

DAVID Y. IGE  
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DIRECTOR

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

February 23, 2017

TO: The Honorable Representative Sylvia Luke, Chair  
House Committee on Finance

FROM: Pankaj Bhanot, Director

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

Hearing: February 23, 2017, 12:00 p.m.  
Conference Room 308, 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. Medicaid also covers all of the listed essential health benefits that are

important to help ensure equitable access to comprehensive health care for Medicaid beneficiaries.

Of note for the Legislature's consideration is the continuation of the individual mandate. As is accurately outlined in the preamble, something like the individual mandate that ensures all residents obtain health insurance is critical to ensure that health insurance costs do not balloon if only individuals who are sick sign up for insurance.

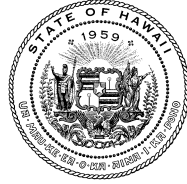
The bill does provide tax credits for individuals filing taxes, it does not appear that they are advance tax credits similar to the current Advance Premium Tax Credits. Individuals who are unable to afford monthly payments or do not have high enough incomes to file taxes may continue to face affordability barriers to purchasing insurance on the individual marketplace. Without such assistance like the current Advance Premium Tax Credits, affording health insurance may be out of reach for those who can only obtain insurance on the individual market. They may then face penalties if they remained uninsured.

Additionally, it may be necessary to collaborate to reduce the 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 TSUTSUI  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
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MARIA E. ZIELINSKI  
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

To: The Honorable Sylvia Luke, Chair  
and Members of the House Committee on Finance

Date: Thursday, February 23, 2017

Time: 12:00 P.M.

Place: Conference Room 308, 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. The Department appreciates that the House Committee on Health and House Committee on Consumer Protection & Commerce made various amendments to the previous draft of the bill, as suggested by the Department.

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, or one-half of the applicable amount if the individual is under the age of 18. The \$695 penalty 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.

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 suggests that the bill is 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.



DAVID Y. IGE  
GOVERNOR  
SHAN S. TSUTSUI  
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CATHERINE P. AWAKUNI COLÓN  
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TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-NINTH LEGISLATURE  
Regular Session of 2017

Wednesday, February 23, 2017  
12:00 p.m.

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

TO THE HONORABLE SYLVIA LUKE, 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, 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

SHAN S. TSUTSUI  
LIEUTENANT GOVERNOR



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February 23, 2017

To: The Honorable Sylvia Luke, Chair,  
The Honorable Ty J.K. Cullen, Vice Chair, and  
Members of the House Committee on Finance

Date: Thursday, February 23, 2017  
Time: 12:00 p.m.  
Place: Conference Room 308, 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 special 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 chapter 393.
- 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. However, the Department believes that a special fund created for that purpose may be more appropriately placed outside of chapter 371, HRS.



DAVID Y. IGE  
GOVERNOR

**STATE OF HAWAII**  
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**TESTIMONY BY DEREK MIZUNO**  
**ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**  
**DEPARTMENT OF BUDGET AND FINANCE**  
**STATE OF HAWAII**  
**TO THE HOUSE COMMITTEE ON FINANCE**  
**ON HOUSE BILL NO. 552 H.D.1**

**February 23, 2017**  
**12:00 p.m.**  
**Room 308**

**RELATING TO HEALTH INSURANCE**

Chair Luke, Vice Chair Cullen, and Members of the Committees:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not had an opportunity to take a position on this bill. The EUTF Board's next meeting is March 3, 2017.

This bill would generally have minimal, if any, impact on the EUTF's active employee plans as current medical, bundled with prescription drug, plans cover the ten essential health care benefits, contraception and breastfeeding coverage benefits, dependent coverage for children until they reach age 26 for medical and prescription drug coverage and there are no preexisting condition exclusions and no gender based premiums and contribution policies. However, EUTF staff would like to clarify whether the EUTF would be required to provide coverage for dependent children until they reach age 26 for dental and vision plans. Currently, the EUTF provides dental and vision coverage for dependent children through age 18 and if they are a full-time student,

**EUTF's Mission:** We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.



through age 23. Dental and vision plans are not subject to the Affordable Care Act provisions.

On the other hand, this bill could have significant impact (in total, approximately \$18-\$20 million in annual premiums and \$577 million to the actuarial accrued liability of which approximately \$425.5 million would relate to the State) on the EUTF retiree plans as follows:

1. Approximately 530 retirees who have medical coverage through EUTF have not enrolled in a EUTF prescription drug plan. To meet the bill's requirements the EUTF would require that these retirees also enroll in the EUTF prescription drug plan which would cost approximately \$1.9 million in annual premiums and up to \$70 million to the actuarial accrued liability (\$52 million for the State), assuming employers are paying 100% for these retirees (approximately 85% are 100% retirees). Those retirees who are responsible for a portion of their EUTF retiree premiums (i.e. employers are not contributing 100% of the retiree's premiums) may have enrolled in another group or individual Medicare Advantage medical and prescription drug plan or stand-alone Medicare Part D prescription drug plan. Individuals are not allowed by the Centers for Medicare and Medicaid Services to enroll in more than one Medicare Advantage or Medicare Part D Prescription Drug plan. Since the HMSA retiree medical plan is not a Medicare Advantage plan, the EUTF retirees can enroll in the EUTF HMSA medical plan and enroll in a non-

EUTF Medicare Advantage medical and prescription drug or stand-alone Medicare Part D prescription drug plan.

2. Approximately 40 retirees who have prescription drug coverage through EUTF have not enrolled in a EUTF medical plan. To meet the bill's requirements the EUTF may have to require these retirees to also enroll in the EUTF medical plan which would cost approximately \$200,000 in annual premiums and add over \$7 million to the actuarial accrued liability (\$5.5 million for the State), assuming employers are paying 100% for these retirees. These retirees may not be enrolling in the EUTF medical plan because they may be responsible for a portion of their EUTF retiree premiums.
3. Currently, the EUTF retiree plans do not have 100% coverage for contraceptives and breastfeeding. However, this additional coverage is not expected to be significant.
4. EUTF staff seeks clarity on whether coverage under this bill for dependent children until the child turns age 26 applies to the EUTF retiree plans. As a retiree only plan, the EUTF retiree plans are not subject to the Affordable Care Act and the EUTF Board has not added dependent child coverage until the child turns age 26 for the EUTF retiree plans. EUTF retiree medical, prescription drug, dental and vision plans provide coverage for dependent children through age 18 and if they are a full-time student, through age 23. Adding the age 26 provision to the EUTF retiree plans, could add \$16-18 million in annual premiums and approximately \$500 million to the actuarial

accrued liability (\$368 million for the State), assuming employers are and will be paying 100% for these retirees.

5. If the additional coverage under 4 and 5 above are added, the employers under Section 87A-33(b), Hawaii Revised Statutes, "...The monthly contribution by the State or county shall not exceed the actual cost of the health benefit plan or plans and shall not be required to cover increased benefits above those initially contracted for by the fund for plan year 2004-2005..." may decide not to pay for the additional benefits and the retirees, including any 100% retirees, would be responsible for the additional monthly premiums.

Thank you for the opportunity to testify.

HAWAII  
STATE  
COMMISSION  
ON THE  
STATUS  
OF  
WOMEN



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LESLIE WILKINS

COMMISSIONERS:

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CYD HOFFELD  
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February 23, 2017

To: Representative Sylvia Luke, Chair  
Representative Ty Cullen, Vice Chair  
Members of the House Committee on Finance

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.

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 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.



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii  
House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association

February 23, 2017

H.B. 552, H.D. 1 - RELATING TO  
HEALTH INSURANCE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 552, H.D. 1 which would ensure that important provisions contained in the federal Affordable Care Act are preserved in state law.

