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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Monday, March 16, 2015
2:00 p.m.

TESTIMONY ON SENATE BILL NO. 1095, S.D. 1 – RELATING TO HEALTH 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”). The Department strongly supports this Administration bill.

The purpose of this bill is to update title 24 of the Hawaii Revised Statutes (“HRS”) relating to insurance to: make clear that rerating of rates approved by the Commissioner is prohibited; permit the suspension, revocation, or denial of a mutual benefit society’s (“MBS”) certificate of authority under certain conditions; conform the title of chapter 431M, HRS, and the definition of “partial hospitalization services” to existing law; repeal the definition of “serious mental illness” in section 431M-1, HRS, to conform to existing law; and conform the definition of “emergency services” in section 432E-1, HRS, to the federal Patient Protection and Affordable Care Act, Public Law 111-148 (“PPACA”).

SECTION 1 adds a new section to chapter 431:14G, HRS, to expressly prohibit rerating of rates approved by the Commissioner since the health insurance rate

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regulation statute (chapter 431, article 14G, HRS) currently has no such explicit provision.

SECTION 2 adds a new section to chapter 432, article 1, HRS, to provide for the suspension, revocation, or denial of a MBS's certificate of authority under certain conditions since the MBS statute (chapter 432, article 1, HRS) currently has no such provision, whereas the health maintenance organization statute (chapter 432D, HRS) has such a provision.

SECTION 3 amends the title of chapter 431M, HRS, to conform the title of the chapter to the 2013 legislative revisions to chapter 431M, HRS.

SECTION 4 amends the definition of "partial hospitalization services" in section 431M-1, HRS, since this term is no longer in the statute; rather, the statute uses the term "partial hospitalization" in section 431M-4(b)(3), HRS. SECTION 4 also repeals the definition of "serious mental illness" in section 431M-1, HRS, since the 2013 legislature revised chapter 431M, HRS, and the term is no longer in chapter 431M, HRS.

SECTION 5 amends the definition of "emergency services" in section 432E-1, HRS, to conform state law to the PPACA which recognizes severe pain as an acute symptom of sufficient severity to be an emergency medical condition.

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