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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2014

Monday, February 10, 2014
5:00 p.m.

TESTIMONY ON HOUSE BILL NO. 2270, H.D. 1– RELATING TO INSURANCE.

TO THE HONORABLE ANGUS L.K. McKELVEY, CHAIR, AND MEMBERS OF THE
COMMITTEE:

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

The purpose of this bill is to streamline and improve the operations of the
Insurance Division and to ensure that the Insurance Division retains its accreditation
with the National Association of Insurance Commissioners ("NAIC"), and complies with
the federal Patient Protection and Affordable Care Act, Public Law 111-148 ("PPACA")
by updating the Insurance Code, Hawaii Revised Statutes ("HRS") chapter 431
("Insurance Code"), and chapter 432, HRS.

SECTIONS 1, 2, and 3 of the bill add new sections to Article 10A of chapter 431,
HRS, chapter 432 ("Mutual Benefit Societies"), HRS, and chapter 432D ("Health
Maintenance Organizations"), HRS, to prohibit rescission of coverage under a health
benefit plan in most instances and provide written notice prior to rescission in
conformance with the PPACA. The PPACA prohibits the rescission of coverage under

a health benefit plan after the individual is covered unless the individual (or representative) performs an act of fraud or makes an intentional misrepresentation of material fact. In addition, the PPACA requires that a health carrier provide at least 30 days advance written notice to a plan enrollee or primary subscriber before coverage may be rescinded under the allowed circumstances. These new sections would ensure conformance with the PPACA, and are modeled after the provisions of the NAIC Model Language for Prohibition on Rescissions of Coverage.

SECTION 4 of the bill amends HRS § 431:1-209 by clarifying that companies with general casualty insurance authority can only write accident and health or sickness insurance as incidental or supplemental coverage. Currently, any insurer with general casualty authority may write accident and health or sickness insurance as primary coverage without an accident and health certificate of authority. Under this scenario a general casualty insurer would be writing health and major medical products and not subject to the same regulations as health insurers and health plans. For instance, state mandated benefits and health rate regulation would not apply. Amending the statute would prevent any disparities in regulation from occurring and make Hawaii's definition similar to other states.

SECTION 5 of the bill amends HRS § 431:2-209(d) by clarifying retention requirements for tax records for surplus lines brokers and independently procured insureds is 3 years after the date filed or within 3 years of the due date for filing of the tax report, whichever is later. Proposed language will provide greater clarity as to the Insurance Division's record retention period for tax records of surplus line brokers and independently procured insureds, to be consistent with requirements for retention of tax records of foreign and alien insureds pursuant to HRS § 431:2-209(d), as well as the time frame in which the Commissioner may assess or levy taxes pursuant to HRS § 431:7-204.6.

SECTION 6 of the bill amends HRS § 431:2-402(c) to allow the Insurance Fraud Investigations Branch to review and take appropriate action on complaints of fraud relating to insurance under title 24, including HRS chapters 431, 432, and 432D, but excluding workers compensation insurance under HRS chapter 386. Amending this

section would clarify that the Insurance Division has jurisdiction to pursue fraud related issues involving activity that the Insurance Division currently regulates, including those where insurance agents defraud clients.

SECTION 7 of the bill amends HRS § 431:10A-102.5 by including long-term care insurance as part of limited benefit health insurance. Long-term care insurance was previously deleted from this section in 2011, impacting the Insurance Division's ability to regulate long-term care effectively. Currently, filing fees and consumer protection provisions that are not in Article 10H, that are applicable to accident, health and sickness insurance contracts, do not apply to long-term care insurance. Amending HRS § 431:10A-102.5 would remedy this problem.

SECTION 8 of the bill amends HRS § 431:11A-101 by amending the definition of "licensed insurer" or "insurer" to include risk retention captive insurance companies. As NAIC accreditation standards require the application of Article 11A of the Insurance Code, HRS chapter 431, to risk retention captive insurance groups, the definition of "licensed insurer" or "insurer" in HRS § 431:11A-101 needs to be amended to ensure that Article 11A applies to risk retention captive insurance companies.

SECTION 9 of the bill amends HRS § 431:14G-103(c) to require that 80% of investment income on reserves be applied to rate determination and filing of a managed care plan. In the past, investment income was part of the law; however, that law sunsetted. Amending the section would provide that all investment income on the reserves net of investment manager fees would be applied to the rate determination unless the Commissioner determined that it would impair the minimum reserve requirement or solvency of the managed care plan. Restoring this provision could result in lower premiums for consumers.

SECTION 10 of the bill amends HRS § 431:19-101 to include "captive insurer" in the definition of "captive insurance company." The terms "captive insurance company" and "captive insurer" are used interchangeably throughout Article 19, HRS chapter 431. HRS § 431:19-101 defines "captive insurance company"; however, "captive insurer" is not defined in Article 19, HRS chapter 431. Amending the definition of "captive

insurance company" in HRS § 431:19-101 to also refer to "captive insurer" will provide greater clarity.

SECTION 11 of the bill amends HRS § 431M-2 ("Mental Health and Alcohol and Drug Abuse Treatment Insurance Benefits") to conform to the PPACA which mandates parity between medical and surgical benefits and benefits for alcohol dependency, drug dependence, and mental health treatment services. Hawaii has designated these treatment services an essential health benefit under the PPACA. Section 11 of the bill adds a new part (b) to section 431M-2 to mandate parity between medical and surgical benefits and alcohol dependency, drug dependence, and mental health treatment benefits.

SECTION 12 of the bill amends HRS § 432:1-406 by amending the definition of "uncovered expenditure" to include out-of-area services, referral services, and hospital services, as applicable to mutual benefit societies. Currently, the statute specifies what are not deemed "uncovered expenditures." Amending the statute would clarify what services are included in the definition of an "uncovered expenditure," and includes examples of "uncovered expenditures" set forth in the NAIC Health Maintenance Organization Model Act Drafting Note.

SECTION 13 of the bill amends HRS § 432:2-102 to extend to fraternal benefit societies the same immunity and confidentiality protections set forth in HRS §§ 431:3-303, 431:3-304, and 431:3-305 that are currently provided to insurers. Amending the statute will ensure consistency in applying these protections to fraternal benefit societies.

SECTION 14 of the bill amends HRS § 432D-1 by amending the definition of "uncovered expenditure" to include out-of-area services, referral services, and hospital services, as applicable to health maintenance organizations. Currently, the statute specifies what are not deemed "uncovered expenditures." Amending the statute would clarify what services are included in the definition of an "uncovered expenditure," and includes examples of "uncovered expenditures" set forth in the NAIC Health Maintenance Organization Model Act Drafting Note.