Based on their campaign rhetoric, the Republican-controlled United States Congress is positioning to repeal many important aspects of the Affordable Care Act, leaving millions of Americans, including a reported 54,000 Hawaii residents, without health insurance coverage. Passage of this legislation and codification of benefits into state law will ensure that Hawaii's residents are insulated from any negative repercussions from the federal government. Specifically, this measure would preserve the individual health insurance mandate for taxpayers, extend dependent coverage for adult children until they turn twenty-six years old, prohibit health insurance entities from denying coverage for pre-existing conditions, and prohibit health insurance entities from using an individual's gender to determine premiums or contributions.

We respectfully request your consideration in passing this important legislation. Thank you for the opportunity to testify in strong support of H.B. 552, H.D. 1.

Respectfully submitted,

Randy Perreira  
Executive Director

# 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
<b>Income below the filing threshold</b> —Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
<b>Coverage considered unaffordable</b> —The <a href="#">required contribution</a> is more than 8.13% of your <a href="#">household income</a> .		✓	A
<b>Short coverage gap</b> —You went without coverage for less than 3 consecutive months during the year.		✓	B
<b>Citizens living abroad and certain noncitizens</b> —You were: <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• A bona fide resident of a U.S. territory;</li> <li>• 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;</li> <li>• 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 <a href="http://www.HealthCare.gov">www.HealthCare.gov</a>; or</li> <li>• 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.</li> </ul>	✓	C	
<b>Members of a health care sharing ministry</b> —You were a member of a health care sharing ministry.	-	✓	D
<b>Members of Indian tribes</b> —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
<b>Incarceration</b> —You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	-	✓	F
<b>Aggregate self-only coverage considered unaffordable</b> —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
<b>Resident of a state that did not expand Medicaid</b> —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
<b>Eligible for health coverage tax credit (HCTC)</b> —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
<b>Member of tax household born or adopted during the year</b> —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
<b>Member of tax household died during the year</b> —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
<b>Members of certain religious sects</b> —The Marketplace determined that you are a member of a recognized religious sect.	✓		Need ECN See Part I
<b>Ineligible for Medicaid based on a state's decision not to expand Medicaid coverage</b> —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
<b>General hardship</b> —The Marketplace determined that you experienced a hardship that prevented you from obtaining coverage under a qualified health plan.	✓		Need ECN See Part I
<b>Coverage considered unaffordable based on projected income</b> —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
<b>Unable to renew existing coverage</b> —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
<b>Certain Medicaid programs that are not minimum essential coverage</b> —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. 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.

Digested 2/21/2017





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Department of Native Hawaiian Health  
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Kaiser Permanente

Wendy Loh  
Franchise Owner  
Juice Plus+

John Melish, MD, FACP  
Endocrinologist  
Kapiolani Medical Center  
Professor, John A. Burns School of Medicine

Scott R. Nahme  
Senior Vice President & Senior Manager,  
Commercial Real Estate Lending Division  
Central Pacific Bank

May M. Okhiro, MD, MS  
Director, Hawaii Initiative for Childhood Obesity  
Research & Education  
Assistant Professor  
John A. Burns School of Medicine

Valerie Sonoda  
Educator, Health Systems Development  
HMSA

Gino Soquena  
Government and Community Relations Director  
Hawaii Laborers Union Local 368

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Diagnostic Laboratory Services, Inc.

February 21, 2017

Rep. Sylvia Luke, Chair  
House Committee on Health

**RE: IN SUPPORT OF HB 552**

The American Diabetes Association (ADA) supports legislation intended to preserving benefits under the Affordable Care Act (ACA).

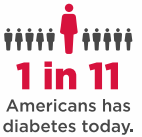
The ACA provides health insurance protections for people with diabetes or prediabetes, and has greatly improved access to health insurance. In fact, the United States saw reductions in the number of uninsured individuals in 2014 and 2015 after the ACA's major coverage expansions took place.

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 state law.

Thank you,

LJ Duenas  
Director, Market Operations  
American Diabetes Association



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.

Pioneer Plaza  
900 Fort Street Mall, Suite 940  
Honolulu, Hawaii 96813  
Tel (808) 947-5979 | Fax (808) 546-7502  
1-888-DIABETES (342-2383)  
diabetes.org/hawaii



## American Heart Association testimony in support of HB 552, HD1, Relating to Health Insurance

The American Heart Association supports HB 552, HD1.

The American Heart Association has a longstanding commitment to the patient's perspective when it comes to improving health care. We believe there are six critical principles that must be addressed if health care in the U.S. is to be effective, equitable and excellent. These principles concentrate on access to care, preventive services, quality health care, the elimination of health disparities, continued biomedical research to improve the prevention and treatment of heart disease and stroke, and an adequate and diverse workforce.

Principle 1: All residents of the U.S. should have meaningful, affordable health care coverage.

Principle 2: Preventive benefits should be an essential component of meaningful health care coverage, and incentives should be built into the health care system to promote appropriate preventive health strategies.

Principle 3: All U.S. residents should receive affordable, high quality health care.

Principle 4: Race, gender and geographic disparities in health care must be eliminated.

Principle 5: Support of biomedical and health services research should be a national priority, and inflation-adjusted funding for the NIH must be maintained and expanded.

Principle 6: The United States' health care workforce should continue to grow and diversify through a sustained and substantial national commitment to medical education and clinical training.

While some of these principles can only be achieved through federal support, HB 552, HD1 will help to achieve several of the listed principles through state level policy. Hawaii has a long history of valuing and providing health care to most of its residents through its pre-paid health care act. By adding provisions of the Affordable Care Act (ACA) to Hawaii state law, HB 552, HD1 would insure that key benefits its residents have come to enjoy and rely on through the ACA will remain available to them should those benefits be eliminated from federal law.

Thank you for this opportunity to provide testimony in support of HB 552, HD1.

Respectfully submitted,

Donald B. Weisman  
Hawaii Government Relations Director

*"Building healthier lives,  
free of cardiovascular  
diseases and stroke."*

life is why™ es por la vida™ 全为生命™

Please remember the American Heart Association in your will.





To: Hawaii State House of Representatives Committee on Finance  
Hearing Date/Time: Thursday, Feb. 23, 2017, 12:00 p.m.  
Place: Hawaii State Capitol, Rm. 308  
Re: Testimony of Planned Parenthood Votes Northwest and Hawaii in strong support of H.B. 552, HD1, relating to Health Insurance

Dear Chair Luke 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



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Sylvia Luke, Chair  
The Honorable Ty J.K. Cullen, Vice Chair  
Members, Committee on Finance

From:  Paula Yoshioka, Senior Vice President, The Queen's Health Systems

Date: February 21, 2017

Hrg: House Committee on Finance Hearing; Thursday, February 23, 2017 at 12PM in Rm 308

Re: **Support for HB552, 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.<sup>1</sup>

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.<sup>2</sup> 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.

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

<sup>2</sup> <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.*

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 21, 2017 5:03 PM  
**To:** FINTestimony  
**Cc:** jbsestak@prodigy.net  
**Subject:** \*Submitted testimony for HB552 on Feb 23, 2017 12:00PM\*

**HB552**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Betty Sestak	AAUW Windward	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



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February 23, 2017

The Honorable Sylvia Luke, Chair  
The Honorable Ty J.K. Cullen, Vice Chair  
House Committee on Finance

Re: HB 552, HD1 – Relating to Health Insurance

Dear Chair Luke, Vice Chair Cullen, 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 advancement potentially now is jeopardized with the proposed "repeal and replacement" of the ACA. But much uncertainty and confusion surrounds the specific actions Congress and the President will take in replacing the ACA.

