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TO THE SENATE COMMITTEES ON JUDICIARY AND LABOR AND
WAYS AND MEANS

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Friday, February 27, 2015
10:05 a.m.

Written Testimony Only

**TESTIMONY ON SENATE BILL NO. 1338, S.D. 1 – RELATING TO THE HAWAII
HEALTH CONNECTOR.**

TO THE HONORABLE GILBERT S.C. KEITH-AGARAN AND JILL N. TOKUDA,
CHAIRS, AND MEMBERS OF THE COMMITTEES:

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 bill, and submits the following comments on this bill.

The purposes of this bill are to: enable the Hawaii Health Connector ("Connector") to offer large group coverage to insurers beginning on January 1, 2017; end transitional renewal health insurance policies beginning January 1, 2016; require health insurers to provide notice to group health plans offering continuation coverage about options to secure coverage through the Connector; and amend the current definition of "small employer" under section 431:2-201.5, Hawaii Revised Statutes.

The Department notes that amending the definition of small employer to increase it to 100 employees, and ceasing transitional renewal health policies will subject certain

Senate Bill No. 1338, S.D. 1
DCCA Testimony of Gordon Ito
Page 2

businesses to rate increases due to the elimination of the use of loss experience in rating. These increases could be significant.

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

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: eric@hawaiihealthconnector.com
Subject: Submitted testimony for SB1338 on Feb 27, 2015 10:05AM
Date: Thursday, February 26, 2015 10:54:25 AM

SB1338

Submitted on: 2/26/2015

Testimony for JDL/WAM on Feb 27, 2015 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Eric W. Alborg	Hawaii Health Connector	Comments Only	No

Comments: Provided technical comments. Available for any questions members have.

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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HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Judiciary and Labor

The Hon. Gilbert S. C. Keith-Agaran, Chair

The Hon. Maile S.L. Shimabukuro, Vice Chair

Senate Committee on Ways and Means

The Hon. Jill N. Tokuda, Chair

The Hon. Ronald D. Kouchi, Vice Chair

Testimony on Senate Bill 1338 SD1

Relating to the Hawaii Health Connector

Submitted by Nani Medeiros, Public Affairs and Policy Director

February 27, 2015, 10:05 am, Room 211

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers (FQHC) in Hawaii, supports Senate Bill 1338, which calls for a number of measures to strengthen the Hawaii Health Connector.

The HPCA supports changing the definition of “small employers” in Hawaii from 50 to the nationally accepted threshold of 100 employees. Such measures will encompass a greater number of businesses in the state, providing a stronger Connector and a better marketplace for consumers.

Thank you for the opportunity to testify and we look forward to further discussion on this important matter.



An Independent Licensee of the Blue Cross and Blue Shield Association

February 27, 2015

The Honorable Gilbert S. C. Keith-Agaran, Chair
Senate Committee on Judiciary and Labor
The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means

Re: SB 1338, SD1 – Relating to the Hawaii Health Connector

Dear Chair Keith-Agaran, Chair Tokuda and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1338, SD1, which requires (1) changes to the definition of “small group” to include businesses with up to 100 employees; (2) ends transitional health plans effective January 1, 2016; (3) requires additional notification requirements for plans; and (4) authorizes the Connector to offer large group insurance coverage beginning January 1, 2017. HMSA has concerns with this Bill and offers comments.

The Bill changes the definition of a “small employer” to include a company with up to 100 employees. And, the Bill mandates large group coverage thru the Connector beginning January 1, 2017. We believe that these provisions should not be mandated in statute. Rather, to the extent allowed under the Affordable Care Act, the Insurance Commissioner should be afforded the flexibility in determining the markets that the Connector serves. Contemporaneous consideration must be given to overall market conditions in 2017 to determine (1) whether a change would disrupt and undermine an already successful large employer market; and (2) whether the required investment in time and money needed to accommodate any changes is appropriate.

Thank you for the opportunity to testify on SB 1338, SD1. Your consideration of our concern is appreciated..

Sincerely,

Jennifer Diesman
Vice President
Government Relations

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc:
Subject: *Submitted testimony for SB1338 on Feb 27, 2015 10:05AM*
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SB1338

Submitted on: 2/24/2015

Testimony for JDL/WAM on Feb 27, 2015 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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SB1338

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Testimony for JDL/WAM on Feb 27, 2015 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shawna L. Kaanaana	Individual	Support	No

Comments:

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