SECTION 15 of the bill amends HRS § 432D-19 to extend to health maintenance organizations the same immunity and confidentiality protections set forth in HRS §§ 431:3-303, 431:3-304, and 431:3-305 that are currently provided to insurers. Amending the statute will ensure consistency in applying these protections to health maintenance organizations.

SECTION 16 of the bill amends HRS § 432G-1 (“Dental Insurers”) by amending the definition of “uncovered expenditure” to include out-of-area services, referral services, and hospital services, as applicable to dental insurers. Currently, the statute specifies what are not deemed “uncovered expenditures.” Amending the statute would clarify what services are included in the definition of an “uncovered expenditure,” and includes examples of “uncovered expenditures” set forth in the NAIC Health Maintenance Organization Model Act Drafting Note.

SECTION 17 of the bill repeals HRS §§ 431M-3, 431M-4, and 431M-5 to comply with PPACA’s mandate of parity between medical and surgical benefits and benefits for alcohol dependency, drug dependence, and mental health treatment services. By prescribing and proscribing benefits, these sections do not allow for parity of benefits as mandated.

SECTION 18 of the bill repeals HRS §§ 431M-6 and 431M-7 to comply with the PPACA’s mandate of parity between medical and surgical benefits and benefits for alcohol dependency, drug dependence, and mental health treatment services. By setting up a different set of rules solely applicable to the latter benefits, these sections do not allow for parity of benefits as mandated.

We thank this Committee for the opportunity to present testimony on this matter and ask for your favorable consideration.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 10, 2014

The Honorable Angus L. K. McKelvey, Chair
The Honorable Derek S. K. Kawakami, Vice Chair
House Committee on Consumer Protection and Commerce

Re: HB 2270, HD1 – Relating to Health Insurance

Dear Chair McKelvey, Vice Chair Kawakami and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2270, HD1, which seeks to amend several sections of the State Insurance Code. HMSA opposes Section 9 of this Bill, and we have comments on other sections of the Bill. We also have a suggested HD2 draft of the Bill for your consideration.

Section 9

Of particular concern to HMSA is the amendment found in Section 9 of the Bill, which requires the Insurance Division to consider 80 percent of all investment income in the rate determination of a health plan. We believe it is unnecessary and will detract from the real issue of rising health care costs.

HMSA understands and shares the concerns over increases in health care premiums, which are intrinsically tied to increases in health care costs. HMSA uses the trends in health care costs to determine rates which are sufficient to keep up with health care cost increases. Historically these costs have been increasing at a rate of eight percent annually. Our rates are a reflection of these health care trends. Cost increases directly impact all health care providers and facilities in the state, which in turn affect employers who purchase health care coverage for their employees. Health plans are in the difficult role of balancing the needs of these two constituencies.

HMSA is a non-profit mutual benefit society with 75 years of experience setting adequate premium rates to cover the cost of health care for our members. Our responsibility is to set rates that cover the cost of our members' health benefits. But, we must ensure we have the financial capacity to pay for our members' needs - when they need them. Consequently, HMSA's goal is to have at least a three-month's financial reserve available to protect members and the community against unexpected increase in health care costs due to events such as a flu outbreak. That goal has been difficult to achieve given the ever escalating cost of health care. Between 2008 and 2012, the years for which audited information is available, our reserve dropped from 3.05 months to 2.19 months. That represents a drop from \$732 to \$645 per member, which is less than the cost of an average emergency room visit and a fraction of the cost of an average hospital day. (Attachment A)

Despite the rising cost of health care, HMSA has been able to exceed national standards of ensuring premium revenue go to paying for members' health care needs and not for overhead costs. The Affordable Care Act requires 80 percent of individual member and small business plan dues and 85 percent of large employer dues go to paying for member benefits. If those standards are not met, the plan must issue rebates to its members. HMSA far exceeded those standards. On average, we spend only seven to eight percent for administrative costs – one of the lowest in the nation – with more than 92 percent going to pay for medical services for our members and their families.

While we take pride in achieving those numbers, the struggle to contain the rising cost of health care remains a priority of HMSA. We have been working with our providers and others in the health care community to move away from a fee-for-

service model of health care service to a patient-centered medical home model (PCMH) which compensates providers based on quality of care delivered rather than patient volume. To date, approximately 57 percent (635) of our primary care providers are in our PCMH program, serving 71 percent (490,000) of our members.

HMSA recognizes that Hawaii's families and businesses feel the impact of rising health care costs in their premiums. But, additional regulation of rates is not the answer. We are hopeful that dramatic systemic changes in the health care system, through programs such as PCMH and pay-for-quality, will help to contain health care costs and reap benefits for the community.

We also have a concern regarding Sections 1, 2, and 3 of the Bill which include a provision modeled against federal regulations prohibiting rescissions. However, the HD1 draft excludes language found in the regulations stating plans may retroactively cancel a policy for failure of the insured to pay premiums in a timely manner. We believe non-payment of a premium should be included as a "trigger" for rescission.

We have attached a proposed HD2 draft of HB 2270 for the Committee's consideration that addresses these two concerns.

In addition, however, we have the following observations, and we would like the opportunity to work with the Committee to clarify these issues as you continue to review this legislation:

- **Section 11** - In adopting the new federal mental health requirements, this amendment prohibits requirements which are more restrictive "than the predominant financial requirements and treatments limitations" in the federal law. This raises the issue of defining "predominant."
- **Section 17** – This amendment repeals most of the State mental health/substance abuse mandate, in lieu of the federal mental health parity law. This substantial change raises questions regarding parity between mental health/substance abuse benefits and medical benefits.

Thank you for the opportunity to testify on HB 2270, HD1, and we hope you will consider the concerns we have raised regarding this legislation.

Sincerely,



Jennifer Diesman
Vice President
Government Relations

Attachments

Attachment A

Hawaii Medical Service Association Statutory - End of Year Reporting

	2008	2009	2010	2011	2012
Reserves (\$ in millions)	\$406.7	\$356.1	\$389.6	\$406.2	\$452.2
Reserves per Member	\$731.97	\$629.29	\$689.17	\$702.16	\$645.02
Months in Reserve	3.05	2.45	2.61	2.39	2.19
Reserves per Annual Costs	25.4%	20.4%	21.8%	19.9%	18.3%
RBC	701%	609%	659%	547%	502%

**Pacific Counseling Partners of Hawaii, LLC
Lyann Sugai, Marriage and Family Therapist**

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Lyann Sugai and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,



Lyann Sugai, MFT
Marriage and Family Therapist



HAWAII SUBSTANCE ABUSE COALITION

HB2270 HD1 Insurance: Update Title 24 Including Parity

- COMMITTEE ON CONSUMER PROTECTION & COMMERCE: Representative Angus McKelvey, Chair; Representative Derek Kawakami, Vice Chair
- Monday, Feb. 10, 2014; 5:00 p.m.
- Conference Room 325

HAWAII SUBSTANCE ABUSE COALITION Recommends Changes to HB2270 HD1

Good Morning Chair McKelvey, Vice Chair Kawakami, and Distinguished Committee Members. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide group of more than twenty non-profit treatment and prevention agencies.

