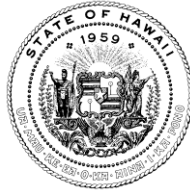


HB 552 HD1

Measure Title:	RELATING TO HEALTH INSURANCE.
Report Title:	Health Insurance; Individual Mandate; Essential Benefits; Covered Services; Extended Coverage; Preexisting Conditions
Description:	Ensures that benefits of the Affordable Care Act are preserved under State law in the case of repeal of the ACA by Congress. Preserves the individual mandate, minimum essential benefit requirements, extended dependent coverage, and prohibitions on preexisting condition exclusions and gender discrimination in premiums and costs. Establishes a trust fund and procedures to reimburse insurers for unrecouped costs of providing minimal essential insurance benefits. (HB552 HD1)
Companion:	<u>SB403</u>
Package:	None
Current Referral:	CPH, WAM
Introducer(s):	BELATTI, CREAGAN, CULLEN, FUKUMOTO, GATES, ING, JOHANSON, LOWEN, LUKE, MCKELVEY, MORIKAWA, NISHIMOTO, OHNO, QUINLAN, SAN BUENAVENTURA, SOUKI, WOODSON, Oshiro



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,
CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE
Regular Session of 2017

Tuesday, March 14, 2017
9:00 a.m.

TESTIMONY ON HOUSE BILL 552, H.D. 1 – RELATING TO HEALTH INSURANCE.

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 supports the intent of this bill, which is a companion to S.B. 403, S.D. 2, and submits the following comments.

The purpose of this bill is to ensure that coverage for health insurance is available to residents and that certain benefits created by the Patient Protection and Affordable Care Act (“ACA”) will continue to exist if the ACA is repealed.

This bill serves as a basis for further collaboration to address the complexities of the health care system and the uncertainty of the future of the ACA. It also seeks to provide needed health coverage to as many residents as possible. In addition, programs such as cost-sharing or premium subsidies, tax credits, risk adjustment, all of which are all financial components of the ACA, will need to be explored to stabilize the health insurance market both from an issuer and individual perspective.

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

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 14, 2017

TO: The Honorable Rosalyn H Baker, Chair
Senate Committee on Commerce, Consumer Protection and Health

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 552 HD 1 RELATING TO HEALTH INSURANCE**

Hearing: March 14, 2017, 9:00 a.m.
Conference Room 229, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill and offers comments.

PURPOSE: The purpose of the bill is to ensure certain benefits under the Affordable Care Act, which may not otherwise be available under the State's Prepaid Health Care Act, remain available under Hawaii law, including: preserving the individual health insurance mandate that requires taxpayers to have health insurance coverage throughout the year or pay a penalty; ensuring all health insurers, mutual benefit societies, and health maintenance organizations in the State, including health benefits plans under chapter 87A, Hawaii Revised statutes, include essential health benefits, plus additional contraception and breastfeeding coverage benefits; extending dependent coverage for adult children until the children turn twenty-six years of age; prohibiting health insurance entities from imposing a preexisting condition exclusion; and prohibiting health insurance entities from using an individual's gender to determine premiums or contributions.

While the provisions do not directly impact Medicaid, we note that the availability of affordable credible health insurance helps all of Hawaii's residents, including those who are covered by Medicaid. One aspect of health insurance is to ensure that certain benefits are

covered, e.g. “essential health benefits”. Of note, in comparing SB 403 SD 1 to this bill, the Senate version covers all ten of the ACA’s essential benefits, whereas, the House version no longer includes prescription drugs, habilitative services, pediatric vision, and dental. The House version also does not provide the same level of detail regarding contraceptive coverage. As information, Medicaid covers all of the more comprehensive Senate’s version of essential health benefits.

Also, both the House and the Senate versions do try to address providing assistance to individuals to purchase health insurance so that it is more affordable. However, the methods are very different. The House bill recognizes the destabilizing impact that loss of subsidies would have on the individual market and proposes the establishment of a premium supplementation fund. However, many details regarding how the premium supplementation fund would be implemented to help families afford health insurance are unclear. For example, the criteria of how an individual would qualify for premium supplementation, and how the insurers would receive such supplementation payments would need to be developed. Conceptually, however, assisting qualified individuals with their monthly premiums would help keep health insurance within reach for those who may otherwise be unable to afford the full monthly premium. Affordability of health insurance is essential as individuals who remain uninsured may face penalties.

Please note, if the committee contemplates the creation of a special fund or other premium supplementation program, to operationalize and implement such a program would require, in addition to the appropriation to fund the special fund, a general fund appropriation to address necessary IT modifications, human resources, administrative and other operational issues.

Additionally, we note that there is a need to collaborate to reduce the overall costs of health care so that health care insurance can be more affordable for all Hawaii’s residents. DHS stands ready to engage in such a discussion.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

STATE OF HAWAII
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March 14, 2017

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

Date: Tuesday, March 14, 2017
Time: 9:00 a.m.
Place: Conference Room 229, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 552 H.D. 1 Relating to Health Insurance

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal ensures certain benefits required under the federal Affordable Care Act (ACA) are preserved under Hawaii Law, including:

- preserving the individual health insurance mandate for taxpayers;
- requiring all health insurance entities, including health benefit plans under chapter 87A, Hawaii Revised Statutes (HRS), to include essential health care benefits, plus additional contraception and breastfeeding coverage benefits;
- extending dependent coverage for adult children until the children turn twenty-six years of age;
- creating a trust fund in chapter 371, HRS;
- prohibiting health insurance entities from imposing a preexisting condition exclusion; and
- prohibiting health insurance entities from using an individual's gender to determine premiums or contributions.

The Department is generally supportive of the measure and offers comments.

II. CURRENT LAW

Chapter 393-11, HRS, requires that an employer provide an eligible employee with health insurance by a prepaid health care (PHC) plan qualifying under chapter 393-7, Hawaii Revised Statutes (HRS). Plans that qualify under chapter 393-7, HRS, must be reviewed by the Prepaid Health Care Advisory Council and approved by the Director of labor and industrial relations.

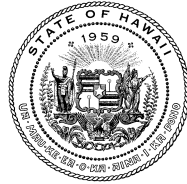
III. COMMENTS ON THE HOUSE BILL

The Department offers these comments concerning the proposal:

- The prevalent plan pursuant to 393-7, HRS, currently offers all the essential health benefits required by this measure.
- Medical plans are normally submitted well in advance of the implementation date to allow time for government review and approval. The bill effective date should allow time for the review process to be completed.
- DLIR supports efforts to stabilize the insurance market in light of the likely, substantive repeal of parts of the ACA. Providing assistance to individuals through a premium supplementation fund may benefit the goal of continuing the expanded health insurance coverage that may be lost if the Federal government repeals that part of the ACA.
- The Department's purpose is to ensure employees are provided required benefits through their place of employment. The Department is unable to quantify the impact of administering such a fund for individuals as the mechanics of the process are not fully understood.
- The Department believes that a trust fund created for this purpose may be more appropriately placed outside of DLIR.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Rosalyn H. Baker, Chair
and Members of the Senate Committee on Commerce, Consumer Protection, and
Health

Date: Tuesday, March 14, 2017
Time: 9:00 A.M.
Place: Conference Room 229, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 552, H.D. 1, Relating to Health Insurance

The Department of Taxation (Department) appreciates the intent of H.B. 552, H.D. 1, and provides the following comments on Section 2 of the bill for your consideration.

H.B. 552, H.D. 1, adopts certain provisions of the Patient Protection and Affordable Care Act of 2010 (Affordable Care Act), including portions of the individual mandate to have health insurance coverage throughout the year. Specifically, Section 2 of the bill imposes a penalty on individuals who do not maintain health insurance coverage during any month. The monthly penalty is equal to the greater of one-twelfth of \$695 or 2.5 percent of the excess of the taxpayer's household income for the taxable year over the taxpayer's applicable filing threshold. The penalty is one-half of the applicable amount if the individual is under the age of 18.

The \$695 amount is adjusted annually to take into account the cost of living. An individual will be exempt from the penalty if he or she is exempt under section 5000A(d) or (e) of the Internal Revenue Code (IRC). Additionally, this bill requires insurers to provide coverage confirmation reports to the Department. The bill has a defective effective date of July 1, 2090, provided that Section 2 shall take effect upon repeal of the Affordable Care Act.

H.B. 552, H.D. 1, is similar to S.B. 403, S.D. 2, with respect to the tax provisions in Section 2, except for the following differences:

1. This bill does not include an income tax credit, which is included in the senate version of the bill; and
2. This bill includes exemptions to the penalty, which is not included in the senate version of the bill.

With respect to the exemptions provided in this bill, the Department provides the following comments.

First, the Department notes that the exemption for individuals who cannot afford coverage, as provided in section 5000A(e)(1) of the IRC, cannot be administered after repeal of the Affordable Care Act. The exemption is based on whether the taxpayer's "required contribution" for coverage exceeds a percentage of household income. For individuals who do not have employer-sponsored plans, the "required contribution" is based on the cost of coverage for the lowest cost bronze plan available on the Health Insurance Marketplace or "Exchange" for the taxable year. If the Affordable Care Act is repealed and the Exchange is eliminated, there will be no "required contribution" upon which the threshold can be calculated. Accordingly, in lieu of adopting section 5000A(e)(1) of the IRC, the Department suggests defining affordable coverage by using a specific amount or tying it to a specific benchmark, such as a percentage of the poverty guidelines for Hawaii.