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. 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.

HB 552, HD1 is a laudable effort to go one step further – to protect elements of the ACA that have benefitted everyone in Hawaii. However, we do have concerns, and we certainly would appreciate the opportunity to work with the Committee as it further considers the measure.

We do have questions and comments on some of the Bill's provisions, including:

- How would we ensure State statute comports with whatever the federal government ultimately enacts as new healthcare law?
- We seek clarification on the intent of the Premium Supplementation Fund. Is this Fund intended to replace the ACA's Cost Sharing Reduction program or the risk corridor program?
- Are government programs exempted from the provisions of this Bill?
- How would provisions of this Bill apply to grandfathered and grandmothers small group plans?
- Implementing many of the provisions of this Bill as State programs will require time and financial resources on the part of the carriers, as well as the State. The individual mandate, for example, would require a coordinated investment in IT programs by both the Tax Department and the plans.

Maintaining the best elements of the ACA is a meritorious objective. 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,

Mark K. Oto  
Director, Government Relations

**American Congress of Obstetricians and Gynecologists  
District VIII, Hawaii (Guam & American Samoa) Section**



To: Committee on Finance  
Rep. Sylvia Luke, Chair  
Rep. Ty J.K. Cullen, Vice Chair

DATE: Thursday, February 23, 2017 (1200)

FROM: Hawaii Section, ACOG  
Dr. Greigh Hirata, MD, FACOG, Chair  
Dr. Jennifer Salcedo, MD, MPH, MPP, FACOG, Vice-Chair  
Lauren Zirbel, Community and Government Relations

**Statement of the Hawaii Section of the American Congress of Obstetricians and Gynecologists  
HB 552: SUPPORT & SUGGEST ADDITIONS**

The Hawaii Section of the American Congress of Obstetricians and Gynecologists (HI ACOG) supports HB 552 and other legislative proposals that increase access to healthcare, decrease discrimination against women in insurance premiums, support access to contraception and other preventive health services, and support a woman's decision to breastfeed. As a Section of the Nation's leading group of physicians dedicated to improving health care for women, HI ACOG represents more than 200 obstetrician/gynecologist physicians in our state.

**Importance of Insurance Coverage for Contraception**

- Contraception allows women to be as healthy as possible before pregnancy, leading to healthier pregnancies and healthier babies. For example, women who take folic acid supplements before they conceive reduce the risk of serious birth defects of the brain, spine, or spinal cord (neural tube defects) by 50%.<sup>1</sup>
- Contraception allows for adequate birth spacing, lowering the risks of low birth weight and preterm birth. A prominent medical study showed that women who became pregnant less than six months after their previous pregnancy were 70% more likely to have early rupture of membranes (breaking of the water) and a 30% higher risk of other complications.<sup>1</sup>
- Contraception provides important noncontraceptive benefits, including lowering the risk of certain cancers, treating heavy menstrual bleeding and dysmenorrhea (painful menstruation), and reducing symptoms of endometriosis.<sup>1</sup>
- Contraceptive use saves nearly \$19 billion in direct medical costs each year in the U.S. and all contraceptive methods are cost saving over no method use.<sup>2</sup>

**Importance of Insurance Coverage to Support Breastfeeding**

- ACOG strongly encourages women to breastfeed exclusively for the first 6 months of an infant's life with continued breastfeeding throughout the first year of life.<sup>3</sup>
- Women who experience breastfeeding difficulties are at higher risk of postpartum depression.<sup>3</sup>
- Policies that protect the right of a woman and child to breastfeed, such as insurance coverage for breast pumps and associated equipment, are a vital component of women's health.<sup>3</sup>

**Importance of Eliminating Gender Discrimination in Health Insurance**

- Insurance discrimination based on sex should not be tolerated. Over forty years ago, the insurance industry voluntarily abandoned its practice of using race as a rating factor, despite their claim that race rating was actuarially sound. It's time to end rating discrimination against women too.<sup>4</sup>

- Insurers deny coverage for medical histories unique to or disproportionately affecting women, such as a past cesarean delivery, previous pregnancies, or having been a victim of domestic violence.<sup>4</sup>
- Pregnancy coverage saves money by improving maternal and child outcomes.<sup>4</sup>

For these reasons, **HI ACOG strongly supports HB 552 and urges the Legislature to consider adding language to further protect coverage of contraceptive and breastfeeding services.**

- Recommend specifying, consistent with previous Health and Human Services (HHS) recommendations, that contraceptive coverage must include all FDA-approved contraceptive methods, sterilization procedures, and associated patient education and counseling for all women with reproductive capacity without cost-sharing, with a mechanism for waiving the otherwise applicable cost-sharing for the brand or non-preferred brand version for any individual for whom a particular drug would be medically inappropriate as determined by the individual's health care provider.
- Recommend specifying that breastfeeding equipment includes coverage of a manual or electric breast pump and associated equipment as prescribed by an individual's health care provider.
- Recommend specifying coverage of vasectomy and other FDA-approved contraceptives for men in order to avoid gender discrimination in insurance coverage and to provide additional contraceptive options for women for whom a male partner's use of contraception may be a safer or more acceptable option.

We stand ready to provide you with factual information on medical issues that come before the Legislature, and hope you will contact us at any time.

<sup>1</sup> American Congress of Obstetricians and Gynecologists. Contraceptive Coverage Essential to Women's Health. <http://www.acog.org/About-ACOG/News-Room/News-Releases/2013/Contraceptive-Coverage-Essential-to-Womens-Health> (accessed 1/28/17).

<sup>2</sup> Trussel J. The cost of unintended pregnancy in the United States. *Contraception* 2007;75:168-70.

<sup>3</sup> Optimizing support for breastfeeding as part of obstetric practice. Committee Opinion No. 658. American College of Obstetricians and Gynecologists. February 2016.

<sup>4</sup> American College of Obstetricians and Gynecologists. Women's Health in Health Care Reform: Essential Insurance Reforms. April 2009. <https://www.acog.org/-/media/Departments/Members-Only/State-Legislative-Activities/HCFWHCFA-InsuranceReformsState.pdf?dmc=1&ts=20170128T1822269081> (accessed 1/28/17).





**February 23, 2017 at 12:00 PM**  
**Conference Room 308**

**House Committee on Finance**

To: Chair Sylvia Luke  
Vice Chair Ty J.K. Cullen

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.<sup>i</sup> 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.

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



2/21/17

To: House Committee on Finance  
Representative Sylvia Luke, Chair  
Representative Ty J.K. Cullen, Vice Chair  
Conference Room 308  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

From: Breastfeeding Hawaii

Time: Twenty-Ninth Legislature Regular Session of 2017  
Thursday, February 23, 2017 at 12:00pm

**TESTIMONY IN SUPPORT, WITH AMENDMENTS, FOR HB552\_HD1, RELATING TO HEALTH INSURANCE**

Dear Representative Luke, Representative Cullen, and committee members:

Thank you for the opportunity to offer testimony on behalf of Breastfeeding Hawaii, in support, with amendments of HB552\_HD1 Relating to Health Insurance.

Breastfeeding Hawaii is a 501(c)(3) non-profit organization and the state affiliate to the United States Breastfeeding Committee. Our mission is to protect, promote and support breastfeeding through education of and collaboration with professionals involved in maternal-child health, and serve as a community breastfeeding advocate in the State of Hawaii. We are currently committee members of the Hawaii Maternal and Infant Health Collaborative and we believe that HB552\_HD1 can help to achieve the goals of increased access to quality maternal and infant health services.

