quality model of payment reform.

But, our belief that Hawaii's health care system must change goes beyond what we do on a day-today basis. HMSA has been an active and supportive participant in the Hawaii Health Care Project, the State's ongoing effort to plan for the future health care system for Hawaii, and to submit a State Health Innovation Plan (SHIP) to the U.S. Department of Health and Human Services to receive federal financial support to implement that Innovation Plan.

The task force contemplated under HB 2581, HD2, affords those involved with the SHIP to further participate in its successful implementation. This task force is expected to more specifically focus on the State's application for an innovation waiver thru the Affordable Care Act (ACA), something that is critical to the SHIP. Much of the task force deliberations must revolve around how Hawaii can ensure that our already successful Prepaid Health Care Act (PHCA) is best able to co-exist and complement the ACA. That will require participation by members of the health care system that know and understand the complexities of the ACA and the PHCA.

Having health insurers as members of task force is imperative. Health Plans are intimately involved with the technical and ever-evolving regulatory and administrative requirements of the ACA, such as mandated transparency and 3Rs (reinsurance, risk corridors, and risk adjustment) mandates. And, all Plans that sell health insurance to businesses must have products that are compliant with the PHCA.

Thank you for the opportunity to testify in support of HB 2581, HD2.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark K. Oto".

Mark K. Oto
Director
Government Relations



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Wednesday, February 26, 2014 at 11:15 A.M.
Conference Room 308, State Capitol**

RE: HOUSE BILL 2581, HD2 RELATING TO INSURANCE

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

The Chamber **supports** HB 2581, HD2 Relating to Insurance, **with amendments**.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

Hawaii’s innovation in health care has led it to be the only state with a mandated health care policy. While the Hawaii Prepaid Health Care Act has provided affordable health coverage to individuals, it has created a significant cost for employers. The bill’s creation of a task force would be the first step to helping Hawaii with some of the issues it has in relation to ACA.

In the creation of a state innovation task force, we have noticed that there is an absence of representation for employers/businesses. We support this bill and respectfully ask the committee to consider amendments that would include employers/employer groups from small and large businesses to be added to the task force committee.

Thank you for the opportunity to testify on this matter.