

STATE OF HAWAII
DEPARTMENT OF HEALTH
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**WRITTEN
TESTIMONY
ONLY**

**Testimony in SUPPORT of HB552
RELATING TO HEALTH INSURANCE.**

REPRESENTATIVE DELLA BELATTI, CHAIR
HOUSE COMMITTEE ON HEALTH

REPRESENTATIVE ANGUS MCKELVEY
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Hearing Date: February 8, 2017 Room Number: 329

- 1 **Fiscal Implications:** None for Department of Health.
- 2 **Department Testimony:** The Department of Health (DOH) supports the concept of broader and
3 more affordable access to health insurance, which is a major determinant of access to health care.
4 DOH defers to the Department of Commerce and Consumer Affairs on technical and regulatory
5 matters.
- 6 Access to timely and appropriate health care enables patients to prevent illness, control acute
7 episodes, or manage chronic conditions – all of which contribute to improved quality of life and
8 better management of direct and indirect health care costs. DOH supports an on-going
9 community discussion on preserving or enhancing health insurance coverage, including
10 assurances for Hawaii’s Prepaid Health Care Act of 1974, in light of the uncertain future of the
11 Patient Protection and Affordable Care Act of 2010.
- 12 **Offered Amendments:** N/A



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

**STATE OF HAWAII
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**TO THE HOUSE COMMITTEES ON HEALTH AND
CONSUMER PROTECTION AND COMMERCE**

**TWENTY-NINTH LEGISLATURE
Regular Session of 2017**

Wednesday, February 8, 2017
2:05 p.m.

TESTIMONY ON HOUSE BILL 552 – RELATING TO HEALTH INSURANCE.

TO THE HONORABLE DELLA AU BELATTI AND THE HONORABLE ANGUS L.K. McKELVEY, CHAIRS, AND MEMBERS OF THE COMMITTEES:

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.

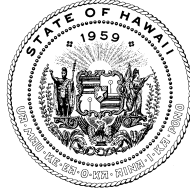
The purpose of this bill is to ensure that coverage for health insurance is available to residents and that certain benefits created by the Patient Protection and Affordable Care Act (“ACA”) will continue to exist if the ACA is repealed.

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 Committees for the opportunity to present testimony on this matter.

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

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February 8, 2017

To: The Honorable Della Au Belatti, Chair,
The Honorable Bertrand Kobayashi, Vice Chair, and
Members of the House Committee on Health

The Honorable Angus L.K. McKelvey, Chair,
The Honorable Linda Ichiyama, Vice Chair, and
Members of the House Committee on Consumer Protection & Commerce

Date: Wednesday, February 8, 2017
Time: 2:05 p.m.
Place: Conference Room 329, State Capitol

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

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

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal ensures certain benefits required under the federal Affordable Care Act 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, HRS, to include ten 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 department is generally supportive of the measure, but is concerned that mandating the EHBs may drive up costs 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, 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:

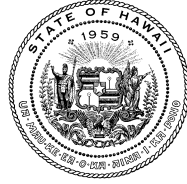
- The prevalent plan pursuant to 393-7, HRS, offers all the EHBs with the following exceptions:
 - Prescription drugs
 - Habilitative services (rehabilitative services are included)
 - Pediatric vision and dental

Requiring these specific 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 approval, which would not allow the review process to be completed.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
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STATE OF HAWAII
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MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Della Au Belatti, Chair
and Members of the House Committee on Health

The Honorable Angus L.K. McKelvey, Chair
and Members of the House Committee on Consumer Protection & Commerce

Date: Wednesday, February 8, 2017
Time: 2:05 P.M.
Place: Conference Room 329, State Capitol
From: Maria E. Zielinski, Director
Department of Taxation

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

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

H.B. 552 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, which applies after December 31, 2017, 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 amount of gross income with respect to the taxpayer for the taxable year," or one-half of the applicable amount if the individual is under the age of 18. The \$695 is adjusted annually to take into account the cost of living.

First, the Department notes that the term "applicable dollar amount," which is used in subsections (e) and (f), is not defined and appears to be used interchangeably with "monthly penalty amount." The Department suggests amending subsections (e) and (f) for clarity as follows:

(e) If an individual has not attained the age of eighteen as of the beginning of a month, the ~~[applicable dollar amount for the penalty]~~ monthly penalty amount with respect to such individual ~~[for the month]~~ shall be equal to one-half of the ~~[applicable dollar amount for the calendar year in~~

~~which the month occurs.]~~ amount described in subsection (d).

(f) For every calendar year beginning after December 31, 2018, the ~~[applicable dollar]~~ amount ~~[for the penalty]~~ under subsection (d)(1) shall be \$695, increased by an amount equal to \$695 multiplied by the cost of living adjustment determined pursuant to section 1(f)(3) of the Internal Revenue Code of 1986, as amended.

Second, the Department notes that the penalty amount in subsection (d)(2) is calculated by using a percentage of the “excess of the taxpayer’s household income for the taxable year over the amount of gross income.” This is substantially different from the Affordable Care Act, which uses a percentage of the “excess of the taxpayer’s household income for the taxable year over the amount of gross income *specified in section 6012(a)(1).*” IRC § 5000A(c)(2)(B) (emphasis added).

The term “gross income” means “all income from whatever source derived.” IRC § 61(a); Haw. Rev. Stat. § 235-1. The term “gross income specified in section 6012(a)(1)” refers to the filing threshold, or the minimum gross income an individual must make, taking into account age and filing status, to be required to file a tax return. IRC §§ 5000A(c)(2)(B), 6012(a)(1); *see also* 26 C.F.R. § 1.5000A-4(b)(3).

If the intent of this bill is to mirror the Affordable Care Act, the Department suggests amending subsection (d)(2) as follows:

- (2) 2.5 per cent of the excess of the taxpayer’s household income for the taxable year over the ~~[amount of gross income with respect to the taxpayer]~~ taxpayer’s applicable filing threshold as determined under this chapter for the taxable year.

