

SB 2470

Measure Title: RELATING TO THE HAWAII HEALTH CONNECTOR.

Report Title: Hawaii Health Connector; Hawaii Health Insurance Exchange; Board of Directors

Description: Effective July 1, 2014, lowers the number of members on the board of directors of the Hawaii health connector to twelve, with a maximum of nine total voting members. Removes members representing insurers and dental benefit providers from the board and requires all but one of the state agency representatives on the board to be ex officio, nonvoting members. Establishes procedures for filling vacancies on the board.

Companion: HB2530

Package: None

Current Referral: CPN

Introducer(s): BAKER, CHUN OAKLAND, GREEN, Ige, Wakai



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION

The Hon. Rosalyn Baker, Chair
The Hon. Brian T. Taniguchi, Vice Chair
January 31, 2014, 9:00 a.m., Room 229

Comments: SENATE BILL 2470, RELATING TO HAWAII HEALTH CONNECTOR

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

Speaking on behalf of the Abercrombie Administration, thank you for your concern about the success and sustainability of the Hawaii Health Connector. We share that concern.

We recognize that the coming year will be particularly significant as the Connector continues to improve operations, seeks stability, and contemplates options for sustainability, all while adapting to evolving Affordable Care Act requirements.

We appreciate the need to review the composition of the Hawaii Health Connector's board from time to time to reflect changing circumstances. The provisions of SB 2470 help clarify the process to identify appointees who have particular skills needed to round out board knowledge. It also clarifies the nomination and confirmation process. We believe it remains important to include the viewpoint of insurers.

Of course, we are particularly attuned to the on-going need for robust input from directors of departments and offices concerned with implementing aspects of the Affordable Care Act. Accordingly, should you decide to change the composition of the board, we would like you to consider adding representatives of the Office of Healthcare Transformation and the Office of Information Management and Technology or their designees, to the list of *ex officio* members on the board, since these office are also integral to implementing aspects of the ACA.

Thank you for the opportunity to comment on this bill.



HAWAI'I HEALTH
CONNECTOR

The Honorable Rosalyn H. Baker
Chair, Committee on Commerce and Consumer Protection

Re: Testimony regarding S.B. 2470, Relating to the Hawai'i Health Connector.

Hearing scheduled for January 31, 2014, at 9:00 a.m.

Chair Baker and members of the Committee on Commerce and Consumer Protection,

My name is Tom Matsuda, Interim Executive Director of the Hawai'i Health Connector (the "Connector"), speaking on behalf of the Connector and its Board of Directors.

At this time, the Connector's Board of Directors is very involved in providing oversight and policy guidance to the Connector organization during a critical period. The current Board has considerable knowledge about the Patient Protection and Affordable Care Act, state law issues including the Prepaid Health Care Act, the state-based marketplace and the IT system supporting it, the insurance market in this state, the needs of consumers, and other areas that are important to the Connector's operations. Most of the current Board has been in place since at least mid-2012, which has given them very important experience and perspective on the issues facing the Connector now and in the future.

To preserve continuity and expertise during a period when informed Board guidance is so important, the Board prefers to maintain the existing positions, designations and membership of the Board of Directors. If any current Board members decide to leave the Board or not renew their appointments, then the Board prefers that any vacancies be filled under the existing guidelines.

Thank you for the opportunity to provide comments on SB 2470.

**Testimony to the Senate Committee on Commerce and Consumer Protection
Friday, January 31, 2014 at 9:00 A.M.
Conference Room 229, State Capitol**

**RE: SENATE BILL 2470 RELATING TO THE HAWAII HEALTH
CONNECTOR**

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

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** SB 2470 Relating to the Hawaii Health Connector.

The Chamber is the largest business organization in Hawaii, representing over 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 members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

This bill seeks to remove members representing insurers and dental benefit providers on the board of directors for the Hawaii health connector. We believe that the members representing health insurers and dental benefit providers should not be removed from the board.

First, our understanding in the creation of the board was to make a broad mix of community members and stakeholders to be a part of the decision making process. There are a total of 15 members with only 3 being from the insurance industry. We see no reason why they should be removed or how this helps the Exchange's sustainability as set forth at the beginning of this bill.

Second, the Affordable Care Act is over 22,000 pages of rules and is intertwined with many other facets of federal and state law. It is very complicated and very fluid. The board in making these decisions both in full committee and executive committee needs to have all the pertinent information before making decisions. All stakeholders need to be part of the discussion, including insurers. Insurers have the knowledge and resources and deal with this topic almost every day. The other board members who bring different expertise can benefit from this insight and at the same time make their own independent decisions.

Thirdly, to sustain the operation of this endeavor we believe that the board as a whole should stay intact. This includes keeping all the state members on the committee as well. They each bring a perspective on the health care industry.

For this and other reasons we ask that you hold this bill in committee. Thank you for the opportunity to testify.



HPCCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Commerce and Consumer Protection

The Hon. Rosalyn H. Baker, Chair

The Hon. Brian T. Taniguchi, Vice Chair

Testimony on Senate Bill 2470

Relating to Hawaii Health Connector

Submitted by Robert Hirokawa, Chief Executive Officer

January 31, 2014, 9:00 am, Room 229

The Hawaii Primary Care Association (HPCCA), which represents the federally qualified community health centers in Hawaii, would like to offer comments on Senate Bill 2470, which seeks to alter the board composition of the Hawaii Health Connector.

The HPCCA supports the intent of this measure, which is to keep the Hawaii Health Connector as a free standing non-profit organization and remove insurers and many state officials as voting board members. However, the HPCCA has concerns about the financial sustainability of the Hawaii Health Connector and would ask that additional measures be implemented to assess and plan for such considerations moving forward.

The HPCCA thanks you for the opportunity to offer these comments and urges you to move the bill forward for further consideration.



To: Committee on Commerce and Consumer Protection
Senator Rosalyn H. Baker, Chair

Date: January 31, 2014, Conference Room 229, 9:00 a.m.

Re: **SB 2470 – RELATING TO THE HAWAII HEALTH CONNECTOR**

Chair Baker 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 supports SB 2470 - Relating to the Hawaii Health Connector. This bill lowers the number of Board members; removes insurers and dental providers from the board; requires all but one of state agency representatives to be ex officio non-voting members; and establishes procedures for filling vacancies.

1. AARP strongly supports the proposal that lowers the number of board members by excluding insurers and dental benefit providers from the board. AARP has consistently testified at board meetings about conflict of interest concerns as conflicted board members have unduly influenced board voting on issues. While public and media scrutiny at recent board meetings caused board members to abstain from voting, they were nevertheless allowed to deliberate on issues. Excluding insurers and dental providers will reduce conflict of interest concerns.
2. AARP supports the establishment of a subcommittee or advisory committee consisting of insurers and dental benefit providers. All Hawaii insurers and dental providers, including those not currently represented should be on the subcommittee or advisory committee.
3. AARP recommends that transparency provisions should also apply to standing committees, in that public notice of meetings and meeting minutes should be posted on the Connector's website.

We urge you to support SB 2470.

Thank you for the opportunity to testify.

SB2470

Submitted on: 1/30/2014

Testimony for CPN on Jan 31, 2014 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	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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