Second, with respect to the exemption for taxpayers with income below the filing threshold, as provided in section 5000A(e)(2) of the IRC, the Department notes that the federal and State filing thresholds are substantially different. For example, for tax year 2016, the filing threshold for a single taxpayer under 65 years old is \$10,350 for federal and \$3,344 for Hawaii and the filing threshold for a taxpayer under 65 years old filing married filing jointly is \$20,700 for federal and \$6,688 for Hawaii. If the intent of this exemption is avoid situations in which a taxpayer would otherwise be exempt from filing a return but must do so only to report and pay the penalty, the Department suggests using household income and filing thresholds as determined under State law, as opposed to under federal law.

Third, the Department notes that there is no exemption for persons who are not physically present in the State. Accordingly, an individual who was not physically in the State during the tax year, but who is required to file a Hawaii tax return because he or she received Hawaii income, will be subject to the penalty.

Fourth, with respect to the exemption for hardships, as provided in section 5000A(e)(5) of the IRC, the Department notes that this section requires the U.S. Secretary of Health and Human Services to make a determination as to whether the taxpayer suffered a hardship. The Department recommends that the bill be amended to define hardship and/or require another agency to certify the existence of a hardship.

Finally, the Department notes that it will be able to implement the form, instruction, and system changes in this bill for tax years beginning after December 31, 2017.

Thank you for the opportunity to provide comments.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 14, 2017

The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce, Consumer Protection and
Health
Twenty-Ninth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Baker and Members of the Committee:

SUBJECT: HB 552 HD1 – Relating to Health Insurance.

The State Council on Developmental Disabilities (DD) **strongly supports HB 552 HD1**. The purpose of this bill is to ensure that benefits of the Affordable Care Act (ACA) are preserved under State law in the case of repeal of the ACA by Congress; preserves the individual mandate, minimum essential benefit requirements, extended dependent coverage, and prohibitions on preexisting condition exclusions and gender discrimination in premiums and costs; and establishes a trust fund and procedures to reimburse insurers for unrecouped costs of providing minimal essential insurance benefits.

The DD Council is gravely concerned about the American Health Care Act on national level. This is simply unconscionable that Congress is attempting to pay for the repeal of the Affordable Care Act (ACA) by cutting services for low income individuals with disabilities, adults, older adults, and children. The ACA had helped people, including millions of people with disabilities, gain access to affordable and comprehensive health insurance. Medicaid is a jointly funded program with matching state and federal funds. Under a Medicaid per capita cap, the federal government would set a limit on how much to reimburse states based on enrollment in the Medicaid program. Unlike current law, funding would not be based on the actual cost of providing services. Much like the proposed block grants, the intent of the per capita caps is to restructure the program and save the federal government money.

The Honorable Rosalyn Baker
Page 2
March 14, 2017

Inevitably there will be cuts in funding in the states. The negative impacts to Medicaid recipients could include:

- Losing home and community-based services and supports. Waiting lists would quickly grow.
- Losing other critical services such as personal care, mental health, prescription drugs, and rehabilitative services. If funds become scarcer, states may decide to stop providing these services altogether.
- Being forced into unnecessary institutionalization. States could return to the days of “warehousing” people with disabilities in institutions. Shifting the costs to individuals or family members to make up for the federal cuts. The costs of providing health care and long term services and supports will not go away, but will be shifted to individuals, parents, states, and providers.


The ACA is the most significant law for people with disabilities since the Americans with Disabilities Act. Because of the ACA:


- Health insurers can't deny health insurance or charge higher premiums if you have a disability or chronic condition.
- There aren't arbitrary financial limits to how much health care you can get in a year or in your lifetime.
- More people with disabilities and chronic health conditions are able to access health care due to the Medicaid expansion.

We applaud the Legislature's initiative in preserving the benefits of ACA through the passage of this bill.

Thank you for this opportunity to submit testimony in **strong support of HB 552 HD1.**

Sincerely,


Waynette K.Y. Cabral, MSW
Executive Administrator


Josephine C. Woll
Chair



S E A C
Special Education Advisory Council

919 Ala Moana Blvd., Room 101

Honolulu, HI 96814

Phone: 586-8126 Fax: 586-8129

email: spin@doh.hawaii.gov

March 14, 2017

**Special Education
Advisory Council**

Ms. Martha Guinan, *Chair*
Ms. Dale Matsuura, *Vice Chair*
Dr. Patricia Sheehy, *Vice
Chair*
Ms. Ivalee Sinclair, *Vice Chair*

Senator Rosalyn H. Baker, Chair
Committee on Commerce, Consumer Protection, and Health
State Capitol
Honolulu, HI 96813

Ms. Brendelyn Ancheta
Dr. Robert Campbell, *liaison
to the military*

RE: HB 552, HD 1 - Relating to Health Insurance

Ms. Deborah Cheeseman
Ms. Annette Cooper
Ms. Gabriele Finn
Mr. Sage Goto
Ms. Valerie Johnson
Ms. Bernadette Lane
Ms. Kaili Murbach
Ms. Stacey Oshio
Ms. Kau'i Rezentos
Ms. Charlene Robles
Ms. Rosie Rowe
Mr. James Street
Dr. Todd Takahashi
Dr. Daniel Ulrich
Mr. Steven Vannatta
Mr. Gavin Villar
Dr. Amy Wiech
Ms. Jasmine Williams
Ms. Susan Wood

Dear Chair Baker and Members of the Committee,

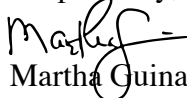
The Special Education Advisory Council (SEAC), Hawaii's State Advisory Panel under the Individuals with Disabilities Education Act (IDEA), **strongly supports** HB 552, HD 1 that ensures the benefits of the Affordable Care Act (ACA) under state law in the event that the U.S. Congress repeals the ACA.

Access to affordable, comprehensive and timely health care helps to bolster school attendance and improve academic outcomes for ALL students and especially students with disabilities and chronic health conditions. Regular health monitoring and preventive health services reduce the incidence and severity of primary and secondary disabilities and result in huge savings in terms of financial and human resources. Hawaii cannot afford to revert to the past practices of denying health care based on pre-existing conditions and pauperizing families whose children have extraordinary health care needs.

Amanda Kaahanui, Staff
Susan Rocco, Staff

Thank you for the opportunity to provide testimony on this important legislation. If you have questions or concerns, please contact us.

Respectfully,


Martha Guinan
Chair


Ivalee Sinclair
Legislative Committee Chair

**COMMUNITY COALITION FOR
HAWAII UNIVERSAL HEALTHCARE
THROUGH COMPREHENSIVE PLANNING**

March 13, 2017

To: The Honorable Rosalyn H. Baker, Chair,
The Honorable Clarence Nishihara, Vice Chair, and Members
Hawaii State Senate Committee on Consumer Protection and Health

Re: HB 552, HD 1 – State adoption of certain ACA provisions

Hearing: Tuesday, March 14, 2017, 9:00 a.m., Conference Room 229

Position: Suggested amendments

Hawaii is facing a healthcare crisis, but this bill will not address the root cause of that crisis, which is the private insurer system. Hawaii needs universal healthcare, and indeed that is Hawaii's official State health policy goal –universal coverage. The Legislature should be enabling the Hawaii Health Authority (HHA) to perform its statutory mandate under HRS Chapter 322H to develop a comprehensive plan for universal healthcare for the State.

Meanwhile, this present bill, like its Senate companion, SB 403, would preserve the current system whereby private insurance dominates healthcare, creating undue complexity and unneeded demands on medical providers that result in soaring costs that could easily be eliminated.

The key problems with HB 552, like those of SB 403, are:

1. **The Bill's individual mandate fails to address the needs of the State's Medicaid population.**

Medicaid currently insures 360,000 Hawaii residents. That's one out of every four people in Hawaii. These people are insured under the ACA mandate, and would be insured under the mandate of HB 552, only because they would receive Medicaid funds to pay for their insurance. What happens when, not if but when, the U.S. Congress substantially reduces Hawaii's funding under Medicaid? We believe that the Bill needs to address this eventuality.

Meanwhile, the Bill would impose financial penalties on people who fail to purchase insurance coverage without any consideration of their ability – or inability - to pay for insurance. This is likely to have severely detrimental effects on people in the lowest income brackets. These penalties are intended to make everyone accountable, but they serve to bolster the private insurance industry market at the expense of our most vulnerable individuals and families. THIS IS ONE MAJOR REASON TO SUPPORT THE TRANSITION TO UNIVERSAL HEALTHCARE.

2. **The Bill *sub silentio* commits the State to a healthcare system based on private insurance, contrary to the State's established policy goal of universal coverage; this needs to be amended.**

In 2009, the Hawaii State Legislature enacted HRS Chapter 322H over the veto of Governor Lingle. The specific policy of that legislation was to commit Hawaii to adopt universal healthcare on the State level. The present bill would violate that State policy, but fails to expressly acknowledge that that is what it is doing.

Under Chapter 322H, the Hawaii Health Authority (HHA) was directed to prepare the comprehensive health plan for the State. HRS 322H-2(b) specifies a plan that includes:

- (1) Establishment of eligibility for inclusion in a health plan for all individuals;
- (2) Determination of all reimbursable services to be paid by the authority;
- (3) Determination of all approved providers of services in a health plan for all individuals;
- (4) Evaluation of health care and cost effectiveness of all aspects of a health plan for all individuals; and
- (5) Establishment of a budget for a health plan for all individuals in the State.

That's why we strongly urge you to add a line item for \$250,000 for the Hawaii Health Authority (HHA) in the present Bill. This sum should be appropriated to HHA through the Department of Budget and Finance, where HHA is located for administrative purposes.