HB552\_HD1 will preserve critical protections of the federal Affordable Care Act (ACA) for Hawaii residents, including: requiring all health insurance entities, including health benefit plans to include nine essential 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 appreciate these protections, but do believe that it is important to add additional language in regards to breastfeeding coverage. We propose sections 431:10A (b)(2), 432:1 and 432D(b)(2) to read :  
**(2)Breastfeeding support and counseling with reimbursement for professional clinical management care of the breastfeeding woman and infant by an International Board Certified Lactation Consultant (IBCLC) or other qualified health professional, and breastfeeding equipment for the duration of breastfeeding.**

Further, we would like pediatric oral and vision care and prescription drug coverage added back into the essential health care benefits. We know that the American Dental Association and American Academy of



Pediatrics says that every child should visit a dentist by age 1 or as soon as their first tooth appears. We know that good dental hygiene in children affects their lifetime oral health. Oral health is imperative to the health of all humans and we believe taking care of this from the beginning is important. Pediatric vision coverage is a necessity in order to assess and manage any deficits as soon as possible. We want to ensure that children are able to learn to their fullest capacity and are not at a disadvantage due to a physical limitation that could otherwise be addressed. According to the Commonwealth Fund, in 2012 approximately 50 million Americans between the ages of 19-64 did not fill a prescription due to cost. According to the CDC (2015) approximately 8% or in 1 in 10 American adults did not take their medications as prescribed due to cost. People in lower socioeconomic groups are disproportionately affected by the cost of medications, which leads to inequality in health care amongst Americans. It is unethical to leave out coverage of prescriptions and pediatric oral and vision care; access to health care is a right and not a privilege.

Residents of Hawaii and our nation have benefited from the ACA and we need to ensure that Hawaii continues to implement the ACA as intended. We strongly support this measure and respectfully as that you pass this bill.

Thank you for the opportunity to testify and your consideration in this important health care matter.

Sincerely,

*Le'a Minton*

Le'a Minton, MSN, APRN, CNM, IBCLC  
Board President, Breastfeeding Hawai'i



Date: February 22, 2017

To: The Honorable Sylvia Luke, Chair  
The Honorable Ty J.K. Cullen, Vice Chair  
Members of the House Committee on Finance

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

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

Hrg: February 23, 2017 at 12:00 pm at Conference Room 308

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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 black ink that reads 'Jessica Yamauchi'.

Jessica Yamauchi, MA  
Executive Director

March of Dimes Foundation  
Hawaii  
1580 Makaloa Street, Suite 1200  
Honolulu, HI 96814  
Telephone (808) 973-2155  
Inter-island 1-800-272-5240  
Fax (808) 973-2160

[marchofdimes.org/hawaii](http://marchofdimes.org/hawaii)

Date: February 22, 2017

To: Representative Sylvia Luke, Chair  
Representative Ty Cullen, Chair

From: Lin Joseph  
Maternal & Child Health Director  
March of Dimes Hawaii

Re: In support of  
**HB 552 HD1**

Hearing: Thursday, February 23, 2017  
Conference Room 308, State Capitol

Chair Luke, Vice Chair Cullen, Members of the Committee:

I am writing to express strong support for HB 552 HD1: Health Insurance.

For more than 75 years, the March of Dimes has been a leader in maternal and child health. Our mission is to improve the health of babies by preventing birth defects, premature birth, and infant mortality.

The state of Hawaii is a leader in providing health care access to residents and the Affordable Care Act (ACA) has furthered the coverage and benefits available to Hawaii residents. Under the ACA, more than 13,000 people in Hawaii obtained coverage through the marketplace, 33,000 gained access to coverage through the expansion of Medicaid, and hundreds of thousands saw their coverage improve through benefits such as free preventative care.

These gains had a dramatic impact on women of childbearing age as they have gained access to a range of services to help them become healthy before, during, and after pregnancy. The essential health benefits (EHB) requirement that plans cover maternity and newborn care provides vital services and peace of mind to women of childbearing age. Provisions prohibiting plans from discriminating against people with pre-existing conditions (such as prior pregnancy or caesarean section) have provided critical protections for families. The guarantees of access to affordable contraception and counseling services that are consistent with a woman's needs and beliefs have been essential in ensuring that women can space pregnancies appropriately, which is documented to improve birth outcomes.

 march of dimes®

February 22, 2017  
Honorable Sylvia Luke  
Honorable Ty Cullen  
Page 2

HB 552 HD1 will preserve this important progress in Hawaii by ensuring that many of these benefits under the Affordable Care Act are protected under state law. Significantly for maternal and child health, this bill ensures that all policies in the state contain essential health benefits which includes pregnancy, maternity, and newborn care. It also requires that these policies provide contraceptive coverage, provide breastfeeding coverage and does not impose any preexisting condition exclusion. These important protections will help to continue the progress that has been made in recent years to increase health coverage for women of childbearing age and to improve birth outcomes.

The March of Dimes supports HB 552 HD1 for the protections and stability it will provide for the health care available to the people of Hawaii given the uncertainty at the federal level. Mahalo for your support.

Testimony of  
Jonathan Ching  
Government Relations Specialist

Before:  
House Committee on Finance  
The Honorable Sylvia Luke, Chair  
The Honorable Ty J.K. Cullen, Vice Chair

February 23, 2017  
12:00 p.m.  
Conference Room 308

**Re: HB552 HD1 Relating to Health Insurance**

Chair Luke, Vice Chair Cullen, 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 HB552 HD1 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.

Given that it is estimated that 86,000 people under the age of 65 may lose health insurance in 2019 if the ACA is repealed,<sup>1</sup> Kaiser Permanente Hawaii is committed to ensuring that the benefits identified in HB552 HD1, which seeks to preserve those benefits afforded via the ACA, will continue to be offered to our small group and individual members. We believe that requiring all health plans under chapter 87A, Hawai'i Revised Statutes, to include the "essential health

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<sup>1</sup> [http://www.urban.org/sites/default/files/publication/87346/partial\\_repeal\\_coverage\\_implications\\_hawaii\\_finalized\\_2.pdf](http://www.urban.org/sites/default/files/publication/87346/partial_repeal_coverage_implications_hawaii_finalized_2.pdf)

benefits” and contraception and breastfeeding coverage benefits, is in the best interest of the health and well being of the people of Hawai‘i.

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.

Finally, 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

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 House  
Committee on Finance  
Thursday, Feb. 23, 2017  
12 noon  
Conference Room 308

**RE: HB 552, HD 1 RELATING TO HEALTH INSURANCE**

TO: Rep. Sylvia Luke, Chair  
Rep. Ty Cullen, Chair

AARP is a membership organization of people age fifty and over with more than 150,000 members in Hawaii. AARP advocates and provides information on issues that matter to our kupuna and their families, including affordable, accessible, quality healthcare, financial resiliency, and livable communities.

Thank you for the opportunity to weigh in on this important issue. HB 552, HD 1 ensures certain insurance protections required under the federal Affordable Care Act remain preserved under the Hawaii law.

AARP Hawaii appreciates the state's desire to maintain many of these insurance protections and would like to emphasize some of the protections that would be most meaningful to our members.

AARP Hawaii believes state legislation should:

- Crack down on insurance companies' overcharging of older Hawaii residents just because of their age and bar any expansion of age rating bands that shift large costs to older adults.
- Lower prescription drug costs.
- Prevent increases to older Hawaii residents out-of-pocket costs for health care.
- Prevent insurance companies from denying coverage based on pre-existing conditions, or limiting coverage if you get sick.
- Improve access to services so seniors and people with disabilities can live in their homes and communities, keeping them out of costly institutional care.

- Crack down on waste, fraud and abuse, and inefficiencies in the system

Thank you for the opportunity to testify.

