

# SB1338

**Measure Title:** RELATING TO THE HAWAII HEALTH CONNECTOR.

**Report Title:** Hawaii Health Connector; Insurers; Participation; Large Group Coverage; Small Employers; Transitional Renewal Policies; Notification

**Description:** Enables the Hawaii health connector to offer large group coverage to insurers. Requires insurer participation in the connector if an insurer has a share of the small group market in the State that exceeds 20 per cent. Expands the potential small businesses market in the connector by amending the current definition of "small employer" under section 431:2-201.5, Hawaii Revised Statutes. Beginning January 1, 2016, ends transitional renewal policies in Hawaii. Requires health insurers to provide notice to group health plans offering continuation coverage about options to secure affordable coverage under the connector.

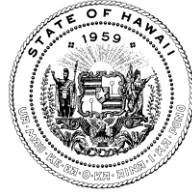
**Companion:** [HB1467](#)

**Package:** None

**Current Referral:** CPN, JDL/WAM

**Introducer(s):** BAKER, CHUN OAKLAND, ESPERO, KEITH-AGARAN, RUDERMAN, Galuteria, Green, Kidani, Riviere, Taniguchi, Wakai

<u>Sort by Date</u>		<b>Status Text</b>
1/29/2015	S	Introduced.
2/2/2015	S	Passed First Reading.
2/2/2015	S	Referred to CPN/HTH, JDL.
2/5/2015	S	Re-Referred to CPN, JDL/WAM.
2/6/2015	S	The committee(s) on CPN added the measure to the public hearing scheduled on 02-11-15 9:30AM in conference room 229.



DAVID Y. IGE  
GOVERNOR  
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TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2015

Wednesday, February 11, 2015  
9:30 a.m.

**TESTIMONY ON SENATE BILL NO. 1338 – RELATING TO THE HAWAII HEALTH CONNECTOR.**

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 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; require insurer participation in the Connector if an insurer has a share of the small group Hawaii market that exceeds 20 percent; amend the current definition of “small employer” under section 431:2-201.5, Hawaii Revised Statutes; end transitional renewal health insurance policies beginning January 1, 2016; and require health insurers to provide notice to group health plans offering continuation coverage about options to secure coverage through the Connector.

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**  
**DCCA Testimony of Gordon I. 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 Committee for the opportunity to present testimony on this matter.



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

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

Re: Testimony regarding S.B. 1338, Relating to the Hawaii Health Connector.

Hearing scheduled for February 11, 2015, at 9:30 a.m.

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

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

**S.B. 1338**

With transitional or "grandmothered plans," individuals and small businesses must chose from among 40 plans on the Connector. The array of plans from which an individual or small businesses must chose is overwhelming. It causes unnecessary confusion and adds very little value to Hawaii's already robust options under Prepaid Care Act of 1974. Based on the Connector's experience with customers over the last two enrollment periods, and for the purpose of simplifying choices, we would support a reduction in the number of offerings as proposed by the legislation. We feel this would be beneficial to our customers and all Hawaii residents.

Considering Hawaii's economy has an unusually large economy of employers with 100 employees or fewer, we would like to offer them the opportunity to select from the plans on the Connector. We believe our efforts to attract more insurance companies to the Small Business Health Options Program (SHOP), combined with the fully functional technology in SHOP ,will be beneficial to the business community.

With nearly 30,000 individuals on unemployment, and presumably a very high percentage of those individuals with families, it is imperative that they become aware of the potential



savings through the programs that provide tax credits (advanced premium tax credits) and other cost-sharing reductions which lower the overall price of health care when an individual's income declines. We support notification of all recipients of unemployment benefits that they may be eligible so that they may be able to move from the high cost of COBRA coverage to an ACA plan, while they continue to search for employment.



**HPCA**

HAWAII PRIMARY CARE ASSOCIATION

**Senate Committee on Commerce and Consumer Protection**

The Hon. Rosalyn H. Baker, Chair

The Hon. Brian T. Taniguchi, Vice Chair

**Testimony on Senate Bill 1338**

**Relating to the Hawaii Health Connector**

**Submitted by Nani Medeiros, Public Affairs and Policy Director**

**February 4, 2015, 9:30 am, Room 229**

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.

Under the Affordable Care Act (ACA), the intent behind creating state health insurance exchanges was to have a venue for competitive insurance plan comparison so as to provide for better premium rates to consumers. The HPCA finds Senate Bill 1338 to be very much in line with that goal, mandating that all plans in the state carrying a 20% market share of the SHOP program or better participate in the exchange.

Additionally, 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.



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Commerce and Consumer Protection  
Wednesday, February 11, 2015 at 9:30 A.M.  
Conference Room 229, State Capitol**

**RE: SENATE BILL 1338 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 1338, which enables the Hawaii health connector to offer large group coverage to insurers and requires insurer participation in the connector if an insurer has a share of the small group market in the State that exceeds 20 per cent. Further expands the potential small businesses market in the connector by amending the current definition of "small employer" under section 431:2-201.5, Hawaii Revised Statutes. Beginning January 1, 2016, ends transitional renewal policies in Hawaii and requires health insurers to provide notice to group health plans offering continuation coverage about options to secure affordable coverage under the 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.

The Chamber believes that private companies should have a choice of whether or not to participate in the health connector, rather than being required to participate due to their control of shares. We believe that no company should be forced to participate in a government program.

We respectfully ask the committee to defer this measure. Thank you for the opportunity to testify.