This is a huge task, and \$250,000 would be a bargain amount to get this done. The HHA's oversight task is ESSENTIAL to repair our unsustainable status quo where we have needless expense, waste, and compromised care. The purpose of the HHA is to research and plan comprehensive universal healthcare as a strategic alternative to the current system. The HHA is a small, independent policy-planning board to be composed of 9 volunteer members with diverse expertise in medicine and related fields.

With this appropriation to HHA through the Department of Budget and Finance, Hawaii can keep its long-term commitment to universal coverage while temporarily using a State-level program based on the ACA. But that should only be temporary.

3. **The Bill fails to clearly preclude annual and lifetime caps on benefits, and it fails to either preclude or regulate co-payments and deductibles.**

If the Bill actually precludes insurers from imposing annual or lifetime caps on benefits, it is not clearly enough stated. Under the ACA, insurers are prohibited from imposing annual and lifetime dollar limits on "essential health benefits," as defined in the ACA. That definition is being carried into HB 552, albeit with some changes. This same requirement should be clearly incorporated into this Bill.

Similarly, the Bill does not state whether insurers will be precluded from imposing co-payment requirements for medical services or imposing deductibles that must be satisfied before benefits are actually paid, or whether those co-payment and deductibles, IF ALLOWED, will be subjected to regulatory limitation. The Bill should make these matters clear. In our view, all benefit limits, deductibles, and co-payment requirements should be subject to strict regulation.

4. By keeping Hawaii on a healthcare system tied to private insurance, the Bill fails to solve the key problems currently plaguing Hawaii's healthcare system.

Currently, Hawaii's healthcare system already has major problems from multiple directions. These include, but are hardly limited to, the following:

- Under federal ACA and MACRA laws, doctors are being pressured to restrict and deny necessary care, and from assuming responsibility to care for sicker, more complex, and socially disadvantaged patients;
- The system is creating equally perverse counter-incentives of "pay-for-performance" and risk-adjustment that burden doctors with excessive documentation and data-management demands;
- The system is increasing costs for both providers and payers (Medicare, Medicaid, and private insurance) where physicians and office staff must:
 - Spend more than 15 hours per week on "quality" measures and reporting;
 - Spend more than \$40,000 per MD per year on "quality" measures and reporting;
 - Spend twice as much time paying attention to computers as to patients;
 - Respond to measures, most of which have little to do with actual quality of care;
- There are pressures to replace fee-for-service systems with "value-based" payment, shifting insurance risk onto doctors and hospitals, so they have a financial incentive to restrict care; and
- Insurers are tightening pharmaceutical formulary restrictions and prior authorizations for drugs and imaging, adding more barriers to care.

These problems have resulted in the following, in Hawaii, in rapidly increasing effects in just the past couple of years. Your constituents will confirm this to you:

- Rapid loss of physicians from private practice, especially in Hawaii where 2/3 were in individual and small-group practices prior to the ACA, leading to:
 - Premature retirement
 - Leaving the state
 - Taking administrative jobs and jobs with hospitals and big health systems, to avoid insurer micromanagement of patient care
- Patients losing access to doctors in out-patient settings, an accelerating problem:
 - October 2016: 31% of Oahu primary care practices closed to all new patients, double the rate of the previous year;
 - 47% closed to new Medicare patients, with even more refusing new Medicaid;
- More care pushed to ERs and hospitals for those who can't get care elsewhere;
- Epidemic of physician burnout – at 55% in December 2015 and rising annually;
- Rising cost (premiums, deductibles, co-pays), less access, and health system collapse!

For all these reasons, Hawaii must follow through with the well-planned procedures set out in HRS Chapter 322H to develop a system that will stop the cost-explosion, and begin cost-containment. The HHA is the ONLY AGENCY that can streamline health planning and policy management through careful planning and analysis. And, frankly, bills to make Obamacare part of Hawaii's state law – SB 403 and HB 552 – won't solve these problems.

Please amend HB 552 to add \$250,000 to the budget of the Department of Budget and Finance for the Hawaii Health Authority, so that it may proceed to plan for a comprehensive universal healthcare system, and make the other amendments we suggest. Thank you for your attention to this pressing issue, and for your foresight in considering our request.

Stephen Kemble, MD

Marion F. Poirier, RN

Dennis Boyd Miller

Contact: burdick808@gmail.com

Alan B. Burdick

Daria Fand

Erynn Fernandez



HB552 HD1 Health Insurance (ACA): Preserves ACA benefits for the individual mandate, minimum essential benefit requirements, extended dependent coverage, and prohibitions on preexisting condition exclusions and gender discrimination in premiums and costs. Establishes a trust fund and procedures to reimburse insurers for unrecouped costs of providing minimal essential insurance benefits.

SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH:

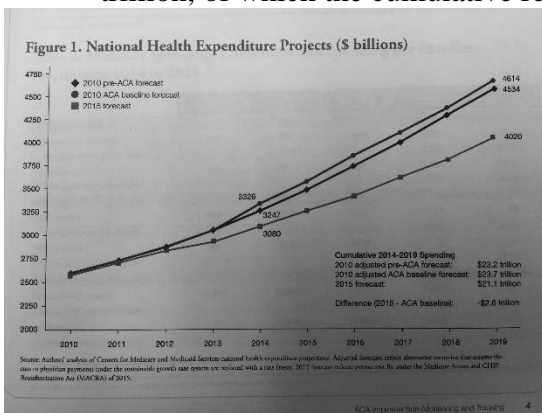
- Senator Rosalyn Baker, Chair; Senator Clarence Nishihara, Vice Chair
- Tuesday, Mar. 14th, 2017: 9:00 a.m.
- Conference Room 229

HAWAII SUBSTANCE ABUSE COALITION (HSAC) Supports HB552.

ALOHA CHAIR BAKER; VICE CHAIR NISHIHARA; AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of over 30 non-profit alcohol and drug treatment and prevention agencies.

ACA and other reform actions has “bent the cost curve” even though only 31 states enacted Obamacare. The cost projections are significantly lower than expected when ACA was first started by about \$2.6 trillion or 13% by 2020, that is, if provisions are kept in place.¹ Of course, healthcare spending will increase, just not as much if ACA was not implemented.

- Pre-ACA healthcare expenditures were expected to reach \$4.5 trillion by 2020.
- Post-ACA and other state reforms (involving government, insurers and providers) have bent the cost curve in health expenditures, which are now expected to be \$4 trillion, of which the cumulative reductions in costs would reach \$2.6 trillion.



¹ Executive Summary: The Widespread Slowdown in Health Spending Growth Implications for Future Spending Projections and the Cost of the Affordable Care Act by Urban Institute, funded by Robert Wood Johnson Foundation, June 2016
http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2016/rwjf429930/subassets/rwjf429930_1

HSAC supports Essential Healthcare Benefits (EHB) to include:

- Mental health and substance use disorder services, including behavioral health treatment, mental and behavioral health inpatient services and substance use disorder treatment.

The issues remain – The crisis is still looming:

1. How the U.S. manages chronic illness for over half of our population causes us to have the most expensive and lowest outcome of all healthcare systems in the modern, industrialized world.
2. The "fix" is "preventive treatment" for people with chronic illnesses based on outcomes rather than austere policies focused on finances. Under our decades long systems, many people didn't receive adequate care at the beginning stages of chronic illness but then received extensive treatment at the later stages of chronic illness when it was most expensive (hospitals and high end specialty care). This includes people such as the elderly, underinsured (Medicaid), uninsured, and MCO commercial plans for working people who have chronic illnesses.
3. To do early "preventive treatment," we need:
 - a. Everyone has to have adequate insurance (uninsured, underinsured, managed care plans for working middle class has to improve);
 - b. Primary care manages early stages of illnesses;
 - c. Integrate behavioral health with primary care (substance abuse and mental health - depression - play a significant factor in chronic illnesses);
 - d. Payment reform that incentivizes "preventive" treatment as well as better "managed" care that is based more on outcomes (the latter was introduced but not enough of the former).

The Congressional Budget Office, a non-partisan review, predicts that repealing portions of the Affordable Care Act would increase costs:²

1. Increase uninsured by 18 million and more in subsequent years;
2. Increase individual insurance policies by 20% to 25% and then up to 50% once the Medicaid expansion and subsidies were eliminated.

We appreciate the opportunity to provide testimony and are available for questions.

² Congressional Budget Office, letter...regarding the budgetary effects of H.R. 3762, the Restoring Americans' Healthcare Freedom Reconciliation Act, as passed by the Senate on December 3, 2015 (December 11, 2015), www.cbo.gov/publication/51090. <https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/reports/52371-coverageandpremiums.pdf>



March 14, 2017 at 9:00 AM
Conference Room 229

Senate Committee on Commerce, Consumer Protection, and Health

To: Chair Rosalyn H. Baker
Vice Chair Clarence K. Nishihara

From: Paige Heckathorn
Senior Manager, Legislative Affairs
Healthcare Association of Hawaii

Re: **Testimony in Support**
HB 552 HD 1, Relating to Health Insurance

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 160 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

The Healthcare Association of Hawaii would like to thank the committee for the opportunity to **support** the intent of HB 552 HD 1, which would preserve a number of consumer protection provisions included in the *Affordable Care Act (ACA)*, including the requirement that individuals in Hawaii purchase health insurance. While Hawaii has long been a national leader in providing access to quality care—in large part because of the visionary Prepaid Health Care Act—the ACA provided the opportunity for thousands of individuals, families and children to newly access insurance coverage.