Third, the Department suggests defining the term “household income” in subsection (d)(2), as it may be subject to multiple meanings. If the intent of this bill is to mirror the Affordable Care Act, the Department suggests defining “household income” as follows:

For purposes of this section, "household income" means, with respect to any taxpayer for any taxable year, an amount equal to the sum of the adjusted gross income, as determined under this chapter, of the taxpayer plus the aggregate adjusted gross income, as determined under this chapter, of all individuals for whom the taxpayer is allowed a deduction under section

151 (relating to allowance of deduction for personal exemptions) of the Internal Revenue Code of 1986, as amended, for the taxable year and who were required to file a tax return under section 235-92.

Fourth, the Department notes that the definition of “qualifying health insurance coverage” is broad, as it includes any arrangement by any person that provides financing or delivery of health care services or benefits. This may include coverage consisting solely of excepted benefits (benefits designed to supplement comprehensive medical coverage), such as stand-alone vision or dental care, workers’ compensation, or accident or disability policies, or a reimbursement plan with a nominal amount. If this is not the intent, the Department suggests adopting the definition used by the Affordable Care Act and related regulations by replacing all references to “qualifying health insurance coverage” with “minimum essential coverage” and amending the definition as follows:

For purposes of this section, "minimum essential coverage" means the same as in section 5000A(f) of the Internal Revenue Code of 1986, as amended, and title 26 Code of Federal Regulations 1.5000A-2, as of January 1, 2017.

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

Thank you for the opportunity to provide comments.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
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Honolulu, Hawaii 96809-0339



February 8, 2017

TO: The Honorable Representative Della Au Belatti, Chair
House Committee on Health

The Honorable Representative Angus L.K. McKelvey
House Committee on Consumer Protection & Commerce

FROM: Pankaj Bhanot, Director

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

Hearing: February 8, 2017, 2:05 p.m.
Conference Room 329, 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 ten 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 essential 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 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.

However, the bill does not provide any financial assistance with health insurance premiums to help individuals and families afford the health insurance premiums. Without such assistance, affording health insurance may be out of reach for many who would then face penalties if they remained uninsured. Additionally, it may be necessary to collaborate to work to reduce the costs of health care so that health care insurance can be more affordable to more.

Thank you for the opportunity to testify on this bill.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



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LESLIE WILKINS

COMMISSIONERS:

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CYD HOFFELD
JUDY KERN
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January 30, 2017

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

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

Re: Testimony in Support, SB 403, Relating to Health Insurance

Thank you for this opportunity to testify in support of SB 403, 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.

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, SB 403 represents an important and timely opportunity to ensure that no one loses the health care they depend on, no matter what happens at the federal level. SB 403 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 strongly supports SB 403 and urges this Committee to seize upon this important opportunity to protect our health care coverage.

Thank you for this opportunity to testify.



DAVID Y. IGE
GOVERNOR

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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 HEALTH AND
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON HOUSE BILL NO. 552

February 8, 2017
2:05 p.m.
Room 329

RELATING TO HEALTH INSURANCE

Chairs Belatti and McKelvey, Vice Chairs Kobayashi and Ichiyama, 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 February 21, 2017.

This bill would generally have minimal, if any, impact on the EUTF's active employee plans as current 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

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.

plans. Currently, the EUTF provides dental and vision coverage for dependent children through age 18 and through age 23, if they are a full-time student. Dental and vision benefits are not subject to the Affordable Care Act provisions.

On the other hand, this bill could have significant impact on the EUTF retiree plans as follows:

1. Approximately 530 retirees who have medical coverage through EUTF have not selected a EUTF prescription drug plan. To meet the bill's requirements the EUTF would require these retirees also take the EUTF prescription drug plan which would cost approximately \$1.9 million in annual premiums and add over \$70 million to the actuarial accrued liability (\$52 million for the State), assuming employers are paying 100% for these retirees. These retirees may not be enrolling in the EUTF prescription drug plan because they may be responsible for a portion of their EUTF retiree premiums (i.e. employers are not contributing 100% of the retiree's premiums) and may have enrolled in another group or individual Medicare Advantage medical and prescription drug plan or 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 have the EUTF HMSA medical plan and another Medicare Advantage medical and prescription drug or Medicare Part D prescription drug plan.

2. Approximately 40 retirees who have prescription drug coverage through EUTF have not selected a EUTF medical plan. To meet the bill's requirements the EUTF may have to require these retirees to also take 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 through age 23, if they are a full-time student. EUTF staff is working on a cost estimate for adding such coverage.

Thank you for the opportunity to testify.

LATE

§87A-33 State and county contributions; retired employees.

(a) Notwithstanding any law to the contrary, this section shall apply to state and county contributions to the fund for:

(1) The dependent-beneficiary of an employee who is killed in the performance of duty;

(2) A dependent-beneficiary, upon the death of the employee-beneficiary, except as provided in section 87A-36;

(3) An employee-beneficiary who retired after June 30, 1984, due to a disability falling within sections 88-79 and 88-285;

(4) An employee-beneficiary who retired before July 1, 1984;

(5) An employee-beneficiary who:

- (A) Was hired before July 1, 1996;
- (B) Retired after June 30, 1984; and
- (C) Who has ten years or more of credited service, excluding sick leave;

(6) An employee-beneficiary who:

- (A) Was hired after June 30, 1996; and
- (B) Retired with twenty-five or more years of credited service, excluding sick leave, except as provided in section 87A-36; and

(7) Employees who retired prior to 1961 and their dependent-beneficiaries.