Recommended Changes:

HSAC appreciates Section 11 language that accurately mimics federal parity laws to include substance abuse and the use of the word, “predominant.”

However, Section 17 and 18 were deleted from 431M-4, which are not parity related and are good legislation from prior years that ensures mental health and substance abuse treatment follow standard best practices. HSAC recommends that these sections not be deleted. HSAC also suggests some clean up in language to reflect substance use disorders.

- 1) That the provisions for licensure, accreditation, and certification NOT be repealed for Section 17: 431M-4: (b) (2) (3) (4) (c) (1) (2) (3) (4) because these provisions are not part of parity considerations, they are provisions that over the years was legislated to ensure quality care, and which should be restored.**
- 2) That Section 18: 431M-6: and 431M-7 NOT be repealed. This section has to do with quality care and not parity. This provision is necessary for quality of care standards to continue to be met in Hawaii.**
- 3) That Certified Substance Abuse Counselor (CSAC) be added to the list of qualified providers who can perform an assessment for alcohol or substance use disorders in Section 17: 431M-4: (b) (2). DHS obtained a waiver for Quest plans so that CSAC can do assessments starting this year.**
- 4) That “alcohol dependence” and “drug dependence” be changed to current medical language – “alcohol use disorder” and “substance use disorder.” The change reflects current thinking that treatment can include help for abuse as well as addiction. Section 11: 431M-2: (a)**

- 1) That the provisions for licensure, accreditation, and certification NOT be repealed for Section 17: 431M-4: (b) (2) (3) (4) (c) (1) (2) (3) (4) because these provisions are not part of parity considerations, they are provisions that over the years was legislated to ensure quality care, and which should be restored.
- 2) That Certified Substance Abuse Counselor (CSAC) be added to the list of qualified providers who can perform an assessment for alcohol or substance use disorders in Section 17: 431M-4: (b) (2). DHS obtained a waiver for Quest plans so that CSAC can do assessments starting this year.

SECTION 17. Sections 431M-3, ~~431M-4~~ 431M-4 (a)(b)(1) and 431M-5, Hawaii Revised Statutes, are repealed.

§431M-4 Mental illness, alcohol and drug dependence benefits.

(a) [deleted]

[Restore the following]

(b) Alcohol and drug dependence benefits shall be as follows:

(1) [deleted]

(2) Alcohol or ~~substance use disorders drug-dependence~~ treatment through in-hospital, nonhospital residential, or day treatment substance abuse services as a covered benefit under this chapter shall be provided in a hospital or nonhospital facility. Before a person qualifies to receive benefits under this subsection, a qualified physician, psychologist, licensed clinical social worker, marriage and family therapist, licensed mental health counselor, certified substance abuse counselor, or advanced practice registered nurse shall determine that the person suffers from alcohol or substance use disorder drug-dependence, or both; provided that the substance use disorder abuse services covered under this paragraph shall include those services that are required for licensure and accreditation and shall be included as part of the covered in-hospital services as specified in subsection (a). Excluded from alcohol or drug dependence treatment under this subsection are detoxification services and educational programs to which drinking or drugged drivers are referred by the judicial system and services performed by mutual self-help groups;

(3) Alcohol or ~~substance use disorder drug-dependence~~ outpatient services as a covered benefit under this chapter shall be provided under an individualized treatment plan approved by a qualified physician, psychologist, licensed clinical social worker, marriage and family therapist, licensed mental health counselor, certified substance abuse counselor, or advanced practice registered nurse and shall be services reasonably expected to produce remission of the patient's condition. An individualized treatment plan approved by a marriage and family therapist, licensed mental health counselor, licensed clinical social worker, or an advanced practice registered nurse for a patient already under the care or treatment of a physician or psychologist shall be done in consultation with the physician or psychologist. ~~Services covered under this paragraph shall be included as part of the covered outpatient services as specified in subsection (a);~~ and

(4) Substance abuse assessments for alcohol or ~~substance use disorder drug dependence~~ as a covered benefit under this section for a child facing disciplinary action under section 302A-1134.6 shall be provided by a qualified physician, psychologist, licensed clinical social worker, advanced practice registered nurse, or certified substance abuse counselor. The certified substance abuse counselor shall be employed by a hospital or nonhospital facility providing substance abuse services. The substance abuse assessment shall evaluate the suitability for substance abuse treatment and placement in an appropriate treatment setting.

(c) Mental illness benefits.

(1) Covered benefits for mental health services set forth in this subsection shall be limited to coverage for diagnosis and treatment of mental disorders. All mental health services shall be provided under an individualized treatment plan approved by a physician, psychologist, licensed clinical social worker, marriage and family therapist, licensed mental health counselor, or advanced practice registered nurse and must be reasonably expected to improve the patient's condition. An individualized treatment plan approved by a licensed clinical social worker, marriage and family therapist, licensed mental health counselor, or an advanced practice registered nurse for a patient already under the care or treatment of a physician or psychologist shall be done in consultation with the physician or psychologist;

(2) In-hospital and nonhospital residential mental health services as a covered benefit under this chapter shall be provided in a hospital or a nonhospital residential facility. The services to be covered shall include those services required for licensure and accreditation, ~~and shall be included as part of the covered in-hospital services as specified in subsection (a);~~

(3) Mental health partial hospitalization as a covered benefit under this chapter shall be provided by a hospital or a mental health outpatient facility. The services to be covered under this paragraph shall include those services required for licensure and accreditation ~~and shall be included as part of the covered in-hospital services as specified in subsection (a);~~ and

(4) Mental health outpatient services shall be a covered benefit under this chapter ~~and shall be included as part of the covered outpatient services as specified in subsection (a).~~

3) That Section 18: 431M-6: and 431M-7 NOT be repealed. This section has to do with quality care and not parity. This provision is necessary for quality of care standards to continue to be met in Hawaii.

SECTION 18. ~~Sections 431M-6 and 431-7, Hawaii Revised Statutes, are repealed.~~
Sections 431M 6 and 431M 7 NOT be repealed.

["§431M-6 Rules. The insurance commissioner, after consultation with all interested parties including the director of health, the Hawaii medical board, the board of psychology, and representatives of insurance carriers, nonprofit mutual benefit societies,

health maintenance organizations, public and private providers, consumers, employers, and labor organizations shall adopt rules pursuant to chapter 91 as are deemed necessary for the effective implementation and operation of this chapter. The rules shall include criteria and guidelines to be used in determining the appropriateness and medical or psychological necessity of services covered under this chapter, including the appropriate level of care or place of treatment and the number or quantity of services, and the objective and quantifiable criteria for determining when a health maintenance organization meets the conditions and requirements of section 431M-5, and shall include an appeals process.

