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STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
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LATE

April 3, 2017

To: The Honorable Jill N. Tokuda, Chair,
The Honorable Donovan M. Dela Cruz, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Monday, April 3, 2017

Time: 1:35 p.m.

Place: Conference Room 211, State Capitol

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

Re: H.B. No. 552 HD1 SD1 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 (EHBs), 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.

The proposal also establishes the following:

- the Minimum Essential Coverage Premium Supplementation Trust Fund administered by the Director of Finance in accordance with directions of the Director of the Department of Labor & Industrial Relations to reimburse insurers for unrecouped costs of providing minimum essential insurance benefits;
- the Medicaid plus program in DHS to provide insurance coverage to individuals and qualifying families; and
- the Affordable Health Insurance Working Group to address the complexities of the health care system in Hawaii and the related uncertainty over the future of the ACA.

The department is generally supportive of the measure, but is concerned that mandating the EHBs may drive up the cost of health insurance.

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, HRS. Plans that qualify under chapter 393-7, HRS, must be reviewed by the Prepaid Health Care Advisory Council and approved by the DLIR Director.

III. COMMENTS ON THE HOUSE BILL

The department offers these comments concerning the proposal:

- The prevalent plan pursuant to 393-7, HRS, offers all the EHBs with the exceptions of habilitative services, pediatric dental and vision, and prescription drug coverage. Requiring these benefits in the prevalent plan may increase costs.
- Medical plans are normally submitted well in advance of the implementation date to allow time for government review and approval. The bill takes effect upon repeal of the federal Patient Protection and Affordable Care Act of 2010, which would not allow the review process to be completed.



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

April 3, 2017

LATE

**Special Education
Advisory Council**

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

Senator Jill N. Tokuda, Chair
Committee on Ways and Means
State Capitol
Honolulu, HI 96813

RE: HB **552**, HD 1, SD2 - RELATING TO HEALTH INSURANCE

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. Christina Tydeman, *liaison
to the Superintendent*
Dr. Daniel Ulrich
Mr. Steven Vannatta
Mr. Gavin Villar
Dr. Amy Wiech
Ms. Jasmine Williams
Ms. Susan Wood

Dear Chair Tokuda 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** this bill 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.

Amanda Kaahanui, Staff
Susan Rocco, Staff

Respectfully,


Martha Guinan
Chair


Ivalee Sinclair
Legislative Committee Chair

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



To: Committee on Ways and Means
Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair



DATE: Monday, April 03, 2017

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, HD1, SD1: 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%.¹
- 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.¹
- 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.¹
- 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.²

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.³
- Women who experience breastfeeding difficulties are at higher risk of postpartum depression.³
- 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.³

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.⁴

- 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.⁴
- Pregnancy coverage saves money by improving maternal and child outcomes.⁴

For these reasons, **HI ACOG strongly supports HB 552, HD1, SD1 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.

¹ 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).

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

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

⁴ 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/HCFWHCEA-InsuranceReformsState.pdf?dmc=1&ts=20170128T1822269081> (accessed 1/28/17).

LATE



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

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

**Senate Committee on Ways and Means
Hon. Jill N. Tokuda, Chair
Hon. Donovan M. Dela Cruz, Vice Chair**

**Monday, April 3, 2017, 1:35 PM
State Capitol, Conference Room 211**

Honorable Chair Tokuda 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, SD 1, relating to health insurance.

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

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

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

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

April 3, 2017

To: Senator Jill Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Committee on Ways and Means

LATE

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

Re: **HB 552 HD 1 SD 1– Relating to Health Insurance**
Hawaii State Capitol, Room 211, April 3, 2017, 1:35 PM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to offer COMMENTS on HB 552 HD 1 SD 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, there is an inconsistency between the required services under the Medicaid plus required benefits and the standard essential health care benefits. Rehabilitative services and pediatric care are most needed by those at the level qualifying for the Medicaid Plus program.

Additionally, we ask that pediatric services including oral and vision coverage be 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.

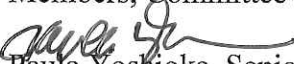
No matter what happens to the Affordable Care Act on the national level, Hawaii needs to preserve health insurance for its most vulnerable populations including children.

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>.



To: The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair
Members, Committee on Ways and Means

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

Date: April 3, 2017

Hrg: Senate Committee on Ways and Means Decision making; Monday, April 3, 2017 at 1:35PM in Rm 211

Re: **Support for HB552, HD1, SD1 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, SD1 Relating to Health Insurance. This measure would keep in place key provisions established under the Affordable Care Act (ACA) such as the 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. QHS also supports the establishment of a working group to address complexities of the health care coverage system in Hawaii.

The mission of QHS to provide quality health care services to Native Hawaiians and the people of Hawaii regardless of their ability to pay. Since the enactment of the ACA, about 20 million more adults have gained coverage nationally and the country has seen the uninsured rate drop by nearly 40 percent or more for every income group.¹ As QHS continues to grow and meets the needs of our community, ensuring that our patients have access to health insurance is critical for our health care system.