## FINTestimony

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From: Williams, Jamilah <Jamilah.Williams@ppvnh.org>  
Sent: Wednesday, February 22, 2017 8:49 AM  
To: FINTestimony  
Subject: Testimony confirmation

Hello,

I wanted to reach out to make sure you received testimony from the following constituents regarding HB 552.

Last_Name	First_Name	Street	City	State	ZIP	Federal_District	State_House_District
ABRAHAM	TROY	485 Waiianuenue Ave Apt B114	Hilo	HI	96720-2526	2	2
Aoyagi	Davin	316 Elelupe Rd Apt B	Honolulu	HI	96821-2218	1	18
Berthold	Katja	2637 Manoa Rd	Honolulu	HI	96822-1767	1	23
D'Agnes	Thomas	284 Ilikaa Pl	Kailua	HI	96734-1817	2	50
Edwards	Maile	84-850 Hana St	Waianae	HI	96792-2248	2	44
Gandiza	Ashley	91-1074 Koanimakani St	Kapolei	HI	96707-2934	2	42
Heyer	Maile	3641 Diamond Head Rd	Honolulu	HI	96816-4430	1	19
Ho	Jessielyn	4159 Papu Cir	Honolulu	HI	96816-4836	1	19
Kantarova	Pamela	15660 Haleakala Hwy	Kula	HI	96790-8010	2	12
Kantarova	Pamela	15660 Haleakala Hwy	Kula	HI	96790-8010	2	12
Matsunaga	DorisSegal	98-897 D Kaonohi St	Aiea	HI	96701	1	
McWalter	Kirsty	555 Pepeekeo St	Honolulu	HI	96825-5102	1	18
Natori	Katie	2308 Lipioma Way	Honolulu	HI	96822-1955	1	23
Nelson	Joy	PO Box 792016	Paia	HI	96779-2016	2	13
Pope	Deborah	426 Iliaina St	Kailua	HI	96734-1809	2	50
Reis	Greta	330 Dune Cir	Kailua	HI	96734-2139	2	50
Schwarz	Jennifer	PO Box 835	Honaunau	HI	96726-0835	2	5
Steiner	Amanda	77-6463 Ono Rd	Kailua Kona	HI	96740-7904	2	5

Stillwell	Patricia	227 Kamakoi Loop	Kihei	HI	96753-7121	2	11
Stillwell	Patricia	227 Kamakoi Loop	Kihei	HI	96753-7121	2	11
Travis	Barb	91-999 Laaulu St	Ewa Beach	HI	96706-3863	1	41
Travis	Terry	91-999 Laaulu St	Ewa Beach	HI	96706-3863	1	41
Trube	Morgen	1696 Kamamalu Ave	Honolulu	HI	96813-1716	1	25
White	Emily	67 Meheu Cir	Kahului	HI	96732-3616	2	9
morrison	hana	2255 Round Top Dr	Honolulu	HI	96822-2063	1	24

Thank you,

Jamilah Williams | Digital Communications Specialist  
 Planned Parenthood Votes Northwest and Hawaii  
 Office 206.861.7514 | Cell 360.483.9166 | [ppvnh.org](http://ppvnh.org)





46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

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

**House Committee on Finance  
Hon. Sylvia Luke, Chair  
Hon. Ty J.K. Cullen, Vice Chair**

**Thursday, February 23, 2017, 12:00 PM  
State Capitol, Conference Room 308**

Honorable Chair Luke 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. 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



# **Hawai'i Psychological Association**

## *For a Healthy Hawai'i*

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P.O. Box 833  
Honolulu, HI 96808

[www.hawaiipsychology.org](http://www.hawaiipsychology.org)

Phone: (808) 521-8995

### **COMMITTEE ON FINANCE**

#### **Representative Sylvia Luke, Chair**

#### **Representative Ty Cullen, Vice Chair**

### **Testimony in Support of HB552 HD1**

February 23, 2017, 12:00 pm, Room 308

The Hawai'i Psychological Association endorses HB552 HD1, which will protect mental health services as originally provided for in the Affordable Care Act. Our one concern with the bill has to do with the imposition of cash penalties on those failing to pay for insurance coverage for themselves and their dependents, including adult dependents up to the age of 25. This clause mimics similar language in the ACA that generated considerable criticism and a strong negative response from the public. Practically speaking, the penalties also prove problematic for enforcement. For example, there are many young adult dependents who do not reside with their sponsoring parent(s), who in turn have very limited control over ensuring that the dependent young adult has health insurance coverage meeting legislative requirements. In the case of health care coverage, incentives rewarding compliance may be more effective than penalties imposed for noncompliance.

The Hawai'i Psychological Association strongly supports all other aspects of the bill. Hawai'i psychologists believe that it is in the best interest of the public to ensure mental health and substance use disorder services, including behavioral health treatment, mental and behavioral health inpatient services, and substance use disorder treatment as "essential health care benefits."

Research over the past four decades demonstrates that the provision of mental health services (as listed above) not only reduces human suffering, but also results in net savings to the health care economy. HPA would be honored to provide additional information to the legislature and/or serve as a resource for describing the specific services covered under HB552 HD1, how they benefit individuals and families affected by mental health and substance use disorders, and how they can lead to significant reductions in cost to the state of Hawai'i's health care system.

Thank you for this opportunity to offer testimony in support of HB552 HD1.

Respectfully submitted,

Raymond A. Folen, Ph.D., ABPP  
Executive Director

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 21, 2017 5:55 PM  
**To:** FINTestimony  
**Cc:** ndavlantes@aol.com  
**Subject:** \*Submitted testimony for HB552 on Feb 23, 2017 12:00PM\*

**HB552**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Davlantes	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 21, 2017 4:48 PM  
**To:** FINTestimony  
**Cc:** joyamarshall0416@gmail.com  
**Subject:** \*Submitted testimony for HB552 on Feb 23, 2017 12:00PM\*

**HB552**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joy Marshall	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 21, 2017 2:10 PM  
**To:** FINTestimony  
**Cc:** chalintornburian@yahoo.com  
**Subject:** Submitted testimony for HB552 on Feb 23, 2017 12:00PM

**HB552**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chalintorn N. Burian	Individual	Support	No

Comments: To House Finance Committee: I strongly support HB 552 Relating to Health Insurance. I look forward to your support to this Bill as well. Mahalo, Chalintorn N. Burian, Ph.D. Paauilo, HI 96776 Phone: (808) 775-1064

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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# 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
<b>Income below the filing threshold</b> —Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
<b>Coverage considered unaffordable</b> —The <a href="#">required contribution</a> is more than 8.13% of your <a href="#">household income</a> .		✓	A
<b>Short coverage gap</b> —You went without coverage for less than 3 consecutive months during the year.		✓	B
<b>Citizens living abroad and certain noncitizens</b> —You were: <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• A bona fide resident of a U.S. territory;</li> <li>• 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;</li> <li>• 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 <a href="http://www.HealthCare.gov">www.HealthCare.gov</a>; or</li> <li>• 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.</li> </ul>	✓	C	
<b>Members of a health care sharing ministry</b> —You were a member of a health care sharing ministry.	-	✓	D
<b>Members of Indian tribes</b> —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
<b>Incarceration</b> —You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	-	✓	F
<b>Aggregate self-only coverage considered unaffordable</b> —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
<b>Resident of a state that did not expand Medicaid</b> —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
<b>Eligible for health coverage tax credit (HCTC)</b> —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
<b>Member of tax household born or adopted during the year</b> —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
<b>Member of tax household died during the year</b> —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
<b>Members of certain religious sects</b> —The Marketplace determined that you are a member of a recognized religious sect.	✓		Need ECN See Part I
<b>Ineligible for Medicaid based on a state's decision not to expand Medicaid coverage</b> —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
<b>General hardship</b> —The Marketplace determined that you experienced a hardship that prevented you from obtaining coverage under a qualified health plan.	✓		Need ECN See Part I
<b>Coverage considered unaffordable based on projected income</b> —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
<b>Unable to renew existing coverage</b> —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
<b>Certain Medicaid programs that are not minimum essential coverage</b> —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. 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.

