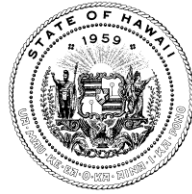


SB745

Measure Title: RELATING TO THE HAWAII HEALTH CONNECTOR.
Report Title: Hawaii Health Connector; Insurers; Mandatory Inclusion
Description: Requires health insurers with at least a 20% share of the health insurance market to submit its qualified plans for inclusion in the Hawaii health connector.
Companion:
Package: None
Current Referral: CPN, WAM
Introducer(s): BAKER

| <u>Sort by Date</u> | | Status Text |
|---------------------|---|---|
| 1/23/2015 | S | Introduced. |
| 1/26/2015 | S | Passed First Reading. |
| 1/28/2015 | S | Referred to CPN, WAM. |
| 1/30/2015 | S | The committee(s) on CPN has scheduled a public hearing on 02-05-15 9:00AM in conference room 229. |



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

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Thursday, February 5, 2015
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 745 – 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 (“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 any health insurer with at least a 20% share of the health insurance market to submit its qualified plans for inclusion in the Hawaii Health Connector.

As drafted, this requirement would apply to all insurers of accident and health or sickness policies, not only mutual benefit societies and health maintenance organizations. In addition, Section 1311 of the Patient Protection and Affordable Care Act and other federal regulations set forth the requirements of the Connector.

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



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Commerce and Consumer Protection
Thursday, February 5, 2015 at 9:00 A.M.
Conference Room 229, State Capitol**

RE: SENATE BILL 745 RELATING TO THE HAWAII HEALTH CONNECTOR

Chair Baker, Vice Chair Taniguchi, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") would like to **oppose** regarding HB 726, which requires health insurers with at least 20% share of the health insurance market to submit its qualified plans for inclusion in the Hawaii health 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.



HPCCA

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 745

Relating to the Hawaii Health Connector

Submitted by Robert Hirokawa, Chief Executive Officer

February 5, 2015, 9:00 am, Room 229

The Hawaii Primary Care Association (HPCCA), which represents the federally qualified community health centers (FQHC) in Hawaii, supports Senate Bill 745.

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 HPCCA finds Senate Bill 745 to be very much in line with that goal, mandating that all plans in the state carrying a 20% market share or better participate in the exchange.

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 3, 2015

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

Re: SB 745 – Relating to the Hawaii Health Connector

Dear Chair Baker, Vice Chair Taniguchi and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 745 which seeks to require a health insurer that has at least 20 percent of the market to sell qualified plans thru the Health Connector, to both qualified individual and qualified small businesses. HMSA opposes this measure.

The provisions of this Bill seem to be modeled against a provision affecting plans in federally facilitated exchanges (FFE). HMSA is aware that the federal HHS has issued a regulation which would prohibit plans with more than a 20 percent share of the small group market from participating in the individual market of an FFE unless the plan also offers at least one small group market plan through the federally-facilitated SHOP. However, that is very different from what the provisions of SB 745. The federal regulation gives the insurer a choice – the insurer is only forced to participate in the SHOP if it chooses to participate in the individual marketplace. SB 745 does not provide the insurer the choice of not offering individual plans through the Connector. Moreover, the federal regulation only requires that one small group plan be offered through the SHOP, where SB 745 requires that the insurer offer all of its qualified plans and dental plans through the Connector.

SB 745 would require HMSA to return to participate in the SHOP. In so doing, it would place us in a competitive disadvantage with other issuers who are not subject to the 20 percent market share threshold and are able to offer health insurance coverage without being encumbered by the administrative, technical, and financial burdens of participating in the SHOP.

Thank you for the opportunity to testify in opposition to SB 745. Your consideration of our comments on this measure is appreciated.

Sincerely,

Jennifer Diesman
Vice President, Government Relations