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TO THE HOUSE COMMITTEE ON HEALTH  
TWENTY-SEVENTH LEGISLATURE  
Regular Session of 2014

Wednesday, January 29, 2014  
8:45 a.m.

**TESTIMONY ON HOUSE BILL NO. 1820 – RELATING TO HEALTH INSURANCE NAVIGATORS.**

TO THE HONORABLE DELLA AU BELATTI, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department takes no position on the issue of regulating navigators in general, however the Department does not support its placement in HRS Chapter 435H.

The regulation contemplated by this bill is not insurance regulation within the purview of the Insurance Division. The Insurance Division licenses individuals and agencies that engage in the sale, solicitation and negotiation of insurance. Navigators are neutral parties who do not sell, solicit or negotiate health insurance. Therefore, the Insurance Division is not the appropriate agency to regulate navigators and non-navigator assistance personnel. The Department recommends further analysis as to whether licensing or registration is required.

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



The Honorable Della Au Belatti  
Chair, Committee on Health

Re: Testimony regarding HB1820 Relating to Health Insurance Navigators.  
Hearing scheduled for January 29, 2014, at 8:45 a.m.

Chair Belatti, and members of the Committee on Health,

My name is Puanani Crabbe, I am a Program Specialist with the Hawai'i Health Connector (Connector) here to speak on HB 1820 Relating to Health Insurance Navigators.

The purpose of my testimony is to provide the Committee with information about what the Connector is currently doing to train and certify consumer assistance workers that we refer to as "Kōkua." The Connector has put in place training, certification and security requirements to prevent the security breaches that have been reported about the Federal Exchange, and currently meet or exceed not only the Federal requirements but also the requirements currently outlined in HB1820.

The Connector requires each Kokua to become certified. The certification program for Kokua has several components:

1. Training is provided through a combination of face-to-face instructor-led sessions and online, computer based self-led modules. Candidates must pass the training exam with a score of 85% or better. Training modules consist of:

Understanding the Affordable Care Act	HIPPA, Personal Health Information, and Personally Identifiable Information and how to protect the consumer from identity theft.
Providing Culturally appropriate assistance when assisting consumers	Insurance Affordability and Available Financial Assistance
Federal Insurance Market Reforms and Implications	Insurance Industry Overview
Security and Protection of Federal Tax Information	Qualified Health Plan Overview, Choices and Benefits



Eligibility and Enrollment in the Marketplace	Understanding the Small Business Health Options Program
Provisions on conflict of interest and professional ethics.	

2. Candidates must pass a background check with a seven year look back period;
3. Candidates must attest that they will adhere to stringent security guidelines, protecting consumer information and professional ethics;
4. Organizations and their Kōkua must sign an agreement with the Connector to abide by Federal and State laws and requirements.

**Recertification**

Each year, all Kōkua are required to be recertified. In addition to the application process, required training and testing, and background checks, (the same as year one) the Connector will also consider the following information if the Organization or Kōkua has participated in year one:

- a. Compliance with the attestations required for initial certification;
- b. Changes to any elements provided in the initial certification criteria;
- c. Efficacy and compliance of their services provided in the prior year;
- d. Compliance with all refresher training requirements throughout the year;
- e. A review of the services provided during the previous year and the performance of the individual MAs who work for the organization during that time; and
- f. A review of complaints, disposition of the complaints, and their resolutions.

**Decertification**

The Connector also reserves the right to decertify Organizations that do not comply with contract requirements. Some of the reasons this could occur consist of:

- a) Does not meet specific quality and other standards;
- b) Did not meet all or some contract requirements as determined by Connector review team
- c) Demonstrates conduct that he/she is not operating within professionally-accepted ethical



- standards;
- d)** There has been a change in status of any of the attestations that result in no longer meeting requirements for participation; and
  - e)** Validated consumer complaints regarding the Marketplace Assister organization or their employees that were not resolved or corrected as determined by Connector review team.
  - f)** Did not successfully provide all federally mandated duties
  - g)** Violated privacy and security standards
  - h)** Connector finds MAOs or Kōkua not compliant with Hi'i Ola Program requirements (i.e. Policies and Procedures, Attestations, or signed Agreement Kōkua fails the re-certification training test.

The Navigator program was designed to not only reach out to the uninsured and underinsured, but also to those in the communities that are underserved, and to educate the public about the Affordable Care Act and the insurance options available. Having this licensing requirement may pose a barrier to organizations that serve the community and discourage people trusted by the community from becoming a Navigator.

For example, we have a Kōkua with an organization in the community who represents her culture, speaks 3 different languages and has been working diligently in her community enrolling consumers. If the job required that she be licensed in order for her to do this work she may not have pursued becoming a Navigator or Kōkua for the Connector. She is a trusted resource in her community and without her, the Connector would not have the ability to reach out and enroll these individuals. These are the kinds of people with whom we would want to continue our partnership.

Thank you for the opportunity to speak with you today. I am happy to take any questions you may have.