Without the ACA, it is predicted that 20 million people will lose access to health insurance across the country. According to a recent report from the Urban Institute, the repeal of the ACA will result in 11,000 people who are eligible for a tax credit to purchase insurance losing their individual health insurance and 44,000 adults and children losing Medicaid or CHIP coverage.ⁱ Lack of access to insurance will not only negatively affect the health of patients who lose their coverage, but will also further strain the health care system in the state. We appreciate the State Legislature's focus on helping to protect access to care for all Hawaii residents and support the intent of this legislation to maintain coverage. Thank you for your consideration of this matter.

ⁱ <http://www.urban.org/research/publication/partial-repeal-aca-through-reconciliation-coverage-implications-hawaii-residents>



Date: March 12, 2017

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

From: Jessica Yamauchi, Executive Director, Hawai'i Public Health Institute

Re: **Strong Support for HB 552, HD1 Relating to Health Insurance**

Hrg: March 14, 2017 at 9:00 am at Conference Room 229

Thank you for the opportunity to offer testimony in strong support of HB 552, HD1, Relating to Health Insurance.

The Hawai'i Public Health Institute (HIPHI) supports and promotes policy efforts to create a healthy Hawai'i. HIPHI weaves silos into working relationships as an effective network, ensuring that we come together across sectors to advance collaboration and innovation in public health and work towards making Hawai'i the healthiest place on earth.

HIPHI strongly supports HB 552, HD1 which will preserve critical protections of the federal Affordable Care Act (ACA) for Hawaii residents, including: requiring all health insurance entities, including health benefits plans to include health care benefits, plus additional contraception and breastfeeding coverage benefits; extending dependent coverage for adult children until age 26; prohibiting health insurance entities from imposing a pre-existing condition exclusion; and prohibiting health insurance entities from using an individual's gender or age to determine premiums or contributions.

We recommend re-inserting language from the original bill that will provide prescription drug, habilitative service, and pediatric oral and vision coverage from the list of essential health care benefits that must be provided by every health insurance policy, plan, contract, or agreement issued in the State. Access to health care should be a right and not a privilege.

Hawai'i has led the nation with our prepaid health care law and we should continue to lead the Country. Residents of Hawai'i and our nation have benefited from the ACA and we need to ensure that Hawai'i continues to implement the ACA as intended. We strongly support this measure and respectfully ask that you pass this bill out of committee. Thank you for the opportunity to provide testimony.

A handwritten signature in cursive script that reads 'Jessica Yamauchi'.

Jessica Yamauchi, MA
Executive Director

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



Chair
LESLIE WILKINS

COMMISSIONERS:

SHERRY CAMPAGNA
CYD HOFFELD
JUDY KERN
MARILYN LEE
AMY MONK
LISA ELLEN SMITH

Executive Director
Catherine Betts, JD

Email:
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/hscsw/

235 S. Beretania #407
Honolulu, HI 96813
Phone: 808-586-5758
FAX: 808-586-5756

March 14, 2017

To: Senator Rosalyn Baker, Chair
Senator Clarence Nishihara, Vice Chair
Members of the Senate Committee on Commerce, Consumer
Protection and Health

From: Cathy Betts
Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in Support, HB 552, HD1, Relating to Health Insurance

Thank you for this opportunity to testify in support of HB 552, HD 1 which would codify certain provisions of the Affordable Care Act (“ACA”) into state statute. The current United States Congress is poised to repeal most, if not all, important provisions under the ACA. Given the opportunity to safeguard many of these important provisions by revising our state law, the Commission is concerned with two of the deletions from the original HB 552. Specifically, removing coverage for prescription drugs and pediatric oral and vision coverage from the list of essential health care benefits may prove to be dangerous and costly for working families with children. As such, the Commission supports adding coverage for those benefits back into the language of this measure.

The ACA established important protections for all Americans, and for women in particular. Repealing the ACA means that 55 million women across the country would lose their access to no-copay preventive services such as birth control and life-saving cancer screenings and that being a woman would once again be a pre-existing condition. HB 552, HD1 would keep Hawaii healthy by keeping in place all of the lifesaving protections that hundreds of thousands of men, women, and families in Hawaii have depended on since the ACA went into effect.

If the ACA is repealed, people in Hawaii could once again be denied coverage for pre-existing conditions, such as being a survivor of domestic violence or for having been previously pregnant. Women would lose access to birth control, cancer screenings, and other lifesaving care. And insurance companies could once again charge women more than men for insurance, just because of their gender.

The Commission supports HB 552, HD 1 and recommends adding prescription drug and pediatric oral and vision coverage back to the list of essential health care benefits.

Thank you for this opportunity to testify.



An Independent Licensee of the Blue Cross and Blue Shield Association

March 14, 2017

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

Re: HB 552, HD1 – Relating to Health Insurance

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

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on HB 552, HD1, which seeks to preserve certain elements of the Affordable Care Act (ACA) within State statute. HMSA appreciates the intent of this Bill, and we offer comments.

For over 40 years, Hawaii's Prepaid Health Care Act (PHCA) ensured Hawaii would have among the lowest levels of uninsured in the nation. The federal enactment of the ACA reduced the number of uninsured further, affording 55,000 more Hawaii residents access to affordable care from doctors and hospitals. That achievement potentially now is jeopardized with the proposed "repeal and replacement" of the ACA.

There is much uncertainty and confusion around what final actions Congress and the President will take in replacing the ACA. However, what is certain is that Hawaii, at a minimum, must protect what we had in-place prior to the enactment of the ACA - the PHCA. That will safeguard healthcare coverage for the vast majority of our families, neighbors, and friends.

The House of Representatives is currently considering its proposal, the American Health Care Act (AHCA), and its provisions in part include:

- Repealing the individual mandate, but replace it with a continuous coverage requirement. Health plans would be allowed to impose a limited penalty (30% increase in premiums) on individuals who have allowed their coverage to lapse and wait until they are sick to regain coverage.
- Replacing the ACA subsidies with age-based tax credits. Individual health plan purchasers would be allowed a refundable tax credit that increases for older individuals – from \$2,000 for individuals 30 and younger to \$4,000 for individuals 60 and older. However, this subsidy is gradually reduced for individuals with annual incomes of \$75,000 and above, and eliminated for individuals making \$250,000 or more.
- Increasing the allowable contribution level to a health savings account (HSA). Unused amounts from an individual's tax credit may be deposited to the HSA.
- Appropriating \$15 billion annually for a "Patient and State Stability Fund" that may be used by the states to subsidize or reduce coverage costs for high-risk individuals, stabilize premiums in the individual market, promote insurer participation in the individual market, promote access to preventive services, provide payments to providers for certain services, and generally reduce out-of-pocket costs for enrollees.
- Capping Medicaid support beginning in 2020. The cap will be set at the number of enrollees in 2020 multiplied by cost per enrollee in 2016 adjusted in 2019 by the medical inflation index.

There is considerable bi-partisan opposition to the AHCA and, even if passed by the House, the AHCA faces even more opposition in the Senate. Needless to say, confusion abounds.

All of this uncertainty has forced all sectors of the healthcare system to consider a massive range of scenarios as to how people, families, businesses, and the health insurance market may be impacted. Should elements of the AHCA become federal law, states need to consider:

- Would the state want to provide financial assistance to individual purchasers of health policies in addition to a federal tax credit?
- What actions would a state need/want to take to compensate for the capping of Medicaid dollars?



An Independent Licensee of the Blue Cross and Blue Shield Association

- What priorities will the state set for the use of monies potentially given the state under a program like the Patient and State Stability Fund?
- Generally, what actions would be necessary to ensure state statute comports with whatever the federal government ultimately enacts as new healthcare law?

SB 552, HD1, is laudable in its attempt to protect elements of the ACA that have benefitted individuals and families in Hawaii. . However, given the level of uncertainty over the timing and conformation of federal action on the ACA, the Legislature may wish to consider a consortium or working group of public, private, and community healthcare interests to monitor federal action and to plan and recommend appropriate State action.

Thank you for allowing us to testify on HB 552, HD1. Your consideration of our comments is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal flourish extending to the right.

Jennifer Diesman
Vice President, 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

March 14, 2017
9:00 a.m.
Conference Room 229

Re: HB552 HD1 Relating to Health Insurance

Chair Baker, Vice Chair Nishihara, and Committee Members, thank you for this opportunity to provide testimony on HB552 HD1, which ensures that certain benefits under the federal Affordable Care Act (ACA) that are not otherwise available via the State's Prepaid Health Care Act, remain available to Hawai'i's residents regardless of the status of the ACA.

Kaiser Permanente Hawaii supports the intent of HB552 HD1 and offers the following COMMENTS.

As part of one of the nation's largest nonprofit integrated health care systems, Kaiser Permanente Hawaii seeks to make healthcare more affordable and available to everyone. We believe the ACA is a great-step forward and we are committed to the ACA's insurance exchanges. Currently, we provide all the benefits sought to be preserved in SB403 SD1 to our small group and individual members, including the "essential health benefits", and additional contraception and breastfeeding coverage benefits. Kaiser Permanente Hawaii believes that the benefits under the ACA are based in preventative care, which has always been an essential part of Kaiser Permanente's health plan.

We appreciate that HB552 HD1, which is substantially similar to SB403 SD2, removes prescription drug, habilitative service, and pediatric oral and vision coverage from the list of essential health care benefits that must be provided by every health insurance policy, plan, contract, or agreement in the State. Mandating all these benefits, which are currently not in the Prevalent Plan, pursuant to Section 393-7, Hawai'i Revised Statutes, will likely increase the costs of health insurance.

