

HB407 HD3

Measure Title: RELATING TO INSURANCE.

Report Title: High Deductible Health Plans; Health Savings Accounts; Insurance

Description: Authorizes the issuance of employer-sponsored high deductible health plans. Requires maintenance of health savings accounts in conjunction with high deductible health plans. Specifies that employers and insurers that buy or sell high deductible health plans remain subject to the Prepaid Health Care Act. (HB407 HD3)

Companion:

Package: None

Current Referral: CPH

Introducer(s): MCKELVEY



An Independent Licensee of the Blue Cross and Blue Shield Association

April 5, 2017

The Honorable Rosalyn H. Baker, Chair
The Honorable Clarence K. Nishihara, Vice Chair
Senate Committee on Consumer Protection and Health

Re: HB 407, HD3 – Relating to Insurance

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 407, HD3, which authorizes insurers, mutual benefit societies, and health maintenance organizations to offer, sell, or renew, on or after January 1, 2018, a high deductible health plan in conjunction with a health savings account (HSA). HMSA has serious concerns with this Bill and offers the following comments.

HSAs are authorized under federal law and afford employees and their families, who also have a high-deductible health plan, a tax-advantaged medical savings account. The HSA is not subject to federal income tax at the time of deposit, and it is portable – unspent balances continue to accumulate over time and follow the employee, should the employee change jobs. The monies deposited in an HSA may only be used for qualified medical expenses.

While HMSA is appreciative of the concept of an HSA, we are concerned that HB 407, HD3, inappropriately authorizes health plans to offer and administer HSAs. An HSA is a benefit that an employer affords an employee, and it is not a product that a plan offers or administers. While the plan has the option of offering a high deductible product, along with a product that is compliant with the Prepaid Healthcare Act, the plan should not serve as the primary custodian or trustee of the HSA. We believe that responsibility more appropriately lies with a financial institution, selected by the employer that is more accustomed to managing trust accounts. Such an institution more readily and expeditiously could accommodate the trust account provisions of this legislation.

Thank you for the opportunity to testify on HB 407, HD3. Your consideration of our concerns is appreciated.

Sincerely,

Mark K. Oto
Director, Government Relations

Testimony of
Jonathan Ching
Government Relations Specialist

Before:
Senate Committee on Commerce, Consumer Protection, and Health
The Honorable Rosalyn H. Baker, Chair
The Honorable Clarence K. Nishihara, Vice Chair

April 5, 2017
9:00 a.m.
Conference Room 229

Re: HB407 HD3 Relating to Insurance

Chair Baker, Vice Chair Nishihara, and committee members, thank you for this opportunity to provide testimony on HB407 HD3, which authorizes insurers, mutual benefit societies, and health maintenance organizations to offer, sell, or renew a high deductible health plan (“HDHP”) in conjunction with a health savings account (“HSA”) to an employer subject to the Prepaid Health Care Act together with a prepaid health care plan insurance policy.

Kaiser Permanente Hawaii supports the intent but has concerns and RECOMMENDS AMENDMENTS.

Kaiser Permanente Hawaii supports consumer choice through the establishment of HSA’s, and recognizes the advantages of allowing employers to choose a lower premium (higher deductible) health plan, while allowing consumer to choose how to spend his or her health care expenses, which presumably makes consumers more responsible for health care choices by funding their own health care expenses.

To receive the benefits of an HSA, the law requires that the HSA be combined with a qualified HDHP. Although an HSA works in conjunction with a HDHP, both are recognized as *separate* components under the law. An HSA is the *financial component* (essentially a bank account that allows you to save and pay for eligible health care expenses), which is sponsored by the employer group. Meanwhile, the HDHP is the *insurance component*, which requires health insurers to offer a qualified high deductible health plan to use with an HSA. This HDHP is designed to offer a lower monthly premium in turn for more shared health care costs by the member.

