

HB2581 HD3

Measure Title: RELATING TO INSURANCE.

Report Title: State Innovation Waiver; Task Force; Appropriation (\$)

Description: Establishes and appropriates funds for the state innovation waiver task force to develop a plan for applying for a state innovation waiver under the PPACA. Effective 7/1/2050. (HD3)

Companion:

Package: None

Current Referral: CPN, WAM

Introducer(s): MCKELVEY



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION
The Hon. Rosalyn H. Baker, Chair
The Hon. Brian T. Taniguchi, Vice Chair
March 13, 2014, 9:30 a.m., Room 229

House Bill 2581, HD 3, RELATING TO INSURANCE

Testimony in Support

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

Thank you for the opportunity to support HB 2581, HD 3, Relating to Insurance. We agree that Hawai'i should give careful consideration to waiver opportunities available under the Affordable Care Act. The Governor's Office would welcome the responsibility of convening task force members identified in the bill and meeting with other interested stakeholders to develop strategies that would result in a universal health insurance coverage system that meets consumer and provider needs, adds value and convenience to employers, and is economically sustainable.

We note that this would be a multi-year endeavor so the Legislature may want to consider requiring that a second interim report be submitted prior to the convening of the regular session of 2016 and a final report before the 2017 session.

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

Thank you for the opportunity to testify.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
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KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2014

Thursday, March 13, 2014
9:30 a.m.

TESTIMONY ON HOUSE BILL NO. 2581, H.D. 3 – RELATING TO INSURANCE.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE
COMMITTEE:

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

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

The Commissioner is willing to participate on this task force.

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



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

DATE: Thursday, March 13, 2014
TIME: 9:30am
PLACE: Conference Room 229

TO: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

FROM: Hawaii Medical Association

Dr. Walton Shim, MD, President
Dr. Linda Rasmussen, MD, Legislative Co-Chair
Dr. Ron Kienitz, MD, Legislative Co-Chair
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: HB 2581

The HMA would like to ask for amendments to this bill.

We would respectfully request that more patient care providers be on this task force. We would specifically like to request that **a representative from the Hawaii Medical Association be added to the task force.**

The Hawaii Medical Association has continuously participated in the Hawaii Health Care Project (formerly the Hawaii Healthcare Transformation Initiative) since its inception. It also played a role in the development of the state's innovation plan and grant.

We would ask that the following lines be amended to **ensure that persons in patient care delivery are not replaced by people with health insurance experience, as the two things are very different.** If health insurance company representatives are desired on the task force please list them separately and remove them from lines 13 and 14.

(13) Two persons with expertise in health care delivery or health insurance, to be designated by the president of the senate; and

Officers

*President - Walton Shim, MD President-Elect – Robert Sloan, MD
Secretary - Thomas Kosasa, MD Immediate Past President – Stephen Kemble, MD
Treasurer – Brandon Lee, MD Executive Director – Christopher Flanders, DO*

(14) Two persons with expertise in health care delivery ~~or health insurance~~, to be designated by the speaker of the house of representatives.

Thank you for the opportunity to testify.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Commerce and Consumer Protection
Thursday, March 13, 2014 at 9:30 A.M.
Conference Room 229, State Capitol**

RE: HOUSE BILL 2581, HD3 RELATING TO INSURANCE

Chair Baker, Vice Chair Taniguchi, and Members of the Committee:

The Chamber **supports** HB 2581, HD3 Relating to Insurance,

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

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

Thank you for the opportunity to testify on this matter.

Testimony of Phyllis Dendle

Before:
Senate Committee on Commerce and Consumer Protection
The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair

March 13, 2014
9:30 am
Conference Room 229

HB2581 HD3 RELATING TO INSURANCE

Chair Baker, and committee members, thank you for this opportunity to provide testimony on HB2581 HD3 which creates a state innovation waiver task force and provides an appropriation.

Kaiser Permanente Hawaii supports this bill.

This bill will provide an opportunity to pull together the many diverse parts of government and the private sector that are seeking to assure access to health care for all of Hawaii's residents though assuring that all have access to affordable health coverage. The opportunity to seek innovative ways to adjust the programs we have in place and even consider new programs is critical at this time of great change in health care.

Kaiser Permanente is eager to be part of this effort. We hope to offer our unique understanding of health care coverage and delivery to assist the task force.

We are confident that under the direction of healthcare transformation coordinator Beth Giesting that this group will be able to secure an innovation waiver.

Thank you for your consideration.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 13, 2014

The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair
Senate Committee on Commerce and Consumer Protection

Re: HB 2581, HD3 – Relating to Insurance.

Dear Chair Baker, Vice Chair Taniguchi, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2581, HD3, which establishes a State Innovation Waiver Task Force. HMSA supports this Bill and has comments.

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

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

The task force contemplated under HB 2581, HD3, affords those involved with the SHIP to further participate in its successful implementation. This task force is expected to more specifically focus on the State's application for an innovation waiver thru the Affordable Care Act (ACA), something that is critical to the SHIP. Much of the task force deliberations must revolve around how Hawaii can ensure that our already successful Prepaid Health Care Act (PHCA) is best able to co-exist and complement the ACA. That will require participation by members of the health care system that know and understand the complexities of the ACA and the PHCA.

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

Thank you for the opportunity to testify in support of HB 2581, HD3.

Sincerely,

Jennifer Diesman
Vice President
Government Relations