Additionally, Kaiser Permanente Hawaii seeks clarification on some of HB552 HD1's provisions, including whether HB552 HD1:

- 1) Will address "grandfathered" and "grandmothered" small group plans, which currently are not required to fully comply with the essential health benefits mandate; and
- 2) Will mandate that the essential health benefit provisions apply to Prepaid and Non-Prepaid groups, including labor & trust and large commercial groups;

As currently drafted, HB552 HD1 appears to mandate additional benefits to groups, such as labor & trust and large commercial groups, which already have many options on comprehensive plans. Given that these plans are currently exempt from many of the changes required under the ACA, including the essential health benefits, any mandate to require these plans to be subject to these benefits could cause a significant disruption in the marketplace and will increase costs at some point.

Furthermore, we request the Committee urge the Office of the Attorney General to research whether mandating the changes sought under HB552 HD1 may have the inadvertent effect of jeopardizing the ongoing existence of the State's Prepaid Health Care Act, given that any substantive changes to the Prepaid Health Care Act can cause the Act to sunset.

Finally, given the unveiling of the proposed American Health Care Act by Congressional House Republicans and the uncertainty regarding its passage, the Legislature may wish to consider convening a working group comprised of government, private, and community members to determine the best course of action by the State to ensure the health and well-being of the people of the State of Hawai'i in the advent of the enactment of the American Health Care Act.

We look forward to having the opportunity to work with the Committee to further HB552 HD1. Thank you for the opportunity to testify on this measure.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Rosalyn H. Baker, Chair
The Honorable Clarence K. Nishihara, Vice Chair
Members, Committee on Consumer Protection and Health
Paula Yoshioka

From: Paula Yoshioka, Senior Vice President, The Queen's Health Systems
Date: March 10, 2017
Hrg: Senate Committee on Consumer Protection and Health Hearing; Tuesday, March 14,
2017 at 9:00AM in Room 229

Re: **Support for HB 552, HD1, Relating to Health Insurance**

My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems (QHS). I would like to express my **support** for the intent of HB552, HD1, Relating to Health Insurance. This measure would keep in place key provisions established under the Affordable Care Act (ACA) such as preserving the individual mandate, inclusion of essential health benefits, extending dependent coverage for children till they are 26 years old, and prohibiting health insurers from denying coverage for preexisting conditions and utilizing gender to determine premiums.

Since the enactment of the ACA in 2010, the uninsured rate for the State of Hawaii has fallen by 49 percent, translating to roughly 54,000 Hawaii residents gaining health care coverage. Across the nation about 20 million more adults have gained coverage through the ACA and the country has seen the uninsured rate drop by nearly 40 percent or more for every income group.¹

The mission of QHS to provide quality health care services to Native Hawaiians and the people of Hawaii regardless of their ability to pay. Approximately 33,000 residents in Hawaii now have insurance coverage due to the expansion of Medicaid under the ACA.² QHS is concerned that the repeal of the ACA would result in thousands of our patients losing coverage. In 2015, QHS absorbed \$54.2 million in Medicaid reimbursement shortfalls that did not cover the full cost of care. As QHS continues to grow and meets the needs of our community, ensuring that our patients have access to health insurance is critical for our health care system.

We commend the legislature for introducing this measure that seeks to protect access to health care coverage for the people of Hawaii. Thank you for your time and attention to this important issue.

¹ <https://aspe.hhs.gov/sites/default/files/pdf/207946/ACAHistoricIncreaseCoverage.pdf>

² <https://aspe.hhs.gov/compilation-state-data-affordable-care-act>

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Extend Obamacare Individual Mandate to Hawaii Law

BILL NUMBER: HB 552, HD-1

INTRODUCED BY: House Committees on Health and Consumer Protection & Commerce

EXECUTIVE SUMMARY: Reacting to threatened changes to Obamacare, this bill attempts to enact the Obamacare individual mandate in Hawaii. Although the bill attempts to mirror the federal exemptions from the individual mandate, questions remain as to how many of the exemptions would be implemented.

SYNOPSIS: Adds a new section to HRS chapter 235 to impose a penalty on any individual who is not covered with qualifying health insurance coverage, or whose dependent is not covered, in any month. The amount of the penalty is the same as that imposed under the current Affordable Care Act. Provides that federal exemptions under IRC §5000A apply.

Requires every insurer who issues a policy that provides minimum essential coverage to report the provision of coverage on a form and in a manner to be determined by rules.

Adds a new part to HRS chapter 371 establishing a minimum essential coverage premium supplementation trust fund, which makes payments to insurers for all policies where the cost of minimum essential coverage exceeds ___% of the total premium amount paid by the insured.

Makes extensive changes to HRS chapter 431 article 10A, chapter 432 article 1, and chapter 432D defining essential health care benefits required for policies issued or renewed in the State.

EFFECTIVE DATE: July 1, 2010; takes effect upon the repeal of Pub. L. No. 111-148.

STAFF COMMENTS: The proposed measure is a reaction to the threat by Republicans in the U.S. House, U.S. Senate, and the White House to repeal some or all of the Patient Protection and Affordable Care Act of 2010, commonly known as “Obamacare.” The proposal basically says, “Even if the national Obamacare law is repealed, we can and will still have it in Hawaii.”

The individual mandate proposed in this bill looks like the federal one in Internal Revenue Code section 5000A, but with significant differences. The federal fee for not having insurance in 2016 is \$695 per adult and \$347.50 per child (up to \$2,085 for a family), or 2.5% of household income above the tax return filing threshold for the individual’s tax filing status, whichever is greater. One-twelfth of the total fee is owed for each full month in which a family member went without coverage or an exemption. Those provisions are mirrored in the bill.

The federal law allows for several exemptions, which the bill attempts to incorporate by reference. The following chart of exemptions is taken from the instructions to IRS Form 8965:

Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for 2016, including information about where each can be obtained and the code that is to be used on Form 8965 when you claim the exemption. If your coverage exemption was granted by the Marketplace, you will need to enter the Exemption Certificate Number (ECN) provided by the Marketplace (see the instructions for *Part I*). For additional detail about the eligibility rules for the coverage exemptions that are claimed on the tax return, see the instructions for lines 8–13, column (c), later.

Coverage Exemption	Granted by Marketplace	Claimed on Tax Return	Code for Exemption
Income below the filing threshold —Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
Coverage considered unaffordable —The required contribution is more than 8.13% of your household income.		✓	A
Short coverage gap —You went without coverage for less than 3 consecutive months during the year.		✓	B
Citizens living abroad and certain noncitizens —You were: <ul style="list-style-type: none"> • A U.S. citizen or a resident alien who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months; • A U.S. citizen who was a bona fide resident of a foreign country or countries for an uninterrupted period that includes the entire tax year; • A bona fide resident of a U.S. territory; • A resident alien who was a citizen or national of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for an uninterrupted period that includes the entire tax year; • Not lawfully present in the U.S. and not a U.S. citizen or U.S. national. For more information about who is treated as lawfully present in the U.S. for purposes of this coverage exemption, visit www.HealthCare.gov; or • A nonresident alien, including (1) a dual-status alien in the first year of U.S. residency and (2) a nonresident alien or dual-status alien who elects to file a joint return with a U.S. spouse. This exemption doesn't apply if you are a nonresident alien for 2016, but met certain presence requirements and elected to be treated as a resident alien. For more information, see Pub. 519. 	✓	C	
Members of a health care sharing ministry —You were a member of a health care sharing ministry.	-	✓	D
Members of Indian tribes —You were either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.	-	✓	E
Incarceration —You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	-	✓	F
Aggregate self-only coverage considered unaffordable —Two or more family members' aggregate cost of self-only employer-sponsored coverage was more than 8.13% of household income, as was the cost of any available employer-sponsored coverage for the entire family.		✓	G
Resident of a state that did not expand Medicaid —Your household income was below 138% of the federal poverty line for your family size and at any time in 2016 you resided in a state that didn't participate in the Medicaid expansion under the Affordable Care Act.		✓	G
Eligible for health coverage tax credit (HCTC) —You were eligible for the health coverage tax credit in the month. (For this purpose, you are considered eligible for the HCTC if you would have been eligible had you enrolled in HCTC-qualifying coverage.) This exemption is available only for July through December of 2016.		✓	G
Member of tax household born or adopted during the year —The months before and including the month that an individual was added to your tax household by birth or adoption. You should claim this exemption only if you are also claiming another exemption on your Form 8965.		✓	H
Member of tax household died during the year —The months after the month that a member of your tax household died during the year. You should claim this exemption only if you are also claiming another exemption on your Form 8965.		✓	H
Members of certain religious sects —The Marketplace determined that you are a member of a recognized religious sect.	✓		Need ECN See Part I
Ineligible for Medicaid based on a state's decision not to expand Medicaid coverage —The Marketplace found that you would have been determined ineligible for Medicaid solely because the state in which you resided didn't participate in Medicaid expansion under the Affordable Care Act.	✓		Need ECN See Part I
General hardship —The Marketplace determined that you experienced a hardship that prevented you from obtaining coverage under a qualified health plan.	✓		Need ECN See Part I
Coverage considered unaffordable based on projected income —The Marketplace determined that you didn't have access to coverage that is considered affordable based on your projected household income.	✓		Need ECN See Part I
Unable to renew existing coverage —The Marketplace determined that you were notified that your health insurance policy was not renewable and you considered the other plans available to be unaffordable.	✓		Need ECN See Part I
Certain Medicaid programs that are not minimum essential coverage —The Marketplace determined that you were (1) enrolled in Medicaid coverage provided to a pregnant woman that is not recognized as minimum essential coverage; (2) enrolled in Medicaid coverage provided to a medically needy individual (also known as Spend-down Medicaid or Share-of-Cost Medicaid) that is not recognized as minimum essential coverage; or (3) enrolled in Medicaid coverage provided to a medically needy individual and were without coverage for other months because the spend-down had not been met.	✓		Need ECN See Part I

*As of September 1, 2016, the coverage exemptions for members of health care sharing ministries, members of Indian tribes, and those who are incarcerated are no longer granted by the Marketplace, except in Connecticut. Taxpayers who have an ECN issued by the Marketplace for one or more of these three exemptions may report the ECN on a Form 8965 filed with their income tax return for 2016. Taxpayers who qualify for one or more of these exemptions but who do not have an ECN issued by the Marketplace may claim these exemptions on Part III of Form 8965.