With this in mind, Kaiser Permanente Hawaii expresses concerns that HB407 HD3 does the following:

1. Deletes language requiring employers to contract with a third party to offer and manage health savings accounts and deposit funds in an amount equal to the applicable deductible amount of the high deductible health plan into each health savings account; and
2. Requires insurers and mutual benefit societies to ensure that high deductible health plans are offered in conjunction with health savings plans to each eligible insured;

Removing the language requiring an employer to contract with a third party to offer and manage HSA's is concerning because it inappropriately places the administration of the HSA with health plans instead of a financial institution, which is more accustomed to handling such trust accounts. Furthermore, removing the language requiring an employer to deposit funds in an amount equal to the applicable deductible amount of the HDHP into HSA contradicts the purpose of HSA's in which an employee would receive employer contributions to their HSA's, which can be used to pay or reimburse qualified medical expenses.

Finally, we have concerns on how an insurers can "ensure" that employers are offering an HDHP "in conjunction" with a HSA to their employees. Would insurers have to review all benefit materials presented to employees when they are offered their health insurance options?

Therefore, Kaiser Permanente suggests the committee consider amending these provisions. This could be done by reverting back to HB407 HD1. Mahalo for the opportunity to testify on HB407 HD3. Your consideration our comments is appreciated.

April 4, 2017

The Honorable Senator Rosalyn H. Baker, Chair
The Honorable Senator Clarence K. Nishihara, Vice Chair

Re: HB407, HD3 – Relating to Insurance

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

My name is Howard Lee, and I am President and Chief Executive Officer of University Health Alliance (UHA), a Hawaii mutual benefit society.

UHA appreciates the opportunity to testify in support of HB407 HD3. This bill would give employers in the state an option to offer, in addition to the current plans they offer their employees, a Hawaii version of a health savings account (HSA). But if an employer does not want to give their employees an optional Hawaii HSA, they do not have to.

If an employer does offer their employees a Hawaii HSA and an employee enrolls in the Hawaii HSA, the employees would receive employer contributions to their HSAs. The HSA funds can then be used on a tax-free basis to pay or reimburse qualified medical expenses, and the contributions can be accumulated over the years tax-free. Or, if an employee prefers not to join the Hawaii HSA then the employee can remain in the employer's current plan.

Some employers want to offer their employees the tax savings benefits of a Hawaii HSA, similar to how employers offer 401Ks. This bill simply gives those employers that want to offer their employees more tax-free health insurance alternatives, the opportunity to do so. Under this bill, no employer has to offer their employees a Hawaii HSA and no employee has to join.

We would respectfully request the Committee see fit to pass this measure. Thank you for the opportunity to testify today.

Sincerely,



Howard Lee
President and CEO



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Ninth Legislature, State of Hawaii
Hawaii State Senate
Committee on Commerce, Consumer Protection, and Health

Testimony by
Hawaii State AFL-CIO
April 5, 2017

H.B. 407, H.D.3 – RELATING TO
INSURANCE

The Hawaii State AFL-CIO strongly opposes H.B. 407, H.D.3 which authorizes the issuance of employer-sponsored high deductible health plans, requires maintenance of health savings accounts in conjunction with high deductible health plans and specifies that employers and insurers that buy or sell high deductible health plans remain subject to the Prepaid Health Care Act.

H.B. 407, H.D.3 establishes high-deductible health insurance plans along with health savings accounts which could negatively impact a number of employees in Hawaii. These plans may discourage workers from seeking medical care and could potentially cost workers more money each year in medical costs. The Hawaii State AFL-CIO respectfully requests the Committee on Commerce, Consumer Protection, and Health to defer this measure indefinitely.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President

**HB 407 HD3
RELATING TO INSURANCE**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

APRIL 5, 2017

Chair Baker and Members of the Senate Committee on Commerce, Consumer Protection & Health:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin (A&B) on HB 407 HD3, "RELATING TO INSURANCE." We support this bill.