Digested 2/21/2017

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 21, 2017 7:24 PM  
**To:** FINTestimony  
**Cc:** redahi@hawaii.rr.com  
**Subject:** Submitted testimony for HB552 on Feb 23, 2017 12:00PM

**HB552**

Submitted on: 2/21/2017

Testimony for FIN on Feb 23, 2017 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
B.A. McClintock	Individual	Support	No

Comments: Please support this important bill. Mahalo

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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FIN-Jo

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From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Patricia Stillwell <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 7:02 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Patricia Stillwell  
227 Kamakoi Loop  
Kihei, HI 96753-7121  
(808) 879-5654  
stillys@hawaii.rr.com

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of TROY ABRAHAM <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 6:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Mr. TROY ABRAHAM  
485 Waiuanuenue Ave Apt B114  
Hilo, HI 96720-2526  
(808) 989-1181  
tabraham08@gmail.com



FIN-Jo

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From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Kirsty McWalter <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 6:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

I ask that you consider those people who, through no fault of their own, experience a pre-existing condition for which, without the ACA, they would be denied medical insurance coverage. As a genetics healthcare provider, this includes the vast majority of the patients I have seen here in Hawaii. The ACA enables these individuals to rest assured that they and their loved ones can access medical care without going bankrupt, it gives them peace of mind about the costs associated with managing complex medical conditions, and it allows them the freedom to change jobs (as any of us might want to do!) without having to fear losing their coverage.

After the Affordable Care Act passed, 54,000 people in Hawaii 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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Kirsty McWalter  
555 Pepeekeo St  
Apt 7  
Honolulu, HI 96825-5102  
(808) 371-1239  
hawaiikirsty2006@hotmail.com

FIN-Jo

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From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Joy Nelson <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 6:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Mahalo for caring about the health of the people of Hawaii.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Joy Nelson  
PO Box 792016  
Paia, HI 96779-2016  
(808) 280-7855  
westmango7@gmail.com

FIN-Jo

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From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Deborah Pope <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 5:34 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Deborah Pope  
426 Iliaina St  
Kailua, HI 96734-1809  
(808) 227-1941  
kepola49@gmail.com

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Barb Travis <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 5:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Barb Travis  
91-999 Laaulu St  
Ewa Beach, HI 96706-3863  
(808) 685-4460  
barbtravis@hawaiiantel.net

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Terry Travis <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 5:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Mr. Terry Travis  
91-999 Laaulu St  
Ewa Beach, HI 96706-3863  
(808) 685-4460  
terrytravis@hawaiiantel.net

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Ashley Gandiza <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 5:04 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Ashley Gandiza  
91-1074 Koanimakani St  
Kapolei, HI 96707-2934  
(808) 497-9877  
ashley.gandiza@ppvnh.org

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Jennifer Schwarz <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 4:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Jennifer Schwarz  
PO Box 835  
Honaunau, HI 96726-0835  
(808) 328-9348  
jenschwarz@hawaiiantel.net

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Pamela Kantarova <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 4:02 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Pamela Kantarova  
15660 Haleakala Hwy  
Kula, HI 96790-8010  
(808) 268-8518  
pjk@mauiwatershed.org



FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Emily White <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 3:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Dr. Emily White  
67 Meheu Cir  
Kahului, HI 96732-3616  
(808) 557-6263  
emmaharberwhite@gmail.com

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Davin Aoyagi <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 3:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Mr. Davin Aoyagi  
316 Elelupe Rd Apt B  
Honolulu, HI 96821-2218  
(808) 286-2190  
daoyagi10@gmail.com

FIN-Jo

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Amanda Steiner <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 3:04 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 21, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Amanda Steiner  
77-6463 Ono Rd  
Kailua Kona, HI 96740-7904  
(510) 847-3494  
ams@houlding.com

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 22, 2017 11:24 AM  
**To:** FINTestimony  
**Cc:** dovebarbara@hotmail.com  
**Subject:** Submitted testimony for HB552 on Feb 23, 2017 12:00PM

**HB552**

Submitted on: 2/22/2017

Testimony for FIN on Feb 23, 2017 12:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Dove	Individual	Support	No

Comments: 808-282-7207

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

Aloha Chair Luke, Vice Chair Cullen and committee members.

I am a senior citizen and a resident of House District 19 and Senate District 9. I am a member of AARP, Kokua Council, the Hawaii Alliance of Retired Americans and the Legislative Committee of PABEA.

I am testifying in strong support of HB522, HD1, to ensure that benefits under the Affordable Care Act are preserved. Some of those benefits are coverage under parents' policies for adult children up to age 26, ten essential health care benefits, prohibiting the exclusion of pre-existing conditions, prohibiting gender discrimination, among others.

Please move SB403, SD1 forward, so that beneficiaries of the Affordable Care Act are not left without coverage.

Thank you for the opportunity to testify.

Barbara J. Service

Committee on Finance, Rep. Sylvia Luke, Chair

Date: Feb 23, 2017

Time: 12:00 p.m.

Room 308

RE: **SB 552, SD1 Relating to Health Insurance**

Chair Tokuda and Committee members:

Thank you for the opportunity to submit written testimony in **STRONG SUPPORT** of **SB 552, SD1** Relating to Health Insurance.

My name is Geoffrey Casburn and I am a retired Civil Engineer. My wife and I live in Hilo.

The Affordable Care Act (ACA) followed in the footsteps of other seminal federal legislation, including the Social Security Act, the Voting Rights Act and Medicare. The ACA provides security to a large part of our population:

- ACA health care can be the difference between life and death for the chronically ill.
- ACA health care provides a cushion against the financial ruin caused by the high cost of un-insured medical treatment.

As an example, it would be difficult to find a person over the age of 50 who does not have a single health related problem. I am in good health but have several on-going health issues that would become pre-existing if I change my health insurance carrier. Under the ACA this is not a PROBLEM. Without the ACA, ???

**Please favorably consider continuing provision of this very important health program in the State of Hawaii.**

Thank you,

Geoffrey Casburn  
District of Hilo

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Laura Berthold <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 9:27 AM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Laura Berthold  
2465 Olinda Rd  
Makawao, HI 96768-7138  
(808) 269-9381  
lberthold@yahoo.com

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Bliss Kaneshiro <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 9:57 AM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Dr. Bliss Kaneshiro  
1319 Punahou St Ste 824  
Honolulu, HI 96826-1032  
(808) 372-7560  
blisskaneshiro@gmail.com



## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Maile Edwards <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 12:03 AM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

I am the second oldest of eight kids. I'm taking 18 credits this semester, I work 30 hours a week, and I'm also an intern. I'm here to tell you and show you that despite what you hear or what you have previously believed, millennials are not lazy. I am currently insured under Med-QUEST, however, I turn 21 this June and will no longer be able to be a part of that program. Under the ACA, I would be able to then go under my parents' insurance through their work, but if it gets repealed, I will be uninsured and will have no idea where to begin. I pay for my tuition out of pocket in an effort to reduce the amount of student loans I accumulate, and I struggle to make ends meet as it is. Knowing that my health insurance is stable and protected would be a weight lifted off my shoulders when I already have so much on my plate.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Maile Edwards  
84-850 Hana St  
Waianae, HI 96792-2248  
(808) 457-5116  
maileedwards16@gmail.com