The director of health shall also adopt rules pursuant to chapter 91 as are deemed necessary for the implementation and operation of this chapter. The rules shall provide certification standards that:

- 5) (1) Reflect quality of care; and
- 6) (2) Do not compromise the quality of care.

[§431M-7] Preservation of certain benefits. Nothing in this chapter shall serve to prevent the offering or acceptance of benefits required by this chapter."]

- 4) **That “alcohol dependence” and “drug dependence” be changed to current medical language – “alcohol use disorder” and “substance use disorder.” The change reflects current thinking that treatment can include help for abuse as well as addiction. Section 11: 431M-2: (a)**

SECTION 11. Section 431M-2, Hawaii Revised Statutes, is amended to read as follows: "**§431M-2 Policy coverage.** (a) All individual and group accident and health or sickness insurance policies issued in this State, individual or group hospital or medical service plan contracts, and nonprofit mutual benefit society, fraternal benefit society, and health maintenance organization health plan contracts shall include within their hospital and medical coverage the benefits of alcohol ~~dependence use disorder, drug-dependence substance use disorder~~, and mental [illness] health treatment services [~~provided in section 431M-4~~] [~~provided in section 431M-4~~], except that this section shall not apply to insurance policies that are issued solely for single diseases, or otherwise limited, specialized coverage.

We appreciate the opportunity to provide testimony and are available for questions.

Hawaii Counseling Center, LLC
328 Uluniu Street #203
Kailua, HI 96734
www.hawaiicounselingcenter.com

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Jeffrie Wagner. I am a Hawaii Licensed Marriage and Family Therapist and I strongly oppose HB 2270 Relating to Insurance. Specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFT's) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFT's or other master's level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFT's and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Jeffrie L Wagner, MFT, CSAC
Hawaii Counseling Center, LLC
Jeff8h@gmail.com
808-221-8994

Oasis For Change, LLC

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Mary Preston, MFT and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Mary Preston, MFT

Mary Preston, MFT

TESTIMONY OF THE AMERICAN COUNCIL OF LIFE INSURERS
IN OPPOSITION TO HOUSE BILL 2270, HD 1, RELATING TO INSURANCE

February 10, 2014

Via e mail

Honorable Representative Angus L. K. McKelvey, Chair
Committee on Consumer Protection and Commerce
State House of Representatives
Hawaii State Capitol, Conference Room 325
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair McKelvey and Committee Members:

Thank you for the opportunity to testify in opposition to HB 2270, HD 1, relating to Insurance.

Our firm represents the American Council of Life Insurers (“ACLI”), a Washington, D.C., based trade association with approximately 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers’ products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums. Two hundred twenty-five (225) ACLI member companies currently do business in the State of Hawaii; and they represent 92% of the life insurance premiums and 90% of the annuity considerations in this State.

Section 7 of the bill would amend existing law to subject LTC to stated provisions of Article 10A of Hawaii’s Insurance Code relating to Accident and Health or Sickness Insurance Contracts.

Currently, the laws governing LTC are contained in Article 10H of the Insurance Code.

Article 10H was added to Hawaii’s Insurance Code as the receptacle for the laws pertaining to LTC as a result of the passage by the Legislature of SB 131, relating to long term care (the “Long Term Care Insurance Bill”). This bill was enacted into law as Act 93 during the 1999 Legislative Session.

The stand-alone Article 10H, pertaining to long-term care insurance, was intentional.

Under the Federal tax laws, amounts received under a LTC insurance policy are generally treated as amounts received for personal injuries and sickness and are, thus, non-taxable. In order for LTC to receive this favorable tax treatment the policy must provide the consumer safeguards mandated by the Health Insurance Portability and Accountability Act (“HIPAA”). Under the tax laws, a long term care insurance policy is deemed to satisfy these requirements if it incorporates certain consumer protection provisions contained in the NAIC Long-Term Care Insurance Model

Act. Section 7702B, Internal Revenue Code. These consumer protection provisions were incorporated into Hawaii's Long Term Care Insurance Bill

When the Bill was introduced in 1999, its provisions were originally added to Part V of Article 10A, relating to accident, health or sickness insurance contracts ("AHSIC"). Part V was the original receptacle for the then existing laws pertaining to long term care insurance. In recognition that later amendments to Article 10A relating to AHSIC products might inadvertently be applied to a LTC policy and thereby disqualify it as being a "qualified long-term care insurance contract" under the tax laws, the Senate Ways and Means Committee repealed Part V of Article 10A and enacted new Article 10H to serve as the separate receptacle for LTC policies.

Section 7 of HB 2270, HD 1, would subject LTC to all of the regulatory requirements applicable to AHSIC contained in HRS Section 431:10A-104 through and including 114, 117, 118 and 601 through and including 604.

The justification stated for LTC's inclusion in Article 10A is that ". . . long-term care insurance *may not* be subject to the standard policy provisions in article 10A Justification Sheet, page 5 (Emphasis added).

While some of the Article 10A provisions which the bill seeks to subject a LTC insurance policy are benign others may be in conflict with the provisions governing a LTC policy in Article 10H; or result in confusion in determining the rights, duties and obligations of the insurer and the insured.

For example, the reinstatement provision set forth in HRS Section 431:10A-105(4)(A) are different than those required in HRS Section 431:10H-210. In addition, the claims provisions are also different.

HRS Section 431:10A-112 is problematic. It states that a policy in violation of this part "shall be held valid, but shall be construed as provided in this part." Further, "[w]hen any provision in a policy governed by this part is in conflict with any specific provision of this part, the rights, duties and obligations of the insurer, the insured, and the beneficiary shall be governed by the provisions of this part." Thus, any LTC policy with provision in conflict with this part (relating to Individual Accident and Health or sickness policies), such as the reinstatement provisions of HRS Section 431:10A-105(4), the reinstatement provisions of that Section, and not the provisions of Article 10H, would apply.

If these policy provisions are in fact contradictory to those set forth in Article 10H, which as stated above complies with the NAIC Long-Term Care Insurance Model Act and HIPAA, an LTC policy issued in Hawaii under the proposed bill may not be deemed a "qualified long-term care insurance contract" under the tax laws; and if it is not, the benefits payable would then be fully taxable as income to Hawaii's consumers under both the federal and Hawaii income tax laws.