We understand that Health Savings Account Programs consist of high deductible health plans with a Health Savings Account approved pursuant to HRS Chapter 393. These programs generally allow employers and employees to fund a Health Savings Account to finance current or future out of pocket health costs. Contributions to Health Savings Accounts are tax advantaged, with all distributions from the account tax free. Unused employer and/or employee funds remain in the account for the life of the enrolled employee.

We support this program as we believe that it will provide an additional health insurance option for both employers and employees. The tax advantaged deposits and expenditures from the Health Savings Account for medical expenses are envisioned to be an attractive benefit for employees. In addition, the personal control that one would

have in expending funds from this account may also be a desirable alternative to other health plans.

Based on the aforementioned, we respectfully request your favorable consideration on this bill.



JTB HAWAII, INC.

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April 4, 2017

Testimony on HB 407, HD 3, April 5, 2017, Room 229

Senator Roslyn Baker and Members of this Committee:

To the Honorable Members of the Hawai'i State Legislature,

I am pleased to offer this written letter of support for House Bill No. 407 that address the establishment of Health Savings Accounts in Hawai'i.

Please allow me to introduce myself: I am Lena Young, Corporate Director of Operations & Human Resources for JTB Hawaii. JTB Hawaii has been in Hawaii since 1964. JTB Hawaii and its affiliated companies are in the travel hospitality and transportation businesses. We have approximately 900 employees in the state.

Like many employers in Hawai'i, JTB Hawaii has witnessed a dramatic increase in health care costs for our employees. We've attempted many initiatives to abate the rate of cost escalation in our insurance premiums, ranging from innovative pharmacy programs to encouraging our employees to participate in wellness programs.

Health Savings Accounts (HSAs) provide the right incentive for employees to be mindful about appropriate health care consumption. The funds in HSAs belong to employees and are available to use for medical services now and in the future. Employees can take any funds in HSAs with them if they leave their jobs. HSAs provide an opportunity for employees to save for retiree medical costs. HSAs can be used to fund long term care insurance and services. Plus savings invested in HSAs can grow tax-free under current IRS rules.

HSAs are the kind of partnership between employers and employees that will create an environment of mutual responsibility and reduce unnecessary health care expenditures. We urge you to pass legislation that will promote such a partnership through Health Savings Accounts.

Sincerely,

Lena Young

Corporate Director

JTB Operations & Human Resources

The Twenty-Ninth Legislature
Regular Session of 2017

THE SENATE

Committee on Commerce, Consumer Protection, and Health

Senator Rosalyn H. Baker, Chair

Senator Clarence K. Nishihara, Vice Chair

State Capitol, Conference Room 229

Wednesday, April 5, 2017; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 407, HD3
RELATING TO INSURANCE**

The ILWU Local 142 **opposes** H.B. 407, HD3, which authorizes the issuance of employer-sponsored high deductible health plans and requires maintenance of health savings accounts in conjunction with high deductible health plans, provided that employers and insurers that buy or sell high deductible health plans remain subject to the Prepaid Health Care Act.

Our opposition stems from the simple fact that health plans are intended to provide coverage for health care, not as a mechanism to save money. Including health savings accounts, required by federal law, to help pay the high deductibles only serves to muddy the waters for health care. Individuals covered by high deductible health plans are less likely to seek preventive care or routine check-ups and, by the time they are diagnosed with serious medical conditions, they may need more costly interventions that may or may not produce desired outcomes.

One major concern is the potential for high deductible health plans negatively impacting Hawaii's Prepaid Health Care Act, not only our ERISA exemption but the prevalent plan itself. If the majority of subscribers in Hawaii enroll in high deductible health plans, these plans could become the prevalent plan and erode the current standard of benefits. Instead of better quality of care, the danger would be that people covered by high deductible health plans will not seek early intervention and thus drive up the cost of health care.