To: Committee on Health  
Representative Della Au Belatti, Chair

Date: January 29, 2014, Conference Room 329, 8:45 a.m.

Re: **HB 1820 – RELATING TO HEALTH INSURANCE NAVIGATORS**

Chair Belatti and Committee Members:

AARP is a membership organization of people 50 and older with nearly 150,000 members in Hawaii. AARP fights on issues that matter to Hawaii families, including the high cost of long-term care; access to affordable, quality health care for all generations; providing the tools needed to save for retirement; and serving as a reliable information source on issues critical to Americans age 50+.

**AARP provides comments on HB 1820 - Relating to Health Insurance Navigators.** This bill establishes licensing, examination, and annual renewal requirements for navigators.

AARP has the following comments on the proposed amendments to Chapter 435H, Hawaii Revised Statutes:

§435H - Community navigators; licensing and renewal.

AARP recommends that certification, licensing, and renewal requirements for navigators be consistent with federal laws and regulations.

Customer Support (Call) Center personnel should also be specified in this bill and should have similar certification, licensing, and renewal requirements as the navigators.

Thank you for the opportunity to provide testimony.



**LATE**

**House Committee on Health**  
The Hon. Della Au Belatti, Chair  
The Hon. Dee Morikawa, Vice Chair

**Testimony on House Bill 1820**  
**Relating to Hawaii Health Insurance Navigators**  
**Submitted by Robert Hirokawa, Chief Executive Officer**  
**January, 29, 2014, 8:45 am, Room 329**

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports the intent of House Bill 1820, which establishes licensing, examination, and renewal parameters for community navigators.

Community navigators were created out of the Affordable Care Act to assist individuals and small businesses with purchasing health insurance through the newly created health insurance exchanges. To ensure that no abuse of this position occurs, whether through providing misinformation, mishandling of sensitive personal information, accepting kickbacks, or any other nefarious dealings, the HPCA supports the active oversight of all individuals wishing to become patient navigators.

We offer the following comments for consideration:

- Is the state oversight process contained in this measure the most effective and efficient for the non-profit Connector?
- How will the required fifty hours of training be administered and who will bear the cost?

Thank you for the opportunity to testify.

**HB1820**

Submitted on: 1/29/2014

Testimony for HLT on Jan 29, 2014 08:45AM in Conference Room 329



Submitted By	Organization	Testifier Position	Present at Hearing
Scott Wall	Community Alliance for Mental Health	Support	No

Comments: to: House Health Aloha Chair Belatti and members of the committee, On behalf of the Community Alliance for Mental Health along with United Self Help we strongly support the passage of HB1820. The licensing of our paraprofessional medical workforce is necessary and logical. Scott Wall VP/Legislative Advocate Community Alliance for Mental Health

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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January 28, 2014

Committee on Health  
415 South Beretania St. Conference Rm 329  
Honolulu, HI 96813

**LATE**

Dear Representatives:

My name is Davis Kobayashi and I am the President of Advantage Insurance Services, Inc. Thank you for allowing me to present my testimony on behalf of the insurance brokers in our state.

Advantage Insurance Services, Inc. was started in 2005. The motivation to start the agency was to help businesses and the senior population navigate through the complicated health care environment. Many businesses have a hard time balancing their day to day operations while at the same time keeping up with the employee benefits and the laws that are associated with it.

A Broker is an integral part of the health care process. Many individuals and businesses use Brokers to advise them. Although a Broker represents various insurance companies, the Broker will always look out for their client's best interest.

Change is difficult for most people and with the ACA implementation; the consumer will have many questions, misconceptions and apprehensions. The Hawaii Health Connector will benefit from using a Broker because the Broker brings stability, expertise, objectivity and familiarity to the marketplace and existing relationships with businesses and individuals who will be directly affected by the ACA.

All of the other 49 Health Exchanges use brokers extensively as part of their distribution channel. Only Hawaii does not use nor recognize the value of the broker. This is a key ingredient that is missing for the success of the Connector's self-sustainability and increased enrollment. Brokers are licensed professionals that do this for a living and to be excluded from this very important process is unthinkable.

I am proposing that the Hawaii Health Connector be a General Agent and the Brokers will be subagents of the Connector as a business model. This model is common in the agency community and it works. In this model, various insurance carriers will contract with an insurance agency and the agency will have independent agents representing their products. This is an efficient model as the Connector will not have to pay individual agents and it will make the agencies monitor their agents and maintain the integrity of the product. The insurance carriers will pay the General Agent a percentage of the product sold. In turn, the General Agent will then pay the subagent a percentage of commission for their work in bringing in the clients.

The Agent/Broker compensation should be part of the Connector's business expense. It is much more affordable to pay the Agent/Broker a commission than it is to have staff on payroll, benefits and office space.

I sincerely appreciate the opportunity to present my view to you. Should you have any questions or concerns please do not hesitate to contact me.

Sincerely,  
Davis Kobayashi  
dkobayashi@advantage-ins.com