The bill provides for the same exemptions as in the federal code in proposed section 235-A(g). However, as in so many other things, the devil is in the details.

In the chart above, many of the exemptions are noted as “Granted by Marketplace,” which means that the Marketplaces under the Affordable Care Act were equipped to determine eligibility for certain of the exemptions and then communicated any favorable determinations by way of issuing an Exemption Certificate Number. Hawaii no longer has a Marketplace, and if the federal act is substantially restructured, the federal Marketplace also may be a thing of the past. Thus, there would have to be some pathways created for claiming and validating some of the more complex exemptions such as general hardship or being a member of a recognized religious sect.

One additional exemption that the Committee may wish to consider is one for a person not present within the State. The federal code, IRC §5000A(d)(3), provides an exemption for individuals not lawfully present in the United States. It is possible for a person to reside within the United States and outside of Hawaii, and be required to file a return in Hawaii. If no exemption is given, that person will be required to have coverage under a Hawaii policy that might not even cover that person. Example: Mr. W lives in Kansas and never sets foot in Hawaii in Year X. He receives some rental income from a property owned in Honokaa. He is required to file a Hawaii nonresident return for Year X, and, if there is no exemption for him, will be required to have a compliant Hawaii policy for himself and his dependents for the full year.

The Committee also may wish to insert tax credits to offset premium costs for low-income taxpayers, as is now provided in SB 403 SD 2.

Digested 3/10/2017



To: Hawaii State Senate Committee on Commerce, Consumer Protection and Health
Hearing Date/Time: Tuesday, Mar. 14, 2017, 9:00 a.m.
Place: Hawaii State Capitol, Rm. 229
Re: Testimony of Planned Parenthood Votes Northwest and Hawaii in strong support of H.B. 552 HD1, relating to Health Insurance

Dear Chair Baker and Members of the Committee,

Planned Parenthood Votes Northwest and Hawaii (“PPVNH”) writes in strong support of H.B. 552, HD1, which seeks to codify in Hawaii state law important benefits currently required under the federal Affordable Care Act.

Losing the critical protections established by the Affordable Care Act would be devastating for the women, men, and families in Hawaii who depend on them. Passage of H.B. 552 will ensure that no one loses access to the care they rely on.

The ACA established important protections for all Americans, and for women in particular. Repealing the ACA means that 55 million women across the country would lose their access to no-copay preventive services such as birth control and life-saving cancer screenings and that being a woman would once again be a pre-existing condition.

In Hawaii alone, after the Affordable Care Act was passed 54,000 people gained insurance coverage, 560,000 people with pre-existing coverage could no longer be denied coverage, and over 630,000 people benefited from being able to access a broad range of preventive services such as contraception, mammograms, and cancer screenings.

As a state lawmaker, you can help to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing H.B. 552, which would put in place many of the ACA’s most important requirements at the state level, no matter what happens at the federal level.

These commonsense benefits include preventing denial of coverage for pre-existing conditions, requiring coverage of contraceptive methods and counseling and other lifesaving preventive care, allowing young people to stay on their parents’ plans until age 26, and more.

Please keep Hawaii healthy by supporting H.B. 552.

Thank you for this opportunity to testify in support of this important, life-saving measure.

Sincerely,
Laurie Field
Hawaii Legislative Director and Public Affairs Manager



March 10, 2017

To: Senator Rosalyn H. Baker, Chair
Senator Clarence K. Nishihara, Vice Chair
Members of the Senate Committee on Commerce, Consumer Protection, and Health

From: Karen Worthington, Project Coordinator
Early Childhood Action Strategy

Re: HB552-HD1 – Relating to Health Insurance

Position: Action Strategy supports HB552-HD1 Relating to Health Insurance

Dear Chair Baker, Vice Chair Nishihara, and members of the Senate Committee on Commerce, Consumer Protection, and Health:

Thank you for the opportunity to provide testimony on behalf of Hawaii's Early Childhood Action Strategy, a public-private collaborative that recognizes the strength of communities and works across sectors to increase the number of young children in Hawaii who are born healthy, developing on track, ready for school when they enter kindergarten, and proficient learners by third grade.

I am writing to express Action Strategy's strong support for HB552-HD1, which will preserve critical protections of the federal Affordable Care Act (ACA) for Hawaii residents, including: preserving the individual health insurance mandate for taxpayers; requiring all health insurance entities, including health benefits plans to include several essential health care benefits, including contraception and breastfeeding coverage benefits; extending dependent coverage for adult children until the children turn 26 years of age; prohibiting health insurance entities from imposing a preexisting condition exclusion; and prohibiting health insurance entities from using an individual's gender to determine premiums or contributions.

As the Project Coordinator of the Early Childhood Action Strategy, I know how many women and children in Hawaii have benefited from the expanded coverage that ACA has provided.

- Over 20 million people, nationwide, gained health insurance through the ACA.
- 6.1 million young adults, ages 19 through 26, gained health insurance through the ACA.
- 54,000 Hawaii residents gained health insurance through the ACA.
- Hundreds of thousands of Hawaii residents benefited from new protections under the ACA.



earlychildhood
ACTION STRATEGY
TAKING ACTION FOR HAWAII'S CHILDREN

- The ACA expanded Hawaii's Medicaid eligibility, meaning more families could qualify for insurance.
- The ACA insured people with previous conditions, who could not find healthcare otherwise.
- The State of Hawaii has saved millions in uncompensated care costs (unpaid medical bills) through the ACA.
- If repealed, by 2019, 58.7 million people nationwide would be without healthcare.

Some important aspects of medical coverage that have been deleted from the current version of the bill (HB552-HD1) are prescription drug, habilitative service, and pediatric oral and vision coverage. The exclusion of these provisions from essential health care benefits that must be provided by every health insurance policy, plan, contract, or agreement issued in the State will create extreme and unnecessary hardships for poor and near-poor families. We respectfully request that this Committee reinstate these provisions in the bill. These provisions are included in the Senate Companion Bill, SB403.

Please help us to protect the residents of Hawaii by ensuring health insurance is there when we need it. Thank you for supporting HB552-HD1.

Sincerely,



Karen Worthington, JD
Project Coordinator, Early Childhood Action Strategy
700 Bishop St. Suite 1701
Honolulu, HI 96813



THE SEX ABUSE TREATMENT CENTER

A Program of Kapi'olani Medical Center for Women & Children

Executive Director
Adriana Ramelli

Advisory Board

President
Mimi Beams

Joanne H. Arizumi

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Donne Dawson

Dennis Dunn

Councilmember
Carol Fukunaga

David I. Haverly

Linda Jameson

Michael P. Matsumoto

Robert H. Pantell, MD

Joshua A. Wisch

Date: March 14, 2017

To: The Honorable Rosalyn Baker, Chair
The Honorable Clarence Nishihara, Vice Chair
Senate Committee on Commerce, Consumer Protection, and Health

From: Justin Murakami, Policy Research Associate
The Sex Abuse Treatment Center
A Program of Kapi'olani Medical Center for Women & Children

RE: Testimony in Support of H.B. 552 H.D. 1 with Comments
Relating to Health Insurance

Good morning Chair Baker, Vice Chair Nishihara, and members of the Senate Committee on Commerce, Consumer Protection, and Health:

The Sex Abuse Treatment Center (SATC) supports H.B. 552 H.D. 1, which ensures that certain benefits under the federal Affordable Care Act of 2010 (ACA) are preserved under Hawai'i law. We also respectfully propose that the bill be amended to include prescription drug coverage as an essential health benefit that should be provided by health insurance plans in Hawai'i.

Sexual violence remains a significant and ongoing health crisis in the United States. According to the Centers for Disease Control and Prevention (CDC), as of 2014, 1 in 5 (23 million) women and 1 in 71 (1.9 million) men in the United States had been raped in their lifetime. Moreover, the CDC found that 43.9 percent of women and 23.4 percent of men reported experiencing one or more forms of sexual violence in their lifetimes.ⁱ SATC serves many of these survivors of sexual violence on O'ahu.

The harm caused by sexual violence to a survivor's health and wellbeing can be profound.ⁱⁱ Physical consequences of sexual violence may include acute injuries, like cuts, tears, broken bones, bruises and internal bleeding, as well as unwanted pregnancy and long term effects such as chronic pain, gastrointestinal disorders, gynecological complications, migraines and frequent headaches, sexually transmitted infections and cervical cancer.

Moreover, sexual violence can have both immediate and ongoing psychological consequences for survivors. In the aftermath of the violence, survivors may experience feelings of fear, guilt, shock, disbelief, anger, confusion, helplessness, betrayal and anxiety. Some further develop chronic or episodic mental health conditions, including substance abuse disorders, sleep disorders, eating disorders, depression, generalized anxiety, and post-traumatic stress disorder.