Among those who will benefit from high deductible health plans will be healthier employees who never use their health plans and employers who will enjoy lower premiums. Those who will lose will be older employees with chronic health conditions needing regular medical care and prescriptions. Their out-of-pocket costs could be far more than they currently pay.

To make this proposal work, every employee needs to be educated about what it all means. They must understand the financial impact if they have to meet the deductible before the plan will pay. They must understand the health impact if they wait to be diagnosed or treated for medical conditions. Some employees will understand the risks and costs and will opt in. But others, who do not fully understand, may opt in just for the potential tax savings. Education about this new concept must be careful and deliberate, but it is highly unlikely that ALL employees will understand all of the nuances to be able to make an informed decision.

Therefore, the ILWU is opposed to H.R. 407, HD3 and urges that the bill be **HELD**. Thank you for allowing us the opportunity to offer our views and concerns.

From: [Charles Kerr](#)
To: [CPH Testimony](#)
Subject: Testimony In Support of HB407, HD3
Date: Tuesday, April 4, 2017 8:30:18 AM

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Charles Kerr, and I am a local employee of UHA Health Insurance.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i.

Having the option of an HSA would give folks in Hawaii something we don't currently have. It would give us as individuals another tool in our healthcare toolbox. HSAs would give us another forward-looking means to protect the health of our loved ones while at the same time protecting our peace of mind and financial well being.

Sincerely,

Charles Kerr

Kelley Withy, MD, PhD

**Testimony Presented Before the Committee on Commerce, Consumer
Protection, and Health
Wednesday, April 5, 9am**

Aloha Chair Baker, Vice Chair Nishihara and Members of the Committee,

I am writing to offer testimony in support of HB407, Relating to Insurance

As a family physician in Hawaii, I have left practice largely because of the high degree of paperwork that detracts from the time I can spend with patients (which is the reason I went to medical school). On the mainland, there is a new style of practice called Direct Primary Care that allows doctors to bill their patients about \$50 a month for outpatient primary care. This completely bypasses insurance companies and physicians practicing this model are very happy.

We cannot entertain this model in Hawaii because we do not have the option for a high deductible plan that is more financially feasible with Direct Primary Care. I am a strong supporter of the PrePaid Healthcare Act and the benefits it created in medical coverage throughout Hawaii. However, I believe that if we had the option for health savings accounts, where insurers paid a portion of the cost of care into the account and provided high deductible coverage, such that the out of pocket costs changed very little for individuals and families in Hawaii, the people of Hawaii and the physicians of Hawaii would have more options in healthcare. While this is not a good option for unemployed and low income individuals, it could, in theory, save the State money for the workers they employ. Also, it is supposed to increase the awareness of patients regarding medical costs and decrease utilization of unnecessary care.

On a personal monetary note, I currently pay over \$6,000 a year to insure a family of five (that is my share, my employer pays a similar amount). If I had the option to put that money into a health savings account and use it for services now and in the years to come, it would be more feasible for me, and more economically beneficial.

Thank you for allowing me to testify on this matter.

Kelley Withy, MD, PhD

From: [Gregory Kono](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3 re: Health Savings Accounts
Date: Tuesday, April 4, 2017 8:18:55 AM
Attachments: [image003.png](#)

To the Honorable Members of the Hawai'i State Legislature,

My name is Greg Kono and I am a Contract Procurement Liaison at UHA Health Insurance.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account (HAS) option for employers and employees in Hawai'i.

An HSA is the only medical savings vehicle that offers a triple tax break to the employee — tax-free contributions, tax-free earnings on accumulated funds, and tax-free distributions for qualified health related expenses. These benefits are imperative as residents of this great state struggle with the high cost of living and increasing health care costs leaving very little, if any, money for savings. In addition, HSAs allow employees to take ownership of their medical expenses and have more control of their financial future.

For these reasons, I whole-heartedly support HB407, HD3.