(b) Effective January 1, 2014, there is established a base monthly contribution for health benefit plans that the State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund, up to the following:

- (1) \$524.73 for each employee-beneficiary enrolled in supplemental medicare self plans;
- (2) \$1,051.70 for each employee-beneficiary enrolled in supplemental medicare two-party plans;
- (3) \$1,531.78 for each employee-beneficiary enrolled in supplemental medicare family plans;
- (4) \$736.60 for each employee-beneficiary enrolled in non-medicare self plans;
- (5) \$1,484.72 for each employee-beneficiary enrolled in non-medicare two-party plans; and
- (6) \$2,173.06 for each employee-beneficiary enrolled in non-medicare family plans.

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.] If both husband and wife are employee-beneficiaries, the total contribution by the State or county shall not exceed the monthly contribution for a supplemental medicare family or non-medicare family plan, as appropriate.

(c) The base composite monthly contribution shall be adjusted annually, beginning January 1, 2015. The adjusted base composite monthly contribution for each new plan year (January 1 until December 31) shall be calculated by increasing or decreasing the base composite monthly contribution in effect through the end of the previous plan year by the percentage increase or decrease in the medicare part B premium rate for those years, which percentage shall be calculated by dividing the medicare part B premium rate in effect at the beginning of the new plan year by the rate in effect at the beginning of the previous plan year.

As used in this subsection, "medicare part B premium rate" means the rate published in the Federal Register each year on November 1 or on the business day closest to November 1 of each year after the medicare part B premium rate has been established by the United States Secretary of Health and Human Services and approved by the United States Congress.

(d) If the board adopts a rate structure that provides for other than self and family rates for the health benefit plans, the base monthly contribution for the rate structure adopted by the board shall be adjusted to provide the equivalent underwriting cost as the base monthly contribution that is provided for in this section. [L 2001, c 88, pt of §1; am L 2003, c 111, §2; am L 2007, c 26, §1; am L 2012, c 38, §1; am L 2013, c 282, §1]

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To: Committee on Health and Committee on Consumer Protection & Commerce

Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Dear Representative Bellati, Representative Kobayashi, Representative McKelvey, Representative Ichiyama and other members of the Health Committee and the Committee on Consumer Protection & Commerce:

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.

Please keep Hawaii healthy by supporting House Bill 552 and help ensure that nobody loses access to the care and protections on which they rely.

Sincerely,

Shandhini Raidoo, MD
Clinical Instructor, John A. Burns School of Medicine
University of Hawai'i Department of Obstetrics, Gynecology, and Women's Health
1319 Punahou St. Ste 824
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To: Committee on Health and Committee on Consumer Protection & Commerce

Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Dear Representative Bellati, Representative Kobayashi, Representative McKelvey, Representative Ichiyama and other members of the Health Committee and the Committee on Consumer Protection & Commerce:

I am an Assistant Professor at the University of Hawaii, John A. Burns School of Medicine, Department of Obstetrics, Gynecology and Women's Health. I was raised in Honolulu, and have been an obstetrician-gynecologist here for the last 16 years. I am writing in strong support of House Bill 552.

I see patients primarily at community health centers, like Queens Emma Clinic, Waianae Coast Comprehensive Health Center, and Planned Parenthood. I have had the privilege of taking care of many women who have benefitted from the Affordable Care Act. Women like Carole (pseudonym), a spunky young-at-heart, 50-something year-old woman I saw a few years before the ACA who had a history of breast cancer but had not had a mammogram or even a breast exam in several years. When I asked her why, despite being high risk, she had not had basic preventive care, she said it was because she did not have insurance. After her breast cancer diagnosis, she made some life affirming decisions like divorcing her abusive husband and following a dream to start her own business. But in pursuing her life dreams, she lost the insurance that she had through her husband's employer and she could not get her own insurance because of her pre-existing condition. Fast-forward a few years and she has a successful business, but more importantly, she is cancer free and getting regular exams and mammograms thanks to the ACA.

Mary (pseudonym) was a hotel housekeeper who also benefitted from the ACA. She had a medical condition that made pregnancy life-threatening for her, and she needed to undergo surgery before she could safely carry a pregnancy to full term. She came to me for an abortion after her contraception failed, and I wrote to her insurance company explaining that she needs a reliable method of contraception, like an intrauterine device, until she is able to get her surgery. Her insurance wrote back saying that her copay would be \$600. Needless to say, that was beyond what Mary could afford.

The ACA eliminated the copay on contraception for everyone like Mary, but also for the hundreds of young women I see who are pursuing life dreams like college and careers, whose goals would become undeniably more challenging and maybe even impossible if they have an unintended pregnancy. The ACA allows hundreds of women I see access preventive health care services like life-saving cancer screenings, mammograms, and annual exams.

We in Hawai'i have a strong history of being leaders in prioritizing the health of our people. It's a history of which we should be proud. We have the examples of great ali'i

like Queen Emma and Queen Kapi'olani who had the foresight to establish hospitals and maternity centers for our people. The plantations, what brought so many people to our islands in the 19th and 20th centuries, employed doctors to take care of the plantation workers. And then in 1974 we had the Hawaii Prepaid Health Care Act that required employers to provide basic health benefits to employees. This trailblazing in health care has been the legacy passed on to us by our kupuna who knew how critical health care was. They knew that health care is a basic human right.

We in Hawai'i can continue to be leaders in health care and show the rest of the nation what real Aloha is. Do your part to ensure that people in Hawai'i 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 passing HB 552 to ensure that nobody loses access to the care and protections they rely on.

Aloha,

A handwritten signature in black ink, appearing to read 'Reni Soon', with a stylized flourish above the letters.