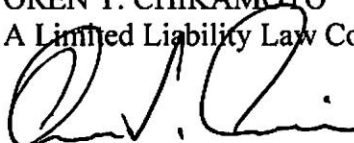
While HRS Section 431:10H-303 states that if Article 10H provisions are in conflict with HIPAA that the HIPAA requirements prevail, it does not state that if the Article 10A provisions are in conflict with Article 10H that Article 10H provisions prevail.

Moreover, many of the Article 10A provisions specified in HB 2270, HD 1, simply don't apply to a LTC insurance policy. These provisions include HRS Section 431: 10A-114, relating to termination of coverage due to the insured's age, HRS Section 10A-117, relating to franchise plans, HRS Section 10A-118, relating to genetic information, HRS Section 10A-601, relating to reciprocal beneficiary family coverage, HRS Section 10A-602, relating to insurance under a federally funded program under the Social Security Act, and HRS Section 10A-603, which exempts self-employed insured from mandated coverage under Article 10A.

For the foregoing reasons, ACLI requests that this Committee remove Long-term care insurance from Section 7 of the proposed Bill.

Again, thank you for the opportunity to testify in opposition to HB 2270, HD 1, relating to Insurance.

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



Oren T. Chikamoto
1001 Bishop Street, Suite 1750
Honolulu, Hawaii 96813
Telephone: (808) 531-1500
Facsimile: (808) 531-1600
E mail: otc@chikamotolaw.com

Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami,
Vice Chair and members of the House Committee on Consumer Protection and
Commerce,

My name is Steven Katz,. I am on the Board of Directors of NAMI, The National Alliance on Mental Illness. I joined NAMI when my own family member was incapacitated because of mental illness. Stripping MFTs of licensure would eliminate an excellent source of therapy that is currently covered under health insurance plans. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431M-3 through 6 and 431M-2.

Professionally, I have also been a Special Education teacher in New York and here in Hawaii, since 1988. Working with Special Education students I cannot over-emphasize the impact a family can have on a child's performance in school and on his or her life overall. Now as a licensed Marriage and Family Therapist, I see proof of this again. When someone in the family is hurting, the whole family is impacted. As a State we should be taking every step possible in making sure that our therapists meet the highest possible standards. Requiring a license is by no means foolproof, but taking that standard away would be like giving up on certifying teachers, or psychologists, or medical doctors. Please defeat this bill.

I also strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections. I urge you to oppose of HB2270 as written.

Sincerely,
Steven P. Katz 152 N. Kalaheo Ave, Kailua, HI
808-220-3625



94-1221 Ka Uka Blvd., Suite B202
Waipahu, HI 96797
Tel (808) 226-9442
Fax (808) 671-0222
elreyes@hawaii.rr.com
www.edwinareyes.com

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and
Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

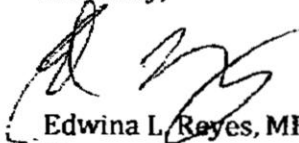
Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce. My name is Edwina Reyes and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,



Edwina L. Reyes, MFT, CSAC
Licensed Marriage and Family Therapist

Jeannie Kuan Yee Chan LLC

Phone: 808-223-7374
Fax: 866-241-8831

Fax

To: Testimony-Oppose HB 2270

From: Jeannie Chan, MFT

Fax: 8085866071

Pages: 2

Re: Opposition HB 2270

Date: February 08, 2014

Aloha!

Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce

Rep. Derek S.K. Kawasaki, Vice Chair

And Committee Members:

My name is Jeannie Chan and I am a Licensed Marriage and Family Therapist (MFT) practicing in Hawaii, serving adult individuals in psychotherapy and counseling. I am writing in oppositions to HB2270, specifically Sections 431-M-3 through 6 and 431 M-2. Attached is my signed Letter of Opposition.

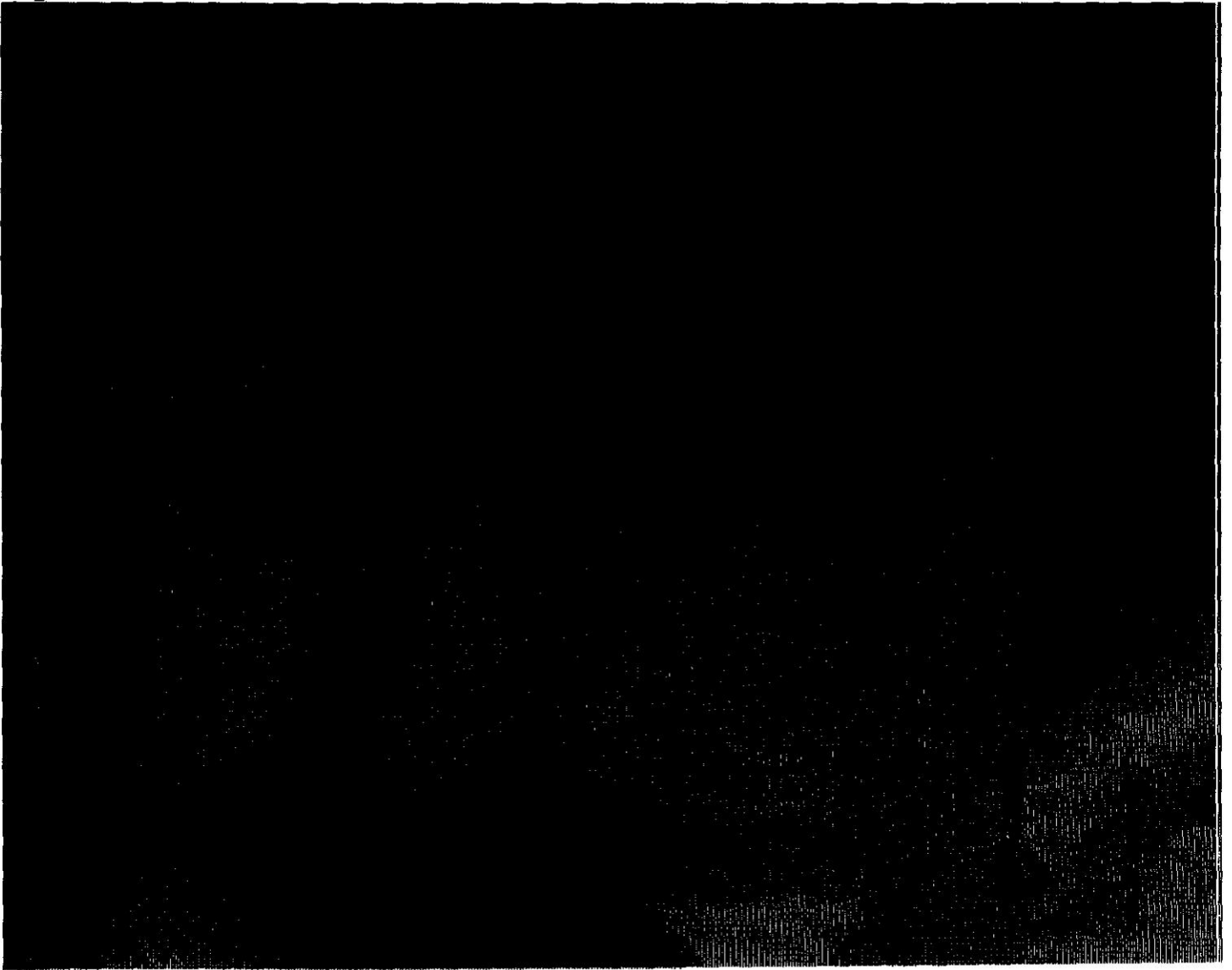
I urge you to oppose HB2270 as written. Thank you for your time and consideration.