Mahalo,



Gregory M. Kono, M.H.A.
Contracting Services Procurement Liaison
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From: [Karlyn Miyashiro](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3, April 5, 2017, Conference Room 229
Date: Tuesday, April 4, 2017 10:33:36 AM
Attachments: [image003.png](#)
Importance: High

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Karlyn Miyashiro and I am the Premium Collections Specialist of UHA.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i. Having the opportunity to have and utilize the UHA's HSA medical plan has opened up a greater understanding in seeing how it is beneficial to anyone of all ages.

Please see below of the benefits of having experienced and future benefits of HSA plans would provide for Hawaii residents:

- The HSA funds was especially beneficial to pay for a variety of healthcare services, including many that are not traditionally allowed under other plans. For example, dental and vision care services, long term care insurance premiums, medical insurance premiums, Cobra premiums, and certain Medicare premiums can all be paid for with HSA funds.
 - Being that I am looking forward to retirement in the near future, quality of life remains a high priority being a parent of a high school teenager. The fact the HSA's funds are portable, this will enable the potential of future premium expenses to be met for Medicare Gap aged retirees. This would assist in payments of COBRA and Medicare premiums thereafter. This will enable retirees to have a better quality of life utilizing their Social Security income for actual living expenses instead of premiums.
 - The same benefit can be said for any drug and vision expenses that are usually in higher utilization at an older age.

- I was personally able to utilize the funds to assist to pay for my daughter's out of pocket for her braces and other medical expenses throughout the year. It's tax-free distribution for these qualified expenses helped our bottom line in our household enabling us to afford other necessities. In our own little way of assisting to boost Hawaii's economy.
- Being that the HSA is portable and can move with a change in employment, this provides the flexibility of continued financial stability as a opposed to the FSA terms of limited roll-over.
- Another asset is that HSA is the only medical savings vehicle that offers a triple tax break to the employee — tax-free contributions, tax-free earnings on accumulated funds, and tax-free distributions for qualified health related expenses. While our current government is assessing to repeal and replace Obamacare, Hawaii's 1st HSA plan would then be leading the way to a new and more innovative ways to pave a path of Healthcare in Hawaii, in succession of Hawaii Pre-Paid Law.

Thank you for your time to allow me to present my testimony to forge Hawaii into a better future for Hawaii and its people.

Sincerely,

Karlyn Miyashiro



Karlyn Miyashiro, Premium Collection Specialist
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From: [Constance Saunders](#)
To: [CPH Testimony](#)
Subject: Testimony for the HSA
Date: Tuesday, April 4, 2017 10:31:07 AM
Attachments: [image001.png](#)

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Constance Saunders, and I am a Nurse Care Manager of University Health Alliance.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i.

Sincerely,

Constance Saunders



Constance Saunders, RN, MN, CCM, AE-C
Clinical Utilization and Care Management Nurse I
UHA- Health Care Services
University Health Alliance
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From: [Arnette Nakamura](#)
To: [CPH Testimony](#)
Subject: FW: Testimony on HB407, HD3
Date: Tuesday, April 4, 2017 10:02:14 AM

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Arnette Nakamura and I am an Accountant at UHA Health Insurance. I am totally in favor and support HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i.

Having a Health Savings account is extremely valuable for emergencies or in my case unexpected dental costs. Two years ago, my dentist told me that I would need to get three dental implants done which I wasn't aware was really expensive. With a Health Savings account I was able to pay for two of my dental implants. I just wished I started a Health Savings account earlier. I definitely appreciate the triple tax benefits - tax-free contributions, tax-free earnings on accumulated funds, and tax-free distributions for qualified health related expenses. And that I can rollover the funds from year to year.

Sincerely,

Arnette Nakamura
Accountant
University Health Alliance
Topa Financial Center, Bishop Street Tower

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April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Reina Lee, and I am the COBRA Specialist of University Health Alliance (UHA).