Reni Soon, MD, MPH
Assistant Professor
Department of Obstetrics, Gynecology, & Women's Health
University of Hawai'i John A. Burns School of Medicine
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To: Committee on Health and Committee on Consumer Protection & Commerce

Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Dear Representative Bellati, Representative Kobayashi, Representative McKelvey, Representative Ichiyama and other members of the Health Committee and the Committee on Consumer Protection & Commerce:

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 and help ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Charlie K. Wang, MD
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HAWAII MEDICAL ASSOCIATION

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FROM:
HAWAII MEDICAL ASSOCIATION
Dr. Chris Flanders, Executive Director
Lauren Zirbel, Community and Government Relations

TO:
COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Senator Rosalyn H. Baker, Chair
Senator Clarence K. Nishihara, Vice Chair

DATE: Wednesday, Feb. 8, 2017
TIME: 2:05 a.m.
PLACE: Conference Room 329

Position: Support of HB 552

On behalf of the physician and medical student members of the Hawaii Medical Association, we are writing regarding our ongoing commitment to reform of the health care system.

The HMA and AMA have long advocated for health insurance coverage for all Americans, as well as pluralism, freedom of choice, freedom of practice, and universal access for patients. These policy positions are guided by the actions of the AMA House of Delegates, composed of representatives of more than 190 state and national specialty medical associations, and they form the basis for HMA consideration of reforms to our health care system.

Health system reform is an ongoing quest for improvement. The AMA supported passage of the Affordable Care Act (ACA) because it was a significant improvement on the status quo at that time. We continue to embrace the primary goal of that law—to make high quality, affordable health care coverage accessible to all Americans. We also recognize that the ACA is imperfect and there a number of issues that need to be addressed. As such, we welcome proposals, consistent with the policies of our House of Delegates, to make coverage more affordable, provide greater choice, and increase the number of those insured.

In considering opportunities to make coverage more affordable and accessible to all Americans, it is essential that gains in the number of Americans with health insurance coverage be maintained.

We stand ready to work with you to continue the process of improving our health care system and ensuring that all residents of Hawaii have access to high quality, affordable health care coverage. We believe that this measure will help to solidify the gains made by the ACA for the people of Hawaii.

HMA OFFICERS

President – Bernard Robinson, MD President-Elect – William Wong, Jr., MD Secretary – Thomas Kosasa, MD
Immediate Past President – Scott McCaffrey, MD Treasurer – Michael Champion, MD
Executive Director – Christopher Flanders, DO

Testimony of
Jonathan Ching
Government Relations Specialist

Before:
House Committee on Health
The Honorable Della Au Belatti, Chair
The Honorable Bertrand Kobayashi, Vice Chair

House Committee on Consumer Protection & Commerce
The Honorable Angus L.K. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair

February 8, 2017
2:05 p.m.
Conference Room 329

Re: HB552 Relating to Health Insurance

Chairs, Vice Chairs, and Committee Members, thank you for this opportunity to provide testimony on HB552, 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.

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 to our 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,¹ Kaiser Permanente Hawaii is committed to ensuring that the benefits identified in HB552, which seeks to preserve those benefits afforded via the ACA, will continue to be offered to our members. We believe that requiring all health plans under chapter 87A, Hawai'i Revised Statutes, to include the "essential health benefits" and contraception and breastfeeding coverage benefits, is in the best interest of the health and well being of the people of Hawai'i.

¹ http://www.urban.org/sites/default/files/publication/87346/partial_repeal_coverage_implications_hawaii_finalized_2.pdf

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

- 1) Will address "grandfathered" and "grandmothered" small group plans, which currently are not required to fully comply with the essential health benefits mandate.
- 2) Will mandate that the essential health benefit provisions apply to Prepaid and Non-Prepaid groups, including labor & trust and large commercial groups.
- 3) Will include programs that provide incentives to individuals under the ACA, such as tax subsidies, tax-credits, and risk adjustment.

We look forward to having the opportunity to work with the Committees to further HB552. Therefore, Kaiser Permanente Hawaii urges the Committees to **PASS** HB552. Thank you for the opportunity to testify on this measure.

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



To: Committee on Health
Rep. Della Au Belatti, Chair
Rep. Bertrand Kobayashi, Vice Chair

Committee on Consumer Protection & Commerce
Rep. Angus McKelvey, Chair
Rep. Linda Ichiyama, Vice Chair

DATE: Wednesday, February 8, 2017 (1405)

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



February 8, 2017 at 2:05 PM
Conference Room 329

House Committee on Health

House Committee on Consumer Protection and Commerce

To: Chair Della Au Belatti
Vice Chair Bertrand Kobayashi

Chair Angus L.K. McKelvey
Vice Chair Linda Ichiyama

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

Re: Testimony in Support
HB 552, 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 committees for the opportunity to **support** the intent of HB 552, 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.¹ 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.

¹ <http://www.urban.org/research/publication/partial-repeal-aca-through-reconciliation-coverage-implications-hawaii-residents>



Hawai'i Psychological Association

For a Healthy Hawai'i

P.O. Box 833
Honolulu, HI 96808

www.hawaiipsychology.org

Phone: (808) 521-8995

COMMITTEE ON HEALTH
Representative Della Au Belatti, Chair
Representative Bertrand Kobayashi, Vice Chair

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Angus L.K. McKelvey, Chair
Representative Linda Ichiyama, Vice Chair

Monday, February 6, 2017, 2:05 pm, Room 329

The Hawai'i Psychological Association strongly endorses HB 552, which will protect mental health services as originally provided for in the Affordable Care Act.

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 HB 522, how they benefits 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 HB 552.

Respectfully submitted,

Ray Folen, Ph.D.
Executive Director
Hawai'i Psychological Association



49 South Hotel Street, Room 314 | Honolulu, HI 96813
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COMMITTEE ON HEALTH
COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Wednesday, February 8, 2017, 2:00 p.m., Room 329
HB 552, RELATING TO HEALTH INSURANCE

TESTIMONY

Joy Marshall, Legislative Committee, League of Women Voters of Hawaii

Chairs Belatti and McKelvey, Vice-Chairs Kobayashi and Nishiyama and Committee Members:

The League of Women Voters of Hawaii supports HB 552. We believe that all Hawaii residents should have access to a basic level of quality healthcare in Hawaii. We support controlling health care costs.