These consequences of sexual violence reverberate through survivors' families and communities, exacting enormous personal, social and economic costs.ⁱⁱⁱ

The changes made by the ACA to the provision of health insurance in Hawai'i were particularly impactful with respect to survivors of sexual violence and their access to medically necessary, cost-effective healthcare services:

- The ACA disallowed pre-existing condition exclusions. Prior to the ACA, health insurers could deny coverage to survivors of sexual violence for services needed to treat their physical and mental health conditions caused in whole or in part by sexual violence that predated their insurance plan.
- The ACA required that health insurers provide coverage for specific essential services that are of particular interest to sexual violence survivors, including emergency services, hospitalization, mental health and substance use disorder treatment, *prescription drug coverage*, rehabilitative services, laboratory services, pregnancy, maternity and newborn care, and contraceptive coverage (without cost-sharing requirements).
- The ACA required that health insurers not discriminate with respect to plan cost based on the gender of covered individuals and extended coverage of dependent adult children to age 26. These mandates align with the CDC's findings that women are disproportionately affected by sexual violence (as noted above), and that more than $\frac{3}{4}$ (78.7%) of rape occurs before the age 25.

Unfortunately, the current presidential administration and majority in congress have stated an intention to eliminate the ACA, and at this stage it is difficult to know what, if anything, may replace it.^{iv} H.B. 552 H.D. 1 would mitigate the potentially devastating effects of this proposed federal action on Hawai'i's survivors of sexual violence by enshrining key requirements of the ACA in state law.

SATC noted that the original draft of H.B. 552 specifically included prescription drug coverage as an essential health care benefit that must be provided by every health insurance plan in Hawai'i, consistent with the requirements of the ACA. However, this benefit was removed in H.D. 1.

The ability to obtain prescription medications is vitally important to the healing and recovery of survivors of sexual violence. Medications are used to treat and manage the physical consequences of assaults, like pain relievers, anti-biotics, and anti-retrovirals, as well as psychological conditions caused by the violence, such as psychopharmaceutical therapies to address post-traumatic stress, depression and anxiety.^v Without insurance coverage, survivors may not be able to access these medically necessary and potentially life-saving pharmaceutical interventions.

We therefore respectfully ask that the Committee please pass H.B. 552, with an S.D. 1 that includes prescription drug coverage as an essential health benefit that should be covered by health insurers in the State of Hawai'i.

ⁱ Matthew J. Breidling, *Prevalence and Characteristics of Sexual Violence* (2015), available online: <https://www.cdc.gov/mmwr/pdf/ss/ss6308.pdf>. Rape is defined in the CDC study as completed forced penetration or alcohol- or drug-facilitated penetration. Sexual violence includes rape in addition to attempted rape, being made to penetrate a perpetrator, sexual coercion (nonphysically pressured unwanted penetration), unwanted sexual contact (kissing, fondling, groping), and non-contact unwanted sexual experiences (being flashed or forced to view sexually explicit media).

ⁱⁱ See, e.g., Center for Disease Control and Prevention, “Sexual Violence: Consequences,” available online at: <https://www.cdc.gov/violenceprevention/sexualviolence/consequences.html>.

ⁱⁱⁱ See, e.g., Logan Cowan et al, *Costs of Sexual Violence in Utah* (2015), available online at: <http://www.health.utah.gov/vipp/pdf/RapeSexualAssault/costs-sexual-violence-report.pdf>; Jingzhen Yang et al, “Incidence and Cost of Sexual Violence in Iowa,” *American Journal of Preventative Medicine* (August 2014), available online at: [http://www.ajpmonline.org/article/S0749-3797\(14\)00170-6/pdf](http://www.ajpmonline.org/article/S0749-3797(14)00170-6/pdf).

^{iv} See, e.g., Robert Pear and Thomas Kaplan, “The G.O.P.’s High-Risk Strategy for Health Law Repeal,” *The New York Times* (March 11, 2017), available online at: <https://www.nytimes.com/2017/03/11/us/politics/republican-health-law-repeal-strategy.html?ref=politics>.

^v See, e.g., Carol Bates, “Patient Education: Care After Sexual Assault (Beyond the Basics),” *UpToDate* (October 25, 2016), available online at: <https://www.uptodate.com/contents/care-after-sexual-assault-beyond-the-basics>.



HAWAII MATERNAL & INFANT HEALTH COLLABORATIVE

Re: HB 552, HD1

Date: March 13, 2017

Chair Baker, Vice Chair Nishihara, and members of the Senate Committee on Commerce,
Consumer Protection and Health

I am writing to express my strong support for H.B. 552 HD1, which will preserve critical protection of the federal Affordable Care Act (ACA) for Hawaii residents, including: preserving the individual health insurance mandate for taxpayers; requiring all health insurance entities, including health benefits plans to include 10 essential health care benefits, plus additional contraception and breastfeeding coverage benefits; extending dependent coverage for adult children until the children turn 26 years of age; prohibiting health insurance entities from imposing a preexisting condition exclusion; and prohibiting health insurance entities from using an individual's gender to determine premiums or contributions.

As an active member of the Hawaii Maternal and Infant Health Collaborative I know how many women and children in Hawaii have benefited from the expanded coverage that ACA has provided.

- Over 20 million people, nationwide, gained health insurance through the ACA.
- 6.1 million young adults, ages 19 through 26, gained health insurance through the ACA..
- 54,000 Hawaii residents gained health insurance through the ACA.
- Hundreds of thousands of Hawaii residents benefited from new protections under the ACA.
- The ACA expanded Hawaii's Medicaid eligibility, meaning more families could qualify for insurance.
- The ACA insured people with previous conditions, who could not find healthcare otherwise.
- The State of Hawaii has saved millions in uncompensated care costs (unpaid medical bills) through the ACA.
- If repealed, by 2019, 58.7 million people nationwide would be without healthcare.

Please help us to protect the residents of Hawaii by ensuring health insurance is there when we need it. Thank you for supporting H.B. 552, HD1.

Sincerely,
JoAnn Farnsworth
1565 Kalani Iki Street
Honolulu



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March 13, 2017

Sen. Rosalyn Baker, Chair
Senate Committee on Commerce, Consumer Protection, and Health

RE: IN SUPPORT OF HB 552 HD 1

The American Diabetes Association (ADA) supports legislation intended to preserving benefits under the Affordable Care Act (ACA) and encourage your committee to support such measures.

The ACA provides health insurance protections for people with diabetes or prediabetes, and has greatly improved access to health insurance. In fact, the United States saw reductions in the number of uninsured individuals in 2014 and 2015 after the ACA's major coverage expansions took place.

It further ended inequities in access to affordable health care that separated Americans with diabetes from the medical care and education they needed in the fight against the horrific and costly complications of diabetes including blindness, amputation, kidney failure, heart disease, stroke – and death.

We are committed to ensuring the millions of Americans with diabetes have access to affordable, quality health care, and applaud efforts to preserving the ACA under Hawaii law.

Thank you,

LJ Duenas
Hawaii Director
American Diabetes Association

1 in 11
Americans has diabetes today.

23

Every 23 seconds, someone in the United States is diagnosed with diabetes.

More than **18,000** youth are diagnosed with type 1 diabetes every year.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 10, 2017 2:12 PM
To: CPH Testimony
Cc: dshaw@lanaicommunityhealthcenter.org
Subject: *Submitted testimony for HB552 on Mar 14, 2017 09:00AM*

HB552

Submitted on: 3/10/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Diana Shaw	Lanai Community Health Center	Support	No

Comments:

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To: CPH Testimony
Cc: lcook@kualoha.org
Subject: Submitted testimony for HB552 on Mar 14, 2017 09:00AM

HB552

Submitted on: 3/13/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Cook	Ku Aloha Ola Mau	Support	No

Comments: The continuation of support for substance abuse and mental health care is critical as treatment and services are the only way to stop the deterioration and added cost of neglecting this special population who can and do change. Thank you for this opportunity to testify.

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**TESTIMONY FOR HOUSE BILL 552, HOUSE DRAFT 1, RELATING TO HEALTH
INSURANCE**

Senate Committee on Commerce, Consumer Protection, and Health

Hon. Rosalyn H. Baker, Chair

Hon. Clarence K. Nishihara, Vice Chair

Tuesday, March 14, 2017, 9:00 AM

State Capitol, Conference Room 229

Honorable Chair Baker and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that boasts over 350 members. On behalf of our members, we offer this testimony **in strong support of** House Bill 552, HD 1, relating to health insurance.

President Donald Trump and Republicans who currently control Congress have announced their intent to repeal the Affordable Care Act, more commonly known as Obamacare. To date, they've yet to finalize a plan for replacing the ACA, much less one that continues coverage for millions of Americans who will lose their health insurance upon the ACA's repeal.

Health care is a human right. Without access to health care, the inalienable rights to life, liberty, and the pursuit of happiness can be neither pursued nor obtained. For the islands, this measure preserves the individual health insurance mandate for taxpayers; requires all health insurers to cover contraception and breastfeeding; extends dependent coverage for adult children until the age of 26; prohibits health insurers from imposing a preexisting condition exclusion; and bans insurers from using an individual's gender to determine premiums or contributions.