Sincerely,

Jeannie Chan, MFT

Sent from my iPad

PO Box 612, Pearl City, HI 96782



ANTOINETTE RODRIGUES, MA
35 Holomakani Drive
Kula, Hawaii 96790
(808) 878-1651, 264-9392
rodriguez@hawaii.rr.com

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Antoinette Rodrigues, I am a resident of Kula, Maui, and I am a Marriage and Family Therapist Intern. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

On a personal level, I want you to know that I went back to school at the age of 57 to obtain my Master's degree in Marriage and Family Therapy. I am now about halfway towards completing the required hours for licensure as a MFT in the State of Hawaii. My long-standing personal goal is to go into private practice and work with families in recovery from substance abuse and mental illness, many of whom are covered by Quest Insurance. By passing this bill, you not only derail my plans, but the plans of other competent, aspiring--and practicing--MFTs who heal and strengthen families in our State.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Antoinette Rodriguez, MA

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

From: Teresa Lathrop, M.S., M.F.T.
2149 10th Ave.
Honolulu, HI 96816
(808) 284-6569

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Teresa Lathrop and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,



Teresa Lathrop

MITCHELL BERMAN, MA
Marriage & Family Therapist
3620 Baldwin Avenue, Suite 201
Makawao, HI 96768
(808) 280-1670

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Mitchell Berman and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,



Mitchell Berman

Shelley Shane, MFT
P O Box 494
Kailua Kona, HI 96745

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and
Commerce,

Rep. Derek S.K. Kawakami, Vice Chair

And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Shelley Shane and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Shelley Shane

Jay L. Serle Ph.D.
181 Lahainaluna Rd. Suite E.
Lahaina, HI 96761
808-661-1177
Jay@Mauitherapy.com

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Jay L. Serle I hold a Ph.D. in psychology and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.


I know that you are all aware of the need for mental health providers and support continued efficacious care for mental health of Hawaii's residents.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,


JAY L. SERLE M.A., LMFT

Jay L. Serle Ph.D.

**Paula T. Morelli, PhD
1511 Ehupua Place
Honolulu, Hawaii 96821**

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Paula T. Morelli and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Paula T. Morelli

Your Personal or Business Heading

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Alan Tamai and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

Under these provisions 431M-3 through 431M-6 and 431M-2, Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.

The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.

Passing this bill as is will negate MFTs and other professionals named as eligible providers.

Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Alan Tamai

kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 11:47 AM
To: CPCtestimony
Cc: mmm_3x@msn.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
mark matsushita	Individual	Oppose	No

Comments: Your Personal or Business Heading February 8, 2014 TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce Rep. Derek S.K. Kawakami, Vice Chair And Committee Members RE: HB 2270 Relating to Insurance LETTER OF OPPOSITION Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is _____ and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431M-3 through 6 and 431M-2. I strongly oppose this bill for the following reasons: • Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers. • The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does. • Passing this bill as is will negate MFTs and other professionals named as eligible providers. • Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections. I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify. Sincerely, Mark Matsushita, LMFT, CSAC Licensed Marriage and Family Therapist Certified Substance Abuse Counselor

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Your Personal or Business Heading

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is _____ and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

YOUR SIGNATURE

Your Name

Margaret Bubon Smith, MA, MFT, RPT-S
PO Box 351
Lawai, Hawaii 96765
808-332-5200

February 9, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Margaret Bubon Smith and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Margaret Bubon Smith 2 /9/2014

Margaret Bubon Smith



Heather Bartlemus, MFT
Heather Royce, Inc.
Counseling and Educational & Behavioral Consulting
1826 Wili Pa Loop, Suite #7
Wailuku, Hawaii 96793

“Quality of Life Through the Lifespan”

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and
Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Heather Bartlemus, MFT and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.
- This bill is sponsored by the State Insurance Commissioner of the Department of Commerce and Consumer Affairs. The commissioner thinks that Sections 431M-3 through 6 need to be repealed because they do not allow for parity of benefits

as required by the Affordable Care Act, which was enacted into law in 2010. However, eliminating these laws is not necessary to comply with the ACA or any other federal law. In not requiring insurers to recognize certain provider types, like the current Hawaii law does, when it comes to the freedom to choose providers, the ACA law provides weaker protections for consumers. In other words, unlike Hawaii's law, the ACA and other federal laws do not explicitly list MFTs or other master's level providers as eligible providers.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Heather Bartlemus, MFT (HI 167)

**Janet Covington, LMHC
PO Box 8893093
Mililani, HI 96789**

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Janet Covington and I am a Hawaii Licensed Mental Health Counselor (LMHC). I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize LMHCs and other professionals as service providers.
- The ACA and other federal laws do not explicitly list LMHCs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate LMHCs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Janet Covington, LMHC

kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 08, 2014 7:29 PM
To: CPCtestimony
Cc: drlucy@hawaii.rr.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM

HB2270

Submitted on: 2/8/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lucy Miller	Individual	Oppose	No

Comments: As a Marriage and Family Therapist, I strongly oppose HB2270 as written. MFTs must be listed as eligible providers. Mahalo.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 08, 2014 7:33 PM
To: CPCtestimony
Cc: ksweet30@hotmail.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM

HB2270

Submitted on: 2/8/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Katherine Sweetser	Individual	Oppose	No

Comments: MFTs are important service providers and should retain the ability to bill insurance carriers.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 08, 2014 7:55 PM
To: CPCtestimony
Cc: Lorikunihara@hotmail.com
Subject: *Submitted testimony for HB2270 on Feb 10, 2014 17:00PM*

HB2270

Submitted on: 2/8/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lori Kunihara	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Jamie Moody
4952 Kilauea Ave.
Honolulu, HI 96816

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce. My name is Jamie Moody, and I am a graduate student of the Master of Science in Counseling Psychology at Chaminade University, with an emphasis in Marriage and Family Therapy. I strongly Oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly Oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Jamie A. Moody
Constituent of District 18

kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 9:05 AM
To: CPCtestimony
Cc: klwcoach@gmail.com
Subject: *Submitted testimony for HB2270 on Feb 10, 2014 17:00PM*

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kim Willis	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 10:43 AM
To: CPCtestimony
Cc: danuhrich@hawaii.rr.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Uhrich	Individual	Oppose	No

Comments: Vendorship for MFTs is absolutely mandatory in order to provide care and treatment for the families of Hawaii. Underprivileged families who are in the system, such as foster parents, CPS cases, and children of abuse and neglect rely heavily on MFTs for their healing and ongoing stable mental health needs. They would not be able to access or afford these services without vendorship.