The prospect that the Federal Affordable Health Care Act would be repealed threatens thousands of Hawaii's citizens. Preparing us now for this possibility is forward and positive thinking as well as legislation.

Thank you for the opportunity to submit testimony.

kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 4:50 PM
To: HLTtestimony
Cc: lduenas@diabetes.org
Subject: *Submitted testimony for HB552 on Feb 8, 2017 14:05PM*

HB552

Submitted on: 2/3/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|-------------------------------|---------------------------|---------------------------|
| Lawrence Duenas | American Diabetes Association | 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

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 6:03 PM
To: HLTtestimony
Cc: dshaw@lanaicommunityhealthcenter.org
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/3/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

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

Comments: I am writing in strong support of this measure. This measure will ensure certain benefits under the federal Affordable Care Act are preserved under Hawaii law, including: preserving the individual health insurance mandate for taxpayers; requiring all health insurance entities, including health benefits plans under chapter 87A, HRS, to include ten 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; 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. These issues are critical to the population of patients our organization serves. Mahalo, for the opportunity to provide testimony.

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



February 8, 2017
2:05 p.m., Room 329

To: House Committee on Health
The Honorable Della Au Belatti, Chair
The Honorable Bertrand Kobayashi, Vice Chair

House Committee on Consumer Protection & Commerce
The Honorable Angus L. K. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair

From: Beth Giesting, Hawai'i Association of Health Plans

Re: Comments on HB 552, Relating to Health

The Hawai'i Association of Health Plans (HAHP) thanks you for the opportunity to submit comments on House Bill 552, which would incorporate eligibility and benefit aspects of the federal Affordable Care Act into Hawai'i statutes.

Hawai'i has long had a good record for robust insurance coverage because of the Prepaid Health Care Act and progressive Medicaid policy. Under the ACA we have been able to close remaining gaps in coverage and affordability. Our comments on this measure include the following:

- Individual coverage that offers the essential health benefits and is available regardless of pre-existing conditions may not be affordable if the federal government repeals the ACA without retaining meaningful premium and co-share subsidies. Without the assurances of affordability, it is problematic to mandate coverage.
- We also note the profound uncertainty of federal policy at this point. While we appreciate that the Legislature must act during this timeframe it is difficult to estimate costs and impact while we have so little information about changes being formulated in Congress and the Trump Administration that are likely to affect Medicaid, individual subsidies, employer-sponsored coverage, and quality and cost strategies.

We appreciate the intent of this bill and look forward to working with lawmakers to ensure that Hawai'i residents continue to have the health insurance they need and that our health care providers are able to continue to provide high quality care.



HB 552 Health Insurance (ACA): Ensures certain benefits under the federal Affordable Care Act are preserved under Hawaii law, including: preserving the individual health insurance mandate for taxpayers; requiring all health insurance entities, including health benefits plans under chapter 87A, HRS, to include ten 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; 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.

HOUSE COMMITTEE ON HEALTH:

- Representative Della Au Belatti, Chair; Representative Bertrand Kobayashi, Vice Chair

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

- Representative Angus McKelvey, Chair; Representative Linda Ichiyama, Vice Chair
- Wednesday, Feb. 8th, 2017: 2:05 p.m.
- Conference Room 329

HAWAII SUBSTANCE ABUSE COALITION (HSAC) Supports HB589.

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

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

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

HSAC supports Essential Healthcare Benefits (EHB) to include:

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

Moreover, HSAC supports provisions to retain ethical coverages:

- Extension of dependent coverage;
- Prohibition of preexisting condition exclusions;
- Prohibited discrimination in premiums or contributions.

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

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

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

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

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



February 8, 2017
2:05 p.m., Room 329

To: House Committee on Health
The Honorable Della Au Belatti, Chair
The Honorable Bertrand Kobayashi, Vice Chair

House Committee on Consumer Protection & Commerce
The Honorable Angus L. K. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair

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- Individual coverage that offers the essential health benefits and is available regardless of pre-existing conditions may not be affordable if the federal government repeals the ACA without retaining meaningful premium and co-share subsidies. Without the assurances of affordability, it is problematic to mandate coverage.
- We also note the profound uncertainty of federal policy at this point. While we appreciate that the Legislature must act during this timeframe it is difficult to estimate costs and impact while we have so little information about changes being formulated in Congress and the Trump Administration that are likely to affect Medicaid, individual subsidies, employer-sponsored coverage, and quality and cost strategies.

We appreciate the intent of this bill and look forward to working with lawmakers to ensure that Hawai'i residents continue to have the health insurance they need and that our health care providers are able to continue to provide high quality care.

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: SB 403; HB 552 (Identical)

INTRODUCED BY: SB by BAKER, INOUE, KIDANI, NISHIHARA, RUDERMAN, English, Ihara, Taniguchi; HB by BELATTI, CREAGAN, CULLEN, FUKUMOTO, GATES, ING, JOHANSON, LOWEN, LUKE, MCKELVEY, MORIKAWA, NISHIMOTO, OHNO, QUINLAN, SAN BUENAVENTURA, SOUKI, WOODSON, Oshiro

EXECUTIVE SUMMARY: Reacting to threatened changes to Obamacare, this bill attempts to enact the Obamacare individual mandate in Hawaii, but without the exemptions and credits contained in the federal scheme. As such, it would impose an individual penalty for failing to have insurance coverage on nonresidents, prisoners, and people who can't afford coverage, among others. In addition, the bill does not provide for information reporting so DOTAX might not have sufficient information to enforce the penalty?

BRIEF SUMMARY: Amends 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.

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

EFFECTIVE DATE: Upon approval.

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, including exemptions for individuals who are out of the country, individuals who are incarcerated, individuals who cannot afford coverage, taxpayers with income below the filing threshold, members of Indian tribes, short coverage gaps (less than three consecutive months), and individuals who are determined to have suffered a hardship with respect to the capability to obtain coverage under a qualified health plan. 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 f](#)). For additional detail about the eligibility rules for the coverage exemptions that are claimed on the tax return, see the instructions for lines 8–13, column (c), later.