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Kristy Washizaki <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 10:27 AM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Miss Kristy Washizaki  
1456 Thurston Ave  
Honolulu, HI 96822-3682  
(951) 326-6205  
kristywashizaki@yahoo.com

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Thomas D'Agnes <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 8:27 AM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Dr. Thomas D'Agnes  
284 Ilikaa Pl  
Kailua, HI 96734-1817  
(808) 391-1579  
tdagnes@gmail.com

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Katja Berthold <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 6:56 AM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Katja Berthold  
2637 Manoa Rd  
Honolulu, HI 96822-1767  
(808) 393-1231  
kberthold17@punahou.edu

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Katie Natori <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 1:33 AM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Miss Katie Natori  
2308 Lipioma Way  
Honolulu, HI 96822-1955  
(808) 352-4123  
ktnatori@gmail.com

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Morgen Trube <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 10:33 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Morgen Trube  
1696 Kamamalu Ave  
Unit B  
Honolulu, HI 96813-1716  
(208) 599-2540  
morgentrube@gmail.com

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Jessielyn Ho <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 10:03 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Jessielyn Ho  
4159 Papu Cir  
Honolulu, HI 96816-4836  
(808) 748-1028  
kailani.jessie@gmail.com

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of hana morrison <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 9:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. hana morrison  
2255 Round Top Dr  
Honolulu, HI 96822-2063  
(808) 554-6724  
hmorrison17@punahou.edu



## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Greta Reis <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 9:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. Greta Reis  
330 Dune Cir  
Kailua, HI 96734-2139  
(808) 285-5476  
greis17@punahou.edu

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Maile Heyer <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 9:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Miss Maile Heyer  
3641 Diamond Head Rd  
Honolulu, HI 96816-4430  
(808) 783-7207  
mhey17@punahou.edu

## FINTestimony

---

From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of DorisSegal Matsunaga <ppaction@ppvnh.org>  
Sent: Tuesday, February 21, 2017 9:32 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI

Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552. 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.

I am writing to express my support for H.B. 552, which will preserve critical protections of the federal Affordable Care Act (ACA) for Hawaii residents.

This is particularly important to me because I work every day with working class and low income residents who rely on Medicaid and/or the ACA for health care and economic stability; and because all citizens of Hawaii pay for poor health insurance coverage: when residents are uninsured or under insured, they show up in our ER's and hospitals, which drives up costs for hospitals and insurance companies, and they in turn pass it on to all citizens of Hawaii with increases in our health insurance premiums like the huge increase many saw this year.

Residents of Hawaii and our nation at large have benefited from the ACA for the following reasons:  
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 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 people need it. Thank you for supporting

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Ms. DorisSegal Matsunaga  
98-897 D Kaonohi St  
Aiea, HI 96701  
(808) 384-1331  
dsegalmatsu@gmail.com





**LATE**

The House  
Committee on Finance  
Thursday, Feb. 23, 2017  
12 noon  
Conference Room 308

**(AMENDED Testimony)**

**RE: HB 552, HD 1 RELATING TO HEALTH INSURANCE**

TO: Rep. Sylvia Luke, Chair  
Rep. Ty Cullen, Chair

AARP is a membership organization of people age fifty and over with more than 150,000 members in Hawaii. AARP advocates and provides information on issues that matter to our kupuna and their families, including affordable, accessible, quality healthcare, financial resiliency, and livable communities.

Thank you for the opportunity to weigh in on this important issue. HB 552, HD 1 ensures certain insurance protections required under the federal Affordable Care Act remain preserved under the Hawaii law.

AARP Hawaii appreciates the state's desire to maintain many of these insurance protections and would like to emphasize some of the protections that would be most meaningful to our members.

We are pleased that the HD1 includes a prohibition to prevent insurance companies from denying coverage based on pre-existing conditions, or limiting coverage if you get sick. People of all ages should not be denied healthcare when they need it most. Pooling only sick people together is costly, and as a result often means coverage that has fewer benefits and higher out of pocket costs. Even then, funding for these pools is rarely sufficient.

We note, however, that the HD 1 does not retain the ACA ban on age-rating but note that the committee report recognizes the importance of this issue and the need to continue to address this issue as the bill continues through the legislative process. AARP will be happy to be part of the discussions and a resource to address this critical issue.

AARP Hawaii believes state legislation should:

- Crack down on insurance companies' overcharging of older Hawaii residents just because of their age and bar any expansion of age rating bands that shift large costs to older adults. Maintaining affordable coverage for Pre-Medicare seniors, especially maintaining limits on age rating. The ACA established a 3:1 age rate that ensures that a 64 year who is not Medicare eligible cannot be charged more than 3x the premium of a 21 year with same health insurance plan. The proposed age tax (known as age rating) may force Americans over age 50 to pay an age tax as much as five times more than what everyone else pays for the same health coverage. If passes, the average 60 year could pay over \$3,000 more a year.

**Other key points to consider for this bill**

- Lower prescription drug costs.
- Prevent increases to older Hawaii residents out-of-pocket costs for health care.
- Improve access to services so seniors and people with disabilities can live in their homes and communities, keeping them out of costly institutional care.
- Crack down on waste, fraud and abuse, and inefficiencies in the system

Thank you for the opportunity to testify.



## Hawaii Women's Coalition

### **COMMITTEE ON FINANCE**

**Rep. Sylvia Luke, Chair**

**Rep. Ty J.K. Cullen, Vice Chair**

**LATE**

DATE: Thursday, February 23, 2017

TIME: 12:00 P.M.

PLACE: Conference Room 308

### **STRONG SUPPORT FOR**

Aloha Chair Luke, Vice Chair Cullen, and members

**The Coalition is in strong support** of this bill designed to protect Hawaii's healthcare system

The Coalition always supports efforts to preserve and protect women's access to health care. Given that the coverages mandated by the Affordable Care Act are likely to be repealed in part or in whole, this bill will go far in protecting our citizens, women and men, from damage that the current Congress will inflict on the nation's healthcare.

Women's healthcare is particularly being targeted, as coverage for birth control, uterine and breast cancer screenings and other necessary prevention measures are most likely to be cut or eliminated. This bill can prevent Hawaii from going back to the sad state of affairs when simply being a woman was considered a "pre-existing condition."

The Coalition thanks you and the families of Hawaii will thank you for this effort.

Please pass this important bill out of committee.

Mahalo for the opportunity to testify,  
Ann S. Freed Co-Chair, Hawai'i Women's Coalition  
Contact: [annsfreed@gmail.com](mailto:annsfreed@gmail.com) Phone: 808-623-5676



**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](mailto:spin@doh.hawaii.gov)

February 23, 2017

**LATE**

**Special Education  
Advisory Council**

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

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

Amanda Kaahanui, Staff  
Susan Rocco, Staff

Representative Sylvia Luke, Chair  
Committee on Finance  
State Capitol  
Honolulu, HI 96813

RE: HB 552, HD 2 - RELATING TO HEALTH INSURANCE


Dear Chair Luke 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 2 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.

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



DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

LAUREL A. JOHNSTON  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 552, H.D. 1

**February 23, 2017**  
**12:00 p.m.**  
**Room 308**

**LATE**

RELATING TO HEALTH INSURANCE

House Bill No. 552, H.D. 1, establishes minimum essential coverage for individual health insurance, penalties for non-compliance, reporting requirements for insurance providers, and the minimum essential coverage premium supplementation trust fund. The bill also requires all policies issued and renewed by accident and health or sickness insurers, mutual benefit societies, and health maintenance organizations after the bill's effective date to cover essential health benefits, offer dependent coverage up to 26 years of age, not exclude benefits or coverage based on pre-existing conditions, and not charge premiums that discriminate by gender.