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i. I enjoyed having the HSA Plan for the one year that we were allowed to have it and I still have funds available in the plan to this day just in case I need it for medical expenses for myself or my son. Being a single mother in the State of Hawaii is not an easy feat. Knowing that there are funds available for any medical emergencies that come up is a peace of mind that I could not get anywhere else. I am truly grateful to be working for a company that is thinking ahead and thinking of us (as employees) and how it benefits all.

Sincerely,

A handwritten signature in black ink, appearing to read "Reina Lee". The signature is fluid and cursive, with the first name "Reina" being larger and more prominent than the last name "Lee".

Reina Lee

From: [Michael Terry](#)
To: [CPH Testimony](#)
Subject: HB407 Testimony
Date: Tuesday, April 4, 2017 9:07:05 AM

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is [your name], and I am [your title, if applicable] of [your company, if applicable].

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i. I support the HSA option because it allows consumers to take personal accountability for their own healthcare decisions and expenses.

Hawaii has traditionally been a leader in consumer protection within the healthcare industry. Our tight knit communities combined with common sense legal requirements have protected the people of Hawaii from what has been a tumultuous and uncertain market on the mainland. The people of Hawaii already enjoyed many of the protections the ACA sought to bring about for everyone else on the mainland.

However, I think we need to continue to look forward. Healthcare expenses and rates continue to rise at an unsustainable pace in Hawaii. I believe HSA's can provide a viable option for employers and consumers to attempt to curb what is largely an unchecked market through transparency and financial accountability - allowing consumers to make decisions about their healthcare because an HSA is really their money - not a dark bottomless pit of an insurance plan.

I think we should continue to protect the people of Hawaii as we've done in the past - but I also think it's the right time to take the next step forward. Let's give the people of Hawaii the ability to make their own healthcare decisions.

Thank you

Michael Terry

From: [Anna Heimuli](#)
To: [CPH Testimony](#)
Subject: Health Savings Account
Date: Tuesday, April 4, 2017 8:18:11 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is AnnaKopatiola Heimuli, and I am a Customer Service Representative II of University Health Alliance.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i. I support this bill because it is money you put aside and can use towards medical issues. My spouse and I have been trying to conceive this year. Unfortunately, I have run into medical issues that were not foreseen and have to be taken cared of before moving forward. I only wish we had this health savings account to assist with all the medical bills that are endless. If I had the health savings account today, I would be stress free of one less stone on my shoulders. Please consider how this bill will help many hardworking people of Hawaii.

Sincerely,

AnnaKopatiola Heimuli



AnnaKopatiola Heimuli
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From: [Grace Vo](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3
Date: Tuesday, April 4, 2017 9:07:06 AM

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Grace Vo and I am the Director of Health Care Services of UHA Health Insurance.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i. Our company was allowed to try an HSA out on our employees as a pilot a few years ago and it was very helpful to me and my family. Especially as someone who was recently diagnosed with Triple Negative Breast Cancer, which is a very aggressive and difficult to treat form of cancer, I can tell you I will need all the financial help I can get from an HSA to pay for the medical expenses I am incurring and will continue to incur in the future, possibly as long as I live.

I hope you will vote in favor of this very helpful tool for the people of Hawaii, who can use the HSA to not only lower their taxable income, but use their HSA money to pay for expensive health care services when they need it.

Mahalo,



Grace M. Vo, MBA, PMP, SPHR
Director of Health Care Services
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From: [Candace Tawara](#)
To: [CPH Testimony](#)
Subject: HSA
Date: Tuesday, April 4, 2017 9:19:28 AM

To the Honorable Members of the Hawai'i State Legislature,

My name is Candace Tawara and I am Director of HR and Benefits of Hawaiiana Management.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i. I think this could be a good benefit for employees current and future.

Sincerely,

Candace Tawara

Thank you.