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

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

No exemptions at all are provided for in the bill.

At a minimum, serious consideration should be given to the exemptions that are now in the Affordable Care Act. Shouldn't there be allowances for persons who were not even in the state, or those who are but are in prison, or who are unemployed and couldn't afford coverage? The Affordable Care Act provided tax credits for people who bought coverage but were not making enough to afford it. No tax credits are provided for in this bill.

In addition, the Affordable Care Act required insurers or employers to report coverage to the covered individuals and to the IRS on Form 1095. If the Affordable Care Act is substantially repealed and Form 1095 reporting is no longer required, how do we expect the Department of Taxation, which is tasked with enforcing the penalty provisions because they are in the Income Tax Law, to know who is or is not covered?

Digested 1/25/2017



AMERICANS FOR DEMOCRATIC ACTION

| OFFICERS | DIRECTORS | | | MAILING ADDRESS |
|---------------------------------|-----------------|------------------|--------------------|-----------------|
| John Bickel, President 23404 | Guy Archer | Jan Lubin | Cameron Sato | PO. Box |
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| Marsha Schweitzer, Treasurer | Gloria Borland | Stephen O'Harrow | Emmanuel Zibakalam | Hawai'i 96823 |
| Karin Gill, Secretary | Chuck Huxel | | | |

February 6 , 2017

TO: Honorable Chairs Au Belatti and McKelvey Members of HTL/CPC Committees

RE: HB 552 Relating to Health Insurance
Support for hearing on Feb. 8

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support HB 552 as it would keep certain benefits under the federal Affordable Care Act are preserved under Hawaii law, including: preserving the individual health insurance mandate for taxpayers; requiring all health insurance entities, including health benefits plans under chapter 87A, HRS, to include ten 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; 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.

In these days of a Republican dominated federal government, we do fear for the loss of benefits. We see the need for this legislation as a stop-gap measure. Long-term solutions to our rising health care costs and gaps in coverage are still best achieved through a single-payer system. Therefore we also encourage the reinvigoration of the Hawaii Health Authority in its role of transitioning our state to single-payer.

Thank you for your consideration.

Sincerely,

John Bickel
President

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 2:25 PM
To: HLTtestimony
Cc: hlusk@chowproject.org
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/6/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Heather Lusk | The CHOW Project | Support | No |

Comments: Thank you for the opportunity to testify. ACA and other reform actions has “bent the cost curve” even though only 31 states enacted Obamacare. The cost projections are significantly lower than expected when ACA was first started by about \$2.6 trillion or 13% by 2020, that is, if provisions are kept in place. Of course, healthcare spending will increase, just not as much if ACA was not implemented. • Pre-ACA healthcare expenditures were expected to reach \$4.5 trillion by 2020. • Post-ACA (and other state reforms) health expenditures are expected to be \$4 trillion, of which the cumulative reductions in costs would reach \$2.6 trillion. The CHOW Project is a proud member of HSAC. HSAC supports Essential Healthcare Benefits (EHB) to include: • Mental health and substance use disorder services, including behavioral health treatment, mental and behavioral health inpatient services and substance use disorder treatment. Moreover, HSAC supports provisions to retain ethical coverages: • Extension of dependent coverage; • Prohibition of preexisting condition exclusions; • Prohibited discrimination in premiums or contributions.

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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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

Date: February 7, 2017

To: Representative Della Au Belatti, Chair
Representative Angus McKelvey, Chair

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

Re: In support of
HB552

Hearing: Wednesday, February 8, 2017
Conference Room 229, State Capitol

Chair Belatti, Chair McKelvey, Members of the Committees:

I am writing to express strong support for HB552: 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.



February 7, 2017
Honorable Della Au Belatti
Honorable Angus McKelvey
Page 2

HB552 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 HB552 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.

kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 4:49 PM
To: HLTtestimony
Cc: kkburdtd@gmail.com
Subject: *Submitted testimony for HB552 on Feb 8, 2017 14:05PM*

HB552

Submitted on: 2/6/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--|---------------------------|---------------------------|
| Kristen Koba-Burdtd | Hawaii Association for Behavior Analysis | Support | No |

Comments:

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kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:29 PM
To: HLTtestimony
Cc: julianna@actionwithaloha.com
Subject: *Submitted testimony for HB552 on Feb 8, 2017 14:05PM*

HB552

Submitted on: 2/6/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------------|---------------------|---------------------------|---------------------------|
| Julianna Moefu-Kaleopa | Action with Aloha | Support | No |

Comments:

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February 7, 2017

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

From: Kerrie Urosevich, Coordinator
Early Childhood Action Strategy

Re: HB 552– Relating to Health Insurance

Position: Action Strategy supports HB 552 Relating to Health Insurance

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

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

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

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

- Over 20 million people, nationwide, gained health insurance through the ACA.
- 6.1 million young adults, ages 19 through 26, gained health insurance through the ACA.
- 54,000 Hawaii residents gained health insurance through the ACA.
- Hundreds of thousands of Hawaii residents benefited from new protections under the ACA.
- The ACA expanded Hawaii's Medicaid eligibility, meaning more families could qualify



for insurance.

- The ACA insured people with previous conditions, who could not find healthcare otherwise.
- The State of Hawaii has saved millions in uncompensated care costs (unpaid medical bills) through the ACA.
- If repealed, by 2019, 58.7 million people nationwide would be without healthcare.