While the Department of Budget and Finance does not take any position on the preservation of Affordable Care Act benefits in the case of the Act's repeal. As a matter of general policy, the department does not support the creation of trust funds which rely on general fund appropriations to finance its activities beyond providing seed moneys. In regards to House Bill No. 552, H.D. 1, it is difficult to determine whether the proposed source of revenues will be self-sustaining at this time.

Thank you for your consideration of our comments.

The Twenty-Ninth Legislature  
Regular Session of 2017



HOUSE OF REPRESENTATIVES  
Committee on Finance  
Rep. Sylvia Luke, Chair  
Rep. Ty J.K. Cullen, Vice Chair  
State Capitol, Conference Room 308  
Thursday, February 23, 2017; 12:00 p.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.

The new Administration in Washington, D.C. has declared war on the Affordable Care Act (ACA) and vows 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 numbers of uninsured Americans dropped from 41 million to 28 million. Even in Hawaii, where the Prepaid Health Care Act has ensured coverage for employees who work at least 20 hours a week for more than four consecutive weeks, the ACA has been able to reduce the number of uninsured by allowing children up to age 26 to be covered under their parents' health plans, by prohibiting exclusions for coverage of preexisting conditions, by requiring all individuals and families to enroll in health insurance or face a tax penalty, and by initiating Medicaid expansion.

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. Unfortunately, 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 with the belief that, if all Americans have health insurance, the cost of uncompensated care would not be passed on to those with coverage, individuals would seek health care before their conditions required catastrophic

intervention, adverse selection would not be a concern, 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.

The Twenty-Ninth Legislature  
Regular Session of 2017



HOUSE OF REPRESENTATIVES  
Committee on Finance  
Rep. Sylvia Luke, Chair  
Rep. Ty J.K. Cullen, Vice Chair  
State Capitol, Conference Room 308  
Thursday, February 23, 2017; 12:00 p.m.

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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.

## FINTestimony

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From: Planned Parenthood Votes Northwest and Hawaii <ppaction@ppvnh.org> on behalf of Korynn Grenert <ppaction@ppvnh.org>  
Sent: Wednesday, February 22, 2017 5:57 PM  
To: FINTestimony  
Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Feb 22, 2017

House Finance Committee Members  
HI



Dear House Members,

Thank you for the opportunity to submit testimony on House Bill 552.

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.

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.

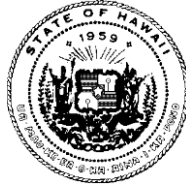
Please do your part to ensure that people in Hawaii continue to benefit from these critical and life-saving protections by passing House Bill 552, which would put in place many of the ACA's most important protections at the state level, no matter what happens at the federal level.

Keep Hawaii healthy by supporting House Bill 552. Pass HB 552 to ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Miss Korynn Grenert  
2427 Puunoa Pl  
Honolulu, HI 96816-3418  
(808) 675-8254  
kgrenert17@punahou.edu

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

February 23, 2017

**LATE**

Revised Testimony

TO: The Honorable Representative Sylvia Luke, Chair  
House Committee on Finance

FROM: Pankaj Bhanot, Director

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

Hearing: February 23, 2017, 12:00 p.m.  
Conference Room 308, 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. Medicaid also covers all of the listed essential health benefits that are

important to help ensure equitable access to comprehensive health care for Medicaid beneficiaries.

Of note for the Legislature's consideration is the continuation of the individual mandate. As is accurately outlined in the preamble, something like the individual mandate that ensures all residents obtain health insurance is critical to ensure that health insurance costs do not balloon if only individuals who are sick sign up for insurance.

The 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, 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.



**LATE**



Hawaii  
**Children's Action Network**  
Building a unified voice for Hawaii's children

February 22, 2017

To: Representative Sylvia Luke, Chair  
Representative Ty J.K. Cullen, Vice Chair  
Committee on Finance

From: Deborah Zysman, Executive Director  
Hawaii Children's Action Network

Re: HB 552 HD 1 – Relating to Health Insurance  
Hawaii State Capitol, Room 308, February 23, 2017, 12:00 PM

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On behalf of Hawaii Children's Action Network (HCAN), we are writing to offer COMMENTS on HB 552 HD 1 – Relating to Health Insurance

HCAN supports the intention to continue to provide key components of the Affordable Care Act (ACA) to ensure in Hawaii thousands of individuals including many children retain health insurance. Hawaii has been a leader over the years in providing health insurance for residents through pre-paid health insurance. Through this bill, Hawaii can continue to be a model for the rest of the US on how to best care for residents.

However, one of the amendments removed vital protections for children and families – we ask that this be reinstated and that prescription drug, habilitative service, and pediatric oral and vision coverage are added back into the list of essential health care benefits that must be provided by every health insurance policy, plan, contract, or agreement issued in the State.

Many families 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.
- The ACA expanded Hawaii's Medicaid eligibility, meaning more families could qualify for insurance.
- 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.

No matter what happens to the Affordable Care Act on the national level, Hawaii needs to preserve health insurance for its most vulnerable populations including children.

For these reasons, HCAN respectfully requests that the committee AMEND this bill.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education. Last fall, HCAN convened input in person and online from more than 50 organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2017 Hawaii Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2017policyagenda>.



From: mailinglist@capitol.hawaii.gov  
 Sent: Thursday, February 23, 2017 9:02 AM  
 To: FINTestimony  
 Cc: mgolojuch@hotmail.com  
 Subject: \*Submitted testimony for HB552 on Feb 23, 2017 12:00PM\*

**HB552**

Submitted on: 2/23/2017

Testimony for FIN on Feb 23, 2017 12:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	LGBT Caucus of the Democratic Party of Hawaii	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**LATE**



The House  
Committee on Finance  
Thursday, Feb. 23, 2017  
12 noon  
Conference Room 308

(AMENDED Testimony)

RE: HB 552, HD 1 RELATING TO HEALTH INSURANCE

TO: Rep. Sylvia Luke, Chair  
Rep. Ty Cullen, Chair

AARP is a membership organization of people age fifty and over with more than 150,000 members in Hawaii. AARP advocates and provides information on issues that matter to our kupuna and their families, including affordable, accessible, quality healthcare, financial resiliency, and livable communities.

Thank you for the opportunity to weigh in on this important issue. HB 552, HD 1 ensures certain insurance protections required under the federal Affordable Care Act remain preserved under the Hawaii law.

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We note, however, that the HD 1 does not retain the ACA ban on age-rating but note that the committee report recognizes the importance of this issue and the need to continue to address this issue as the bill continues through the legislative process. AARP will be happy to be part of the discussions and a resource to address this critical issue.

AARP Hawaii believes state legislation should:

- Crack down on insurance companies' overcharging of older Hawaii residents just because of their age and bar any expansion of age rating bands that shift large costs to older adults. Maintaining affordable coverage for Pre-Medicare seniors, especially maintaining limits on age rating. The ACA established a 3:1 age rate that ensures that a 64 year who is not Medicare eligible cannot be charged more than 3x the premium of a 21 year with same health insurance plan. The proposed age tax (known as age rating) may force Americans over age 50 to pay an age tax as much as five times more than what everyone else pays for the same health coverage. If passes, the average 60 year could pay over \$3,000 more a year.

Other key points to consider for this bill

- Lower prescription drug costs.
- Prevent increases to older Hawaii residents out-of-pocket costs for health care.
- Improve access to services so seniors and people with disabilities can live in their homes and communities, keeping them out of costly institutional care.
- Crack down on waste, fraud and abuse, and inefficiencies in the system

Thank you for the opportunity to testify.