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kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 12:41 PM
To: CPCtestimony
Cc: maiteukene@yahoo.com
Subject: *Submitted testimony for HB2270 on Feb 10, 2014 17:00PM*

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
MAITE ANASAGASTI	Individual	Oppose	No

Comments:

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kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 12:57 PM
To: CPCtestimony
Cc: kellykonatherapist@gmail.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
kelly	Individual	Oppose	No

Comments: as a marriage therapist on the outer island, we are very aware of the shortage of behavioral health care. without the masters level therapists our population will be greatly undeserved in Kona

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kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 1:50 PM
To: CPCtestimony
Cc: ecabibimft@gmail.com
Subject: *Submitted testimony for HB2270 on Feb 10, 2014 17:00PM*

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Cabibi	Individual	Oppose	No

Comments:

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René M. Garvin, M.A.

Consultant, Family Therapist, Substance Abuse Counselor

974 Maniniholo Street

Honolulu, Hawai'i 96825

Ph/Fax (808) 395-5406

February 9, 2014

Representative Angus McKelvey, Chair
Consumer Protection & Commerce Committee

RE: HB 2270 RELATING TO INSURANCE

Honorable Chair McKelvey and members of the House Consumer Protection & Commerce Committee,

As a licensed Marriage and Family Therapist and Certified Substance Abuse Counselor, I am writing to oppose Sections 431-M-3 through 6 and 431-M-2 of this bill. I am particularly concerned at the arbitrary deletion of the portions of the law specifying mental health and substance abuse treatment and qualified providers.

The establishment of mandated coverage and qualified providers of treatment required many years and struggles in Hawaii. I believe it is too simplistic to now claim that the so-called parity laws will take care of it. Hawaii leads the nation in having health coverage that is superior to that mandated by the Affordable Care Act and it does not behoove us as a state to now downgrade just "because we can". It seems to me the originators got carried away with the "delete button" on this one!

Also, just for informational purposes, I want to inform you that all providers must be registered and qualified through NAIC in order to bill most insurance companies. Therefore, it seems clear to me that we would not be in danger of non-compliance with NAIC standards by allowing these portions of the law to stay in place, which is the argument used for enactment of this bill.

Mahalo for your kind attention and consideration to my concerns. I would ask that you amend this bill to remove these changes.

Sincerely,

Rene M. Garvin, MA, MFT, CSAC, CCS

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Helen P Bressler, MSCP and I am a Hawaii pre-License Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Helen P Bressler MSCP, BSc, RN, EFT, CPC

Michelle Fish
3014 Kekaulike Ave. Kula, HI 96790 Phone: 808.280.2901

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Michelle Fish and, after receiving a master's Degree in Marriage and Family Therapy and successfully finishing 2 years of face-to-face consultations and supervision, I will soon be taking the state licensure exam to become a licensed Marriage and Family Therapist and will be expecting to be able to bill insurance companies accordingly.

I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,
Michelle Fish

February 9, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Emilee Dunlap and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Emilee J. Dunlap, MFT

Emilee Dunlap, MFT

kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 3:20 PM
To: CPCtestimony
Cc: mullenb001@hawaii.rr.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM
Attachments: Letter of Opposition to HB2270.pages

Follow Up Flag: Follow up
Flag Status: Flagged

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Mullen	Individual	Oppose	No

Comments:

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February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

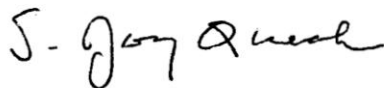
Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Joy Quick and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professional therapists as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,



S. Joy Quick, MA, MFT, CSAPA
AAMFT Hawaii Division President
Director of Training, Marriage and Family Therapy Program
Argosy University Hawaii
808-791-5222

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Harvey Kainoa Kāneakua and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

Harvey Kainoa Kaneakua, MFT

<submitted electronically>

kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 4:27 PM
To: CPCtestimony
Cc: ksgorris@aol.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM
Attachments: ltr of opposition to bill

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kimberly Alailima	Individual	Oppose	No

Comments:

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kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 4:30 PM
To: CPCtestimony
Cc: graceworksllc@icloud.com
Subject: Submitted testimony for HB2270 on Feb 10, 2014 17:00PM
Attachments: Scan 14.jpeg

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Rhesa R. Kaulia, MFT	Individual	Oppose	No

Comments: My company and myself STRONGLY OPPOSE this bill.

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Therapeutic Counseling Center

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Chiyo Churchill, MFT and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,


Chiyo Churchill, MFT

kawakami3-Benigno

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 09, 2014 4:46 PM
To: CPCtestimony
Cc: kelseychuckovich@icloud.com
Subject: *Submitted testimony for HB2270 on Feb 10, 2014 17:00PM*

HB2270

Submitted on: 2/9/2014

Testimony for CPC on Feb 10, 2014 17:00PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kelsey Chuckovich	Individual	Oppose	No

Comments:

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SUSAN J. RAY

Licensed Marriage and Family Therapist
970 N. Kalaheo Ave; Suite A-212, Kailua, HI 96734
Phone: (808) 227-6791 Fax: (808) 744-8322
Email: susanray@hawaii.rr.com
Website: www.windwardtherapy.com

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: **HB 2270 Relating to Insurance**

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Susan Ray and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill as would my clients for the following reasons:

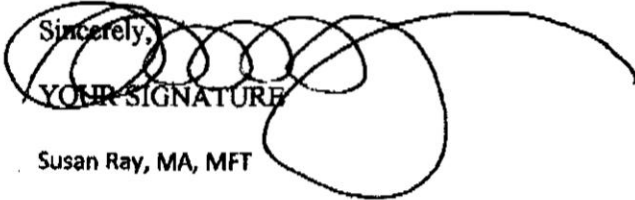
- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,

YOUR SIGNATURE

Susan Ray, MA, MFT



February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

From: Laura Dang
2789 Booth Rd
Honolulu HI 96813

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

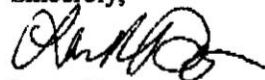
Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Laura Dang and I work for a community organization. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,