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

Sincerely,
Kerrie Urosevich PhD
Coordinator, Early Childhood Action Strategy
700 Bishop St. Suite 1701
Honolulu, HI 96813



THE SEX ABUSE TREATMENT CENTER

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

Executive Director
Adriana Ramelli

Advisory Board
President
Mimi Beams

Joanne H. Arizumi
Mark J. Bennett
Andre Bisquera
Marilyn Carlsmith
Dawn Ching
Senator (ret.)
Suzanne Chun Oakland
Monica Cobb-Adams
Donne Dawson
Dennis Dunn
Councilmember
Carol Fukunaga
David I. Haverly
Linda Jameson
Michael P. Matsumoto
Robert H. Pantell, MD
Joshua A. Wisch

Date: February 8, 2017

To: The Honorable Della Au Belatti, Chair
The Honorable Bertrand Kobayashi, Vice Chair
House Committee on Health

The Honorable Angus L.K. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair
House Committee on Consumer Protection & Commerce

From: The Sex Abuse Treatment Center
A Program of Kapi'olani Medical Center for Women & Children

RE: Testimony in Strong Support of H.B. 552
Relating to Health Insurance

Good morning Chairs Belatti and McKelvey, Vice Chairs Kobayashi and Ichiyama, and members of the House Committees on Health and on Consumer Protection & Commerce:

The Sex Abuse Treatment Center (SATC) strongly supports H.B. 552, which ensures that certain benefits under the federal Affordable Care Act of 2010 (ACA) are preserved under Hawai'i law.

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

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

Moreover, sexual violence can have both immediate and ongoing psychological consequences for survivors. In the aftermath of the violence, survivors may experience feelings of fear, guilt, shock, disbelief, anger, confusion, helplessness, betrayal and anxiety. Some further develop chronic or episodic mental health

conditions, including substance abuse disorders, sleep disorders, eating disorders, depression, generalized anxiety, and post-traumatic stress disorder.

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

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

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

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

Therefore, we respectfully ask that the Committee pass H.B. 522.

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

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

ⁱⁱⁱ See, e.g., Logan Cowan et al, *Costs of Sexual Violence in Utah* (2015), available online at: <http://www.health.utah.gov/vipp/pdf/RapeSexualAssault/costs-sexual-violence-report.pdf>; Jingzhen Yang et al,

“Incidence and Cost of Sexual Violence in Iowa,” *American Journal of Preventative Medicine* (August 2014), available online at: [http://www.ajpmonline.org/article/S0749-3797\(14\)00170-6/pdf](http://www.ajpmonline.org/article/S0749-3797(14)00170-6/pdf).

^{iv} See, e.g., Maggie Haberman and Robert Pear, “Trump Tells Congress to Repeal and Replace Health Care Law ‘Very Quickly,’” *The New York Times* (January 10, 2017), available online at: <https://www.nytimes.com/2017/01/10/us/repeal-affordable-care-act-donald-trump.html>.

kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 11:55 AM
To: HLTtestimony
Cc: mgolojuch@hotmail.com
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/7/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---|---------------------------|---------------------------|
| Michael Golojuch Jr | LGBT Caucus of the Democratic Party of Hawaii | Support | No |

Comments: The LGBT Caucus of the Democratic Party of Hawai'i stands in full support of HB552

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An Independent Licensee of the Blue Cross and Blue Shield Association

February 8, 2017

The Honorable Della Au Belatti, Chair
House Committee on Health
The Honorable Angus L. K. McKelvey, Chair
House Committee on Consumer Protection and Commerce

Re: HB 552 – Relating to Health Insurance

Dear Chair Au Belatti, Chair McKelvey, and Members of the Committees:

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on HB 552, 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 is an important and laudable effort to go one step further – to protect elements of the ACA that have benefitted everyone in Hawaii.

We certainly would appreciate the opportunity to work with the Committee as it further considers the measure. We do have questions about 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?
- Are government programs exempted from the provisions of this Bill?
- How would provisions of this Bill apply to grandfathered and grandmothers small group plans?
- The ACA provides incentives for individuals to purchase plans (subsidies). Would current ACA Individual plan members have access to financial assistance?

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

Sincerely,

Mark K. Oto
Director, Government Relations



To: Hawaii State House of Representatives Committees on Health and Consumer Protection and Commerce
Hearing Date/Time: Wednesday, Feb. 8, 2017, 2:05 p.m.
Place: Hawaii State Capitol, Rm. 329
Re: Testimony of Planned Parenthood Votes Northwest and Hawaii in strong support of H.B. 552, relating to Health Insurance

Dear Chairs Belatti and McKelvey and Members of the Committees,

Planned Parenthood Votes Northwest and Hawaii (“PPVNH”) writes in strong support of H.B. 552, 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

HOUSE OF REPRESENTATIVES

Committee on Health

Rep. Della Au Belatti, Chair

Rep. Bertrand Kobayashi, Vice Chair

Committee on Consumer Protection & Commerce

Rep. Angus L.K. McKelvey, Chair

Rep. Linda Ichiyama, Vice Chair

State Capitol, Conference Room 329

Wednesday, February 8, 2017; 2:05 p.m.

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

The ILWU Local 142 **supports** H.B. 552, 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 decreased the numbers 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 be enrolled in health insurance or face a tax penalty, and by initiating Medicaid expansion.

With the federal law now uncertain, H.B. 552 proposes to insert certain provisions of the ACA into Hawaii statutes to retain specific benefits of the Affordable Care Act without jeopardizing Hawaii's Prepaid Health 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 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 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 while not balanced by those who would use fewer services.

The Affordable Care Act was predicated on 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 will help to protect some of the best aspects of the law for Hawaii residents.