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

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



Monday, April 3, 2017 at 1:35 p.m.
Conference Room 211

LATE

healthy
mothers
healthy
babies

COALITION
OF HAWAII

To: The Honorable Jill N. Tokuda Chair, The Honorable Donovan M. Dela Cruz, Vice Chair, and members of the Senate Committee on Ways and Means

From: Lisa Kimura, Executive Director, Healthy Mothers Healthy Babies of Hawaii

Re: **Testimony in Strong Support of H.B. 552 H.D.1 S.D.1**

Good morning members of the Senate Committee on Ways and Means:

With the particularly troubling current events on the federal level, and the potential loss of comprehensive health insurance coverage under the federal Affordable Care Act (ACA), **Healthy Mothers Healthy Babies Coalition of Hawaii (HMHB) strongly supports H.B. 552 H.D.1 S.D.1**, which will preserve critical protections of the ACA for Hawaii residents, including:

- preserving the individual health insurance mandate for taxpayers
- requiring all health insurance entities, including health benefits plans to include 10 essential health care benefits, plus additional contraception and breastfeeding coverage benefits
- extending dependent coverage for adult children until the children turn 26 years of age
- prohibiting health insurance entities from imposing a preexisting condition exclusion
- prohibiting health insurance entities from using an individual's gender to determine premiums or contributions.

Losing the protections of the ACA would be devastating for all the women, children and families in Hawaii who depend on the essential preventative health care benefits, contraception and breastfeeding coverage, protection from exclusion for a preexisting condition, non-discrimination to determine premiums, and much more.

Many mothers who have accessed information, education and resources through HMHB credit the ACA for their ability to receive a breast pump and lactation services. This critical protection has helped more mothers to breastfeed their infants, longer and more exclusively, than before this protection was implemented. As mom Victoria Fadli stated, ***"If it wasn't for the breast pump we got FOR FREE my daughter wouldn't have received breast milk for as long as she did."***

Part of the ongoing goals of the Hawaii Maternal & Infant Health Collaborative (HMIHC), of which HMHB is a work group leader, include **expanding the availability of lactation services statewide; the ACA is a critical component to ensuring that we can successfully implement these strategies, which in turn, contributes to both mother and baby's lifelong health.** To codify the ACA into state law means that we will be able to continue the trajectory of long-term improvements to public health.

Additionally, the expansion of Medicaid in Hawaii means that more mothers are now able to access health services at the most vulnerable times of their life, including during pregnancy and postpartum, and to receive comprehensive options for contraception to plan future pregnancies. **The HMIHC also worked intimately with providers, birthing hospitals and insurance carriers to ensure that all women have access to long-acting reversible contraception (LARC), and that it is adequately available to all women after childbirth.** We cannot turn back the clock on access to family planning tools and information.

In addition, residents of Hawaii and our nation at large have benefited hugely 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
- 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.

The ACA has led to huge gains for reproductive health and a significant increase in access to family planning and other preventive care, both nationally and here in Hawaii. Please help us to protect the residents of Hawaii by ensuring health insurance is there when people need it.

Thank you for supporting H.B. 552 H.D.1 S.D.1 and for the opportunity to submit testimony.

TO: Members of the Committee on Ways and Means

FROM: Natalie Iwasa
Honolulu, HI 96825
808-395-3233

LATE

HEARING: 1:35 p.m. Monday, April 3, 2017

SUBJECT: HB552, HD1, SD1 State Level Affordable Care - **OPPOSED**

Aloha Chair and Committee Members,

Thank you for allowing me the opportunity to provide testimony on HB552, HD1, SD1, which would maintain certain components of the federal Affordable Care Act. I oppose this bill and urge you to vote “no.”

Under this bill, penalties would be assessed to residents whose income is 250% above the federal poverty level. While 250% sounds like a lot, for a family of four, it would be approximately \$70,000 or the equivalent of two parents making about \$35,000 per year. It’s important to note, however, that non-taxable income is not included in the definition of “household income.” Taxpayers would therefore not be treated equitably.

This bill creates more paperwork and thereby increases costs.

Please vote “**no**” on this.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, April 2, 2017 9:21 PM
To: WAM Testimony
Cc: spawaikiki@gmail.com
Subject: Submitted testimony for HB552 on Apr 3, 2017 13:35PM

HB552

Submitted on: 4/2/2017

Testimony for WAM on Apr 3, 2017 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
dennis boyd miller	Individual	Oppose	No

Comments: HB552 WAM Room 211 April 3, 2017 1:35 pm Aloha Members of WAM, Please consider the risk of a mandate without federal funding. If you pass this bill with a mandate that everyone have insurance, and at the same time, the Medicaid expansion funds disappear, and you don't find another way to change the paradigm (aka, HRS322HHA) then you will have clearly created a financial disaster. Please take a look at where we waste money on health care. Insurance company micro management of physicians is one of the largest misuses of money in human history; the USA spends enough on unnecessary insurance industry rules to build Trumps wall from scratch, once or twice per year. One third of the more than three trillion dollars the USA spends on health care goes towards administrative expenses. Will Trumps wall cost one trillion? If Trump adopted National Single Payer health care, he could fund his wall on the savings! Seriously, be serious, and take an honest look at Dr. Stephen Kembles explanation of how switching physician reimbursement from 'pay per value' to 'pay per time' helps to wipe out insurance company micro management of physicians, thereby saving the consumer and the provider enormous sums of money. It is your responsibility as elected officials to be informed about how the rest of the world successfully provides health care at half our cost; they don't allow our degree of insurance industry micro management of physicians. Thank you for your time and consideration, Dennis B Miller singlpayerhawaii@gmail.com 226 Lewers Street Ste. L209

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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