



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Wednesday, February 4, 2015
9:00 a.m.

TESTIMONY ON HOUSE BILL NO. 727 – RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE.

TO THE HONORABLE DELLA AU BELATTI, 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”). The Department takes no position on the bill, and submits the following comments on this bill.

The purpose of this bill is to require a plan offered through the Hawaii Health Connector to be at least a 'gold' plan as determined by the federal Patient Protection and Affordable Care Act ("PPACA").

The Department notes that Section 1301 of the PPACA defines the term "qualified health plan." A qualified health plan means a health plan that is offered by a health insurance issuer that agrees to offer at least one qualified health plan at the 'silver' level and at least one plan at the 'gold' level. The proposed bill would appear to conflict with the PPACA.

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



HPCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Health

The Hon. Della Au Belatti, Chair

The Hon. Richard P. Creagan, Vice Chair

Testimony on House Bill 727
Relating to the Hawaii Health Insurance Exchange
Submitted by Robert Hirokawa, Chief Executive Officer
February 4, 2015, 9:00 am, Room 329

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, offers comments on House Bill 727, seeking to require all plans offered through the Hawaii insurance exchange be at gold level or above.

While the HPCA supports plans offering a robust array of services through the Hawaii health insurance exchange, it has extreme concerns about limiting available options to only gold and silver level packages. According to the state DCCA website, a 60 year old individual in Hawaii with a bronze plan pays \$326 a month in premiums and with a silver plan pays \$458. Under the gold plan that number climbs to \$557 a month, making it all the way to \$650 for a platinum package.

These figures represent a 70% premium increase for individuals enrolled in a bronze plan and a 22% increase for those enrolled in a silver plan. From a consumer perspective, these are extremely large jumps in premium costs, especially for families on the lower end of the socio-economic spectrum.

Thank you for the opportunity to testify.



February 4, 2015

The Honorable Della Au Belatti, Chair
The Honorable Richard P. Creagan, Vice Chair
House Committee on Health

Re: HB 727 – Relating to the Hawaii Health Exchange

Dear Chair Au Belatti, Vice Chair Creagan and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 727, which would require any health plan offered through the Hawaii Health Connector to be at least a gold level plan. HMSA offers comments on this Bill.

This Bill may jeopardize the affordability of Connector plans for those most in need of assistance. HB 727 would have the effect of precluding subsidies on the individual exchange. There would be no second lowest silver plan on which to base the Advanced Premium Tax Credit (APTC). And, there would be no silver cost-sharing reduction plans available to individuals. Many individuals who currently are enrolled in subsidized plans or non-subsidy catastrophic, bronze or silver level plans may be forced to go without coverage because they cannot afford the gold and premium level plans.

This Bill also could jeopardize the future of the State's effort at assisting the 7,500 COFA residents who lost their QUEST Integration benefits and who currently are being enrolled in the Connector's silver plans.

Thank you for the opportunity to testify on HB 726. Your consideration of our observations is appreciated.

Sincerely,

Jennifer Diesman
Vice President
Government Relations