We cannot retreat from the fight for universal health care. According to the Congressional Budget Office, 24 million fewer people will be insured by 2026 under the Trump Administration's healthcare plan, including thousands of local residents. We must protect access to wellness for all of Hawai'i's people. Mahalo for the opportunity to testify **in support** of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

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
Tuesday, March 14, 2017; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 552, HD1
RELATING TO HEALTH INSURANCE**

The ILWU Local 142 **supports** H.B. 552, HD1, which ensures that certain benefits under the federal Affordable Care Act are preserved under Hawaii law.

Republicans in Washington, D.C., including the President, have declared war on the Affordable Care Act (ACA) and vow to repeal and replace the law, which could result in millions of Americans once again without health insurance. Since the inception of the health insurance marketplaces in 2014, the number of uninsured Americans dropped from 41 million to 28 million. Even in Hawaii, where the number of uninsured has been relatively low compared with other states, in large part due the Prepaid Health Care Act, the ACA has resulted in even more uninsured individuals and families enrolling in health plans.

With the federal law in jeopardy, H.B. 552, HD1 proposes to insert certain provisions of the ACA into Hawaii statutes to retain the benefits of the Affordable Care Act, although premium subsidies and tax credits, which have allowed ACA plans to be more affordable, will be gone without federal financial support.

However, H.B. 552, HD1 proposes to retain what are probably the best elements of the Affordable Care Act—like allowing children under age 26 to be covered under their parents' plans, prohibiting exclusions for preexisting conditions, prohibiting disparate treatment on the basis of gender, and providing coverage for the ten essential health benefits.

H.B. 552, HD1 also proposes to retain the individual mandate and the tax penalty for lack of coverage—features of the ACA that may be troublesome for some individuals who are in good health. However, without the individual mandate, adverse selection would occur, and health plans would be populated primarily by those needing health care services and not balanced by those who would use fewer services.

The Affordable Care Act was adopted in the belief that, if all Americans have health insurance, the cost of uncompensated care would not be shifted to those with coverage, individuals would seek health care before their conditions required catastrophic intervention, the “pool” of insured paying for care would be expanded significantly, and health care costs could finally be contained. The goal of ACA is not simply to control health care costs (although that is a major objective) but to ensure access to care and, ultimately, quality of life.

Ideally, the Administration and Congress will come to their senses and leave the Affordable Care Act alone. However, if that does not happen, H.B. 552, HD1 will help to protect some of the best aspects of the law for Hawaii residents.

The ILWU urges passage of H.B. 552, HD1. Thank you for the opportunity to offer testimony on this measure.



DOING THE
MOST GOOD

Founded in 1865

William Booth
Founder

Andre Cox
General

Kenneth Hodder
Territorial Commander

John Chamness
Lani Chamness
Divisional Leaders

Melanie Boehm
Executive Director

The Salvation Army

Addiction Treatment Services and Family Treatment Services

3/13/17

HB552 HD1 Health Insurance (ACA): Preserves ACA benefits for the individual mandate, minimum essential benefit requirements, extended dependent coverage, and prohibitions on preexisting condition exclusions and gender discrimination in premiums and costs. Establishes a trust fund and procedures to reimburse insurers for unrecovered costs of providing minimal essential insurance benefits.

SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH:

- Senator Rosalyn Baker, Chair; Senator Clarence Nishihara, Vice Chair
- Tuesday, Mar. 14th, 2017: 9:00 a.m.
- Conference Room 229

The Salvation Army ATS-FTS Supports HB552

The Salvation Army ATS-FTS supports Essential Healthcare Benefits (EHB) to include:

- Mental health and substance use disorder services, including behavioral health treatment, mental and behavioral health inpatient services and substance use disorder treatment.
- “Preventive treatment” for people with chronic illnesses based on outcomes. Under our decades-long systems in the U.S., many people didn’t receive adequate care at the beginning stages of chronic illness but then received extensive treatment at the later stages of chronic illness when it was most expensive (hospitals and high-end specialty care). This includes people such as the elderly, underinsured (Medicaid), uninsured, and MCO commercial plans for working people who have chronic illnesses.

“Preventive Treatment” ensures:

- a. Everyone has adequate insurance (uninsured, underinsured, managed care plans for working middle class has to improve);
- b. Early stages of illnesses are managed with primary care;
- c. Behavioral health is integrated with primary care (substance abuse and mental health - depression - play a significant factor in chronic illnesses);
- d. Payment reform that incentivizes “preventive” treatment as well as better “managed” care that is based more on outcomes.

Thank you for the opportunity to provide written testimony.

Sincerely,

Melanie T. Boehm MA, LMHC, CSAC
Executive Director ATS-FTS

Participating Agency



Addiction Treatment Services

3624 Waokanaka Street ♦ Honolulu, Hawai‘i 96817 ♦Tel: (808) 595-6371 ♦Fax: (808) 595-8250

Family Treatment Services

845 22nd Avenue ♦ Honolulu, Hawai‘i 96816 ♦Tel: (808) 732-2802 ♦Fax: (808) 734-7470

Visit us at: www.SalvationArmyHawaii.org

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 11, 2017 10:07 AM
To: CPH Testimony
Cc: dgsinhawaii@yahoo.com
Subject: *Submitted testimony for HB552 on Mar 14, 2017 09:00AM*

HB552

Submitted on: 3/11/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Diana G. Smith	Individual	Support	No

Comments:

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Sent: Sunday, March 12, 2017 11:16 PM
To: CPH Testimony
Cc: fmnhawaii@gmail.com
Subject: Submitted testimony for HB552 on Mar 14, 2017 09:00AM

HB552

Submitted on: 3/12/2017

Testimony for CPH on Mar 14, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Francis Nakamoto	Individual	Support	Yes

Comments: Chair Roz Baker and members of the committee: My name is Francis Nakamoto, a retired attorney and former Congressional aide to both Spark Matsunaga and Mazie Hirono in Washington, D.C. and habitual letter-to-the-editor writer. I speak as an individual voter in strong support of HB552, HD1. With the likelihood that the Affordable Care Act will be substantially changed if not repealed outright, Hawaii has no option but to protect the citizens of Hawaii from the unconscionable loss of critical health care needs they deserve. HB552, HD1, helps preserve most of the necessary health services Hawaii residents have come to depend upon to maintain their health and, in many cases, their very lives. In Hawaii, 33,000 residents were added to Medicaid, 13,313 people now have coverage through the exchange, and hundreds of thousands have had their benefits improved by such changes as the end of annual and lifetime caps on the cost of medical care, coverage of children up to age 26, and mental and drug treatment care, among others. HB552, HD1, will restore crucial features of the ACA that Congress threatens to eliminate, including health care services such as contraception, ban on gender discrimination, preventative health services and protecting seniors from excessive premium increases by limiting cost to three times the rate charged to healthy young people instead of the proposed five times while maintaining the individual mandate, an essential element of a fiscally-sustaining program. HB552, HD1, requires establishment of minimum health care services each resident of Hawaii will be entitled to, not leaving it to insurance companies to dictate what they will allow insureds to receive based on the carrier's—not the insured's--needs. Every resident will receive, as much as the plan can afford, equal benefits regardless of wealth or health, not limited by what they can afford or the amount of arbitrary subsidies or limited block grants the Republican Congress and President decide they will allow, unrelated to the real needs of each American. This legislation may very well prove to be the most important you will enact, not only this session, but in decades. With the degradation of health services threatened by radical, irrational conservative Congressional and Executive action that will certainly deprive from 10 to 20 million Americans currently covered by the ACA and Medicaid Expansion, including 33,000 Hawaii residents added to Medicaid, this Legislature must take bold and rational measures now. You are to be commended for your courage and enlightenment by passing HB552, HD1.

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To Whom It May Concern:
Regarding: H.B. No. 552 H.D.1
Aloha,

March 11, 2017

I support H.B. No. 552 H.D.1 I submit my testimony as a concerned citizen and Health Care Provider in Occupational Therapy.

I have reviewed the bill and support ensuring that the specific benefits identified in this bill under the Affordable Care Act are preserved in the case that the ACA is repealed and remain available under Hawaii Law.

However, my concern is that this bill does not address the Medicaid per capita caps and reduced federal funding proposed in the event that the ACA is repealed.

In the introduction section of this bill, (page 2 lines 7-11), it states that the benefits of the ACA in Hawaii have been widespread. The act expanded Medicaid eligibility and strengthened the program for those already eligible. The state has saved millions in uncompensated care costs ...”

I ask that you consider strengthening this bill and include a protection for Medicaid beneficiaries under Hawaii Law in the case of a repeal of the ACA act.

My concern is that Federal Funding Caps to Medicaid services including Home and Community Based Services will create a dire scenario for the people of Hawaii with disabilities. This scenario will likely require an increase in persons with disabilities to be institutionalized as they will no longer be able to manage their care in the comfort and safety of their homes.

As you know, an increase in the number of persons who are institutionalized will place a huge financial burden on the state of Hawaii. In addition, this dire scenario places an increased burden on our already filling skilled nursing and care home community. Not to mention the annual cost of these services nearing 10K a month.

As an occupational therapist and home modification consultant, I know my services for the people of Hawaii can require large up front investments in preventative care, however it will generate overall savings down the road through decreasing institutionalization and hospital readmission rates. Home and community based services allow people with disabilities to remain safely in their homes.

I feel strongly that federal funding caps through the repeal of the ACA will increase the burden of care and cost to the state of Hawaii and thus encourage expansion of this bill to include protections for Medicaid beneficiaries.

Please feel free to reach out to me to further discuss or if I may support you in other ways.
Mahalo,


Catia Garell MA OTR, CAPS, ECHM
Home Modification Consultant
Phone: 1-808-371-8432
thriveforlife.com