



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. Donovan M. Dela Cruz, Vice Chair

Testimony in Support of Senate Bill 2894

Relating to Health Insurance

Submitted by Dustin Stevens, Public Affairs and Policy Director

February 24, 2016, 10:00 am, Room 211

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports Senate Bill 2894, which authorizes the Department of Human Services (DHS) to develop and administer outreach as required by the ACA, establishes a state health insurance exchange, and appropriates funds.

Due to the overwhelming success of the Prepaid Healthcare Act and the low number of uninsured in Hawaii, financial sustainability of a state-based exchange was proved to be difficult. As a result, Senate Bill 2894 seeks to aid the transition from a purely state-based exchange to one that utilizes the federal platform for eligibility and enrollment.

In order to successfully complete that transition, the state will be required to:

- (1) Authorize DHS to develop and administer outreach; and,
- (2) Create necessary health insurance programs w/in the Department of Labor and Industrial Relations (DLIR).

Senate Bill 2894 seeks to do both, and allocates funds to make it possible.

The HPCA supports this measure, as community health centers see an inordinate number of those that remain uninsured in the state, especially w/in the Compact of Free Association (COFA) and Lawfully Present Resident (LPR) communities. This bill will continue the work already underway by the Prepaid Healthcare Act, and hopefully ensure coverage and access to care for all of Hawaii's residents.

Thank you for the opportunity to testify.

The Twenty-Eighth Legislature
Regular Session of 2016

THE SENATE

Committee on Judiciary and Labor

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State Capitol, Conference Room 211

Wednesday, February 24, 2016; 10:00 a.m.

STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2894, SD1 RELATING TO HEALTH INSURANCE

The ILWU Local 142 **supports** S.B. 2894, SD1, which authorizes the Department of Human Services (DHS) to develop and administer outreach as required by the Affordable Care Act and establishes a state health insurance exchange (the Hawaii Health Insurance Programs) in the Department of Labor and Industrial Relations (DLIR) to conform Hawaii law to the Affordable Care Act. Appropriates funds to DLIR and DHS.

The Hawaii Health Connector was created as a private nonprofit corporation to operate a state-based health insurance exchange through which individuals, families, and small businesses could enroll in health plans that met requirements of the federal Affordable Care Act (ACA). The ACA was enacted because the number of Americans without health insurance was steadily growing and impacting the overall cost of health care in this country.

By 2015, however, the Hawaii Health Connector found itself no longer financially sustainable and no longer able to rely on federal grants to remain operational. Ironically, the Connector's failures were due to the success of Hawaii's Prepaid Health Care Act, the employer mandate which provided for near-universal coverage in Hawaii. With fewer individuals and families needing to enroll in health care plans through the Connector, the private nonprofit Hawaii Health Connector was finally forced to cease operations in early December 2015 and its functions were assumed by the State.

The original language of S.B. 2894 included a section to repeal the Hawaii Health Connector. Since individuals and families are now enrolling in marketplace plans using the federal platform and the State is assuming responsibilities for outreach and facilitating small business enrollments, there no longer appears to be a need for the statute on the Hawaii Health Connector. However, the Prepaid Health Care Act needs to be protected now more than ever to ensure that health coverage for most of Hawaii residents is available through employer-mandated plans.

Appropriations to DHS and DLIR are vital to allow the State to comply with the provisions of the ACA. The outreach function provided by the State is especially crucial to ensure that Hawaii residents have the benefit of local support to enroll in health plans through the federal website.

The ILWU urges passage of S.B. 2894. SD1. Thank you for allowing us to testify on this measure.