Candace A. Tawara, PHR® | Director of HR and Benefits
Hawaiiana Group Incorporated / Hawaiiana Management Company
Pacific Park Plaza, Suite 700
711 Kapiolani Boulevard | Honolulu, HI 96813
PH: (808)792-0516 | FAX: (808)447-5174
www.hmcmgt.com | candacet@hawaiianagroup.com

From: [Laureen Luna](#)
To: [CPH Testimony](#)
Subject: HSAs in Hawaii
Date: Tuesday, April 4, 2017 8:25:08 AM

Aloha,

With the high cost of living here in Hawaii, any means to assist our working families with tax savings will be extremely beneficial. Many of us live pay check to pay check on top of multiple jobs and still find it very difficult to save for our future, nonetheless for unexpected health care costs.

May I ask that you consider passing the Health Savings Account (HSA) bill so Hawaii will continue to be No Ka Oi!

Mahalo for your consideration and cooperation!

Laureen

Laureen Luna, Administrative Assistant
UHA Health Insurance
Topa Financial Center
700 Bishop Street, 3rd Floor, Honolulu, HI 96813
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Better Health, Better Life

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From: [Del Mochizuki](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3
Date: Tuesday, April 4, 2017 9:00:21 AM

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Del Mochizuki and I am the Controller of UHA Health Insurance. I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i.

I find the tax advantages (triple tax benefit) a very beneficial and useful feature of the Health Savings Account option. In addition, I appreciate that we would be able to rollover the funds from year to year – and may accumulate and invest funds similar to a 401k plan.

Sincerely,

Del Mochizuki

Del Mochizuki
Controller
University Health Alliance
Topa Financial Center | Bishop Street Tower
700 Bishop Street, 3rd Floor, Honolulu, HI 96813
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From: [Darren Nakao](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3, April 5, 2017, Conference Room 229
Date: Tuesday, April 4, 2017 9:31:16 AM

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Darren Nakao, and I am CFO of UHA.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i.

A Hawai'i Health Savings Account (HSA) will provide our employees and the rest of our community with an excellent additional benefit choice and tax savings that are currently not available to them. HSAs are "tax-favored" accounts that work in tandem with high-deductible coverage and can be used to pay current medical expenses or save money for future medical expenses.

I can imagine, for example, a family putting some additional savings into their HSA account tax free and using a tax free distribution to pay for braces for their children rather than taking on a loan or other kind of debt. Or, perhaps older employees planning for retirement and saving to pay for long-term care premiums or expenses from their HSA account so they do not burden their "sandwich generation" children with those expenses. The favorable tax treatment of HSAs and the ability to spread the accumulation of savings over years reduces the overall healthcare cost burden to individuals and families.

I strongly support this bill to make this benefit available to our community. Thank you.

Sincerely,
Darren Nakao



Darren D. Nakao, Senior Vice President and Chief Financial Officer

Topa Financial Center | 700 Bishop St., Suite 300

Honolulu, HI 96813

Phone: 808.532.2535

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Better Health, Better Life

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From: [Lauren M. Esposito](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3, April 5, 2017, Conference Room 229
Date: Tuesday, April 4, 2017 9:08:05 AM

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Lauren Marie Esposito, and I am an Underwriter at UHA Health Insurance.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i.

In 2015, UHA offered a High Deductible Health Plan/Health Savings Account option and I enrolled in it after learning what an HSA is. I had planned to grow this targeted investment vehicle over the course of my career. I'm 34 years old right now and I know that health related expenses will only be higher when I'm most in need of care as I age. Having the HDHP/HSA made me mindful of how I was using my healthcare dollars today, with the mid- to long-term goals of having a medical expense fund to tap into in the future at the forefront of my decision making.

If the employer is funding most of the deductible, it's a no-lose proposition for the employee. I wasn't exposed to any higher financial risk than if I had taken the health plan that was not tied to an HSA, but I was getting free money in a tax free investment fund, whose growth would also be tax free. There's no way for the employee to lose.