Laura Dang

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

From: Arjay Gruspe
2009 A Oahu Ave.
Honolulu, HI

RE: **HB 2270 Relating to Insurance**

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Arjay Gruspe and I am the pastor of Pawaa Community Church. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,



Arjay Gruspe

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

From: Sean Lathrop, M.S., M.Div
2149 10th Ave.
Honolulu, HI 96816

RE: HB 2270 Relating to Insurance

LETTER OF OPPOSITION

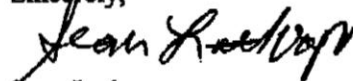
Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Sean Lathrop and I am a Baptist minister. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,


Sean Lathrop

Your Personal or Business Heading

February 8, 2014

TO: Rep. Angus McKelvey, Chair, Committee on Consumer Protection and Commerce
Rep. Derek S.K. Kawakami, Vice Chair
And Committee Members

RE: **HB 2270 Relating to Insurance**

LETTER OF OPPOSITION

Rep. Angus McKelvey, Chair, Rep. Derek S.K. Kawakami, Vice Chair and members of the House Committee on Consumer Protection and Commerce, My name is Cynthia Carlton-Jarmon and I am a Hawaii Licensed Marriage and Family Therapist. I strongly oppose HB 2270 Relating to Insurance, specifically Sections 431-M-3 through 6 and 431M-2.

I strongly oppose this bill for the following reasons:

- Under these provisions 431M-3 through 431M-6 and 431M-2 Hawaii State Law requires Hawaii State Insurers to recognize Marriage and Family Therapists (MFTs) and other professionals as service providers.
- The ACA and other federal laws do not explicitly list MFTs or other masters level professionals as eligible providers as Hawaii State Law does.
- Passing this bill as is will negate MFTs and other professionals named as eligible providers.
- Federal law already trumps any state insurance laws with contrary language or weaker protections. Therefore, even if there is a conflict between the laws, it is not necessary to eliminate these important sections.

I urge you to oppose of HB2270 as written. Thank you for this opportunity to testify.

Sincerely,


Cynthia Carlton-Jarmon, MFT

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

Before:
House Committee on Consumer Protection & Commerce
The Honorable Angus L.K. McKelvey, Chair
The Honorable Derek S.K. Kawakami, Vice Chair

February 10, 2014
5:00 pm
Conference Room 325

Re: HB 2270, HD1 Relating to Insurance

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on this bill regarding the updating of Title 24, relating to insurance.

Kaiser Permanente opposes Section 9 of this bill.

First, we do not believe that Section 9, requiring that 80% of investment income on reserves be applied to rate determination and filing of a managed care plan, is necessary for its intended purpose of lowering premiums for consumers. Currently, the Patient Protection and Affordable Care Act of 2010 (ACA) already affords an unprecedented level of scrutiny, consumer protection, and transparency to health insurance rate increases. It ensures that every state's proposed increases of ten percent or more will be evaluated by experts to assess whether they are based on reasonable cost assumptions and solid evidence. This highly regulated review and scrutiny process is expected to prevent unjustified premium hikes by insurance companies and provide consumers with greater value for their premium dollar by enacting more stringent rate review regulations, including: (1) significantly greater disclosure regarding rate development / rating assumptions, including standardized templates that have to be completed for all lines of business subject to the new rules; (2) actuarial certification of rates, along with an actuarial memorandum detailing the rate development, will be required for these lines starting in 2014; (3) a threshold for rate increases, above which these are subject to greater scrutiny (including more data requirements) and may be deemed "unreasonable"; and (4) a standardized risk pools and rating factors to facilitate greater transparency and direct comparison of rates between carriers.

Additionally, Hawaii has its own rate review process through the Department of Insurance (DOI) which regulates rate increases. The DOI's rate review process was subject to a rigorous

CMS evaluation and was deemed to have satisfied "effective rate review" standards that were established under ACA. Therefore, given that there is already an effective rate review process in place under the ACA, and Hawaii's own DOI, the layering of an additional state requirement, i.e. 80% of investment income for rate determinations, is clearly unnecessary, burdensome, and creates confusion.

Secondly, the medical loss ratio rating (MLR) also regulates insurance rate increases under the ACA by requiring insurance companies to meet new stricter MLR ratios (large group insurers at 85% and individual and small group subscribers at 80%) to ensure that the percentage of premium dollars is primarily spent on health care and improving the quality of care, versus administrative and overhead costs, i.e., high salaries or bonuses. In short, the MLR means that more of the consumer's premium payments will go towards actual health care, and to improving the quality of that health care. The MLR rating standard is consistent with the goals of the ACA in making insurance more affordable and more transparent and holding insurance companies accountable, while increasing the quality of health care.

Finally, we believe that this additional rate determination requirement under Section 9 is unnecessary because, in comparison to other states, employers in Hawaii already pay the lowest premium rates for both single employee and family plans. The Kaiser Family Foundation reported that in 2010, Hawaii had the second lowest premiums for employer based single plans, and third lowest premiums for employer based family plans, compared to the national average.

Likewise, in 2013, Hawaii's Insurance Division reported that **the individual health plan rates approved for the Hawaii Health Connector were amongst the lowest in cost in the nation**. The Insurance Division added that, compared to the results of a study published by the Kaiser Family Foundation, Hawaii's rates before tax credits and reimbursement estimates for a 40-year-old resident at \$217 would be the third lowest:

- 1. Portland, Ore. \$201
- 2. Albuquerque, NM \$212
- 3. Honolulu \$217**
- 19. Burlington, VT \$413

Furthermore, in a comparison of analysis done by Avalere Health, the Insurance Division's actuaries found that Hawaii has **the lowest average monthly plan rate in each of the four metal levels before tax credits and reimbursement estimates:**

Avalere Health Study Comparison (40-year-old Nonsmoker)				
State	Bronze	Silver	Gold	Platinum
Hawaii	\$154	\$216	\$262	\$306

Maryland	\$211	\$260	No plan	No plan
Washington	\$236	\$299	\$299	No plan
Virginia	\$254	\$299	\$353	\$484
New York (high)	\$364	\$444	\$521	\$608

Avalere Health Study Comparison (Silver Level Nonsmoker)			
State	21-Year-Old	40-Year-Old	60-Year-Old
Hawaii	\$169	\$216	\$458
Maryland	\$203	\$260	\$552
Washington DC	\$206	\$276	\$593
Rhode Island	\$227	\$290	\$615
Connecticut (high)	\$280	\$358	\$764

The Insurance Commission's article (September 20, 2013), in its entirety, can be found at:
<http://cca.hawaii.gov/ins/news-release-hawaiis-average-rates-for-insurance-exchange-among-lowest/>

Thank you for this opportunity to testify on this bill.