I was disappointed when UHA was not able to offer the HDHP/HSA plan to us the next year, and I hope one day soon we can have it back.

Sincerely,

Lauren M Esposito
808-391-2060

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Alanna Weaver, and I am an employee of UHA Health Insurance.

I am pleased to offer this written letter of support for HB407, HD3, that addresses establishing a Health Savings Account option for employers and employees in Hawai'i.

HSA's promote employee responsibility and buy-in for wiser health and wellness related decisions and possibly healthier lifestyles and help elevate the employers health and wellness programs to the next level.

Sincerely,

Alanna Weaver

From: [Aric Iha](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3, April 5, 2017
Date: Tuesday, April 4, 2017 9:41:05 AM

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the members of the Hawaii State Legislature,

My name is Aric Iha, Senior Accountant at UHA Health Insurance. I am offering this letter in support of bill HB407, HD3 regarding the establishment of a Health Savings Account (HSA) option for employers to offer all workers in Hawaii.

Like 401(k) plans the Health Savings Accounts are deducted pre-tax from the participants paychecks and will help individuals and families to save money toward future medical expenses that are not traditionally covered by insurance or Medicare. Unlike 401(k) plans the funds from HSA are not taxable as long as the funds are used for eligible medical expenses as designated by the federal government. The money accumulated in an individual HSA account is portable and can be moved from one employer to another if the participating individual changes jobs during their lifetime. I find these advantages useful in that I have an additional tax-advantaged option to save money for future medical expenses. In life we are not able predict what will happen to our health and having a Health Savings Account available will offer some peace of mind that there will some additional savings if the unexpected happens.

Sincerely,

Aric Iha

Aric Iha
Senior Accountant
UHA
TEL: (808) 535-5968
FAX: (866) 577-3035

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From: [Emily Santiago](#)
To: [CPH Testimony](#)
Subject: Testimony on HB407, HD3
Date: Tuesday, April 4, 2017 10:00:50 AM
Importance: High

April 4, 2017

Testimony on HB407, HD3, April 5, 2017, Conference Room 229

Committee on Consumer Protection & Commerce

Chair Rosalyn H. Baker, Vice Chair Clarence K. Nishihara and Members of this Committee

To the Honorable Members of the Hawai'i State Legislature,

My name is Emily Santiago, and I am the Senior Vice President and Chief Human Resources Officer of UHA Health Insurance. In 2015 UHA was the first and only company in Hawaii to offer a HSA program to our employees.

It is my pleasure to offer this testimony in support of HB407, HD3, that addresses establishing a Health Savings Account (HSA) option for employers and employees in Hawai'i.

Our experience with our Health Savings Account program showed the following:

- 1) Our adoption rate was 60%; reflecting a strong interest in the HSA plan.
- 2) Employees did not use their HSA funds for non-qualified purposes and did not drain their funds.
- 3) Employees were more prudent in making purchases of elective procedures as the funds belong to the employees and are portable.
- 4) Claims data decreased substantially compared to employees not in the HSA plan.

Health Savings Accounts (HSAs) provide the right incentive for employees to be mindful about appropriate health care consumption. The funds in HSAs belong to employees and are available to use for medical services now and in the future. Employees may take any funds in HSAs with them if they leave their jobs. With HSAs, employees have a financial incentive to consume services wisely. A track record of success nationally suggests that HSAs have positively altered employee behavior in reducing drug costs, encouraging more visits to primary care physicians rather than having specialists direct the first contact with clinicians, and more appropriate medical utilization.

HSAs are the kind of partnership between employers and employees that will create an environment of mutual responsibility and reduce unnecessary health care expenditures. We urge you to pass legislation that will promote such a partnership through Health Savings Accounts.

Mahalo,



Emily Santiago, MBA, SHRM-SCP, SPHR,

Senior Vice President, Chief Human Resources Officer

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