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

kobayashi1- Oshiro

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 4:18 PM
To: HLTtestimony
Cc: annsfreed@gmail.com
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/7/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------------------|---------------------------|---------------------------|
| Ann S Freed | Hawaii Women's Coalition | Support | No |

Comments: Aloha Chair Belatti, Chair McKelvey and members, 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. The Coalition thanks you and the families of Hawaii will thank you for this effort. Mahalo nui loa, Ann S. Freed, Co-Chair Hawaii Women's Coalition

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LATE

COMMUNITY COALITION FOR
HAWAII UNIVERSAL HEALTHCARE
THROUGH COMPREHENSIVE PLANNING
February 7, 2017

To: The Honorable Della Au Belatti, Chair, and Members of the
House Committee on Health

The Honorable Angus McKelvey, Chair, and Members of the
House Committee on Consumer Protection and Commerce

Re: HB 552 – Adaptation of Certain Federal ACA provisions into Hawaii law
Hearing: Wednesday, February 8, 2017, 2:05 p.m. Room 329

Position: Conditional Support as Stop-Gap; Suggested Amendments and Concerns

Dear Chair Belatti, Chair McKelvey, and Members of the Committees:

Our community coalition of unpaid volunteers concerned about healthcare for the people of Hawaii support generally the goals of this bill as a critically important stop-gap measure if the ACA is repealed, even though our strong preference is for universal coverage that does not rely on private insurance. We thank Chair Belatti, Chair McKelvey, and the other Members of their Committees for being alert to this critical issue.

After carefully reading the bill and its Senate companion, SB 403, we continue to have questions about key matters that do not seem to be addressed by these bills, but such apparent omissions seem to be important and to need resolution. These concerns include the following:

1. **Hawaii's Healthcare is in Crisis – Threatened from Two Major Directions**

Hawaii's healthcare is threatened both by the way the ACA has evolved, and by what the Trump administration and the Republican Congress are threatening to do to it. BOTH of these factors pose existential threats to Hawaii's healthcare systems.

First, under the ACA, Hawaii is ALREADY facing a healthcare CRISIS for everyone – consumers, doctors, and employers:

- *Right now, a recent Hawaii survey shows that 47% of doctors in private practice in HAWAII are already turning away new Medicare and new Medicaid patients, because of unreasonably burdensome reporting requirements and preauthorization requirements, and because of low rates of compensation. See <https://crowncarehi.wordpress.com/2016/10/23/finding-a-primary-care-doctor-on-oahu/>.*

- *Regrettably, the ACA, combined with the Medicare Access and CHIP Reauthorization Act (MACRA), are the primary source of the very onerous documentation, reporting, and prior approval requirements that are having destructive and costly effects on healthcare delivery in*

Hawaii today. As a result, doctors' overhead costs have increased by over \$40,000 per doctor per year, and they must now spend twice as much time paying attention to their computers as to their patients. See <http://annals.org/aim/article/2546704/allocation-physician-time-ambulatory-practice-time-motion-study-4-specialties>.

- *Businesses are struggling to afford health insurance premiums. Many people are forced into medical bankruptcy due to high out-of-pocket expenses for serious illnesses.*

Healthcare is one of those industries where competition does NOT promote efficiencies and financial savings. The opposite is true: Physicians, hospitals, and other medical providers must deal with the different coding systems, pharmaceutical formularies, pre-authorization requirements, and other differing documentation and authorization demands of different insurers. It's almost like needing to have multilingual translators on staff to deal with the myriad requirements of the different insurers. As noted, doctors are leaving the practice in frustration at the huge added costs and demands on their time that add nothing meaningful for their patients.

The present bill will do nothing to fix these aspects of Hawaii's healthcare crisis.

2. The Bill Does Not Protect Our Medicaid Population If Funds are Severely Cut. Currently, 350,000 people, about one-quarter of Hawaii's entire population, is covered by Medicaid. About 111,000 Hawaii residents were added to Medicaid when the ACA raised the ceiling of income eligibility for Medicaid benefits for low-income people. This number is in addition to approximately 240,000 Hawaii residents who were already covered under Medicaid before the ACA came into effect.

This bill fails to address what would happen to our 350,000 fellow Hawaii residents if federal funding for Medicaid is severely curtailed or completely cut off. Such a provision is, in my opinion, essential under the due process protections of the U.S. and Hawaii Constitutions, because otherwise these 350,000 people – one out of four Hawaii residents – would be required to purchase healthcare insurance without the financial means to do so. This bill would, as we see it, make 25% of our population involuntary lawbreakers because of their inability to pay the individual mandate if Medicaid is completely cut off.

We believe that this is one of the most important issues that needs clarification in this bill. Ideally, this bill would provide for Hawaii's State tax laws to be modified to generate the additional funding needed to offset losses in Medicaid funding.

3. There is a Major Need for Long-Term Comprehensive Healthcare Planning in the Public Interest. This bill, and its Senate companion, come at a crisis point in American history. Unlike every other advanced country in the world, the United States has failed to adopt any system of universal healthcare – except for certain age and income brackets.

The Hawaii State Legislature has attempted to get planning going, with HRS Chapter 322H, which established the Hawaii Health Authority (HHA) in 2009, as a planning and policy board, to help identify healthcare policies and goals. The HHA's work has been blocked by many factors, including the adoption of the ACA. However, at this time of crisis, HHA's role is more important than ever, and it should be revitalized and asked to help Hawaii move forward beyond the confines of the private insurance ACA model toward one that is more in line with

those of other countries that work better, at less cost, and most importantly, with better healthcare outcomes for the public.

For this reason, we strongly urge the Committee to insert into this bill the operative language of HB 129, which would revitalize the HHA and have it resume its comprehensive healthcare planning in the public interest. We cannot leave our healthcare planning to the insurance companies or to Washington.

Beyond these three broad issues, other matters in HB 552 seem minor in comparison, but they need to be addressed as well. Our other concerns include:

4. **This Bill Adopts the ACA's Basic Concept of the Individual Mandate, But Its Exclusions Do Not Seem Clear.** Large groups of Hawaii residents are currently exempt from the ACA's individual mandate. These groups include active duty U.S. military personnel and dependents; persons receiving medical services from the Department of Veterans' Affairs; Medicare beneficiaries; children covered under CHIP; and presumably many other categories of people who currently receive healthcare through the Federal government under other systems and programs.

Although this bill has a definition of "qualifying health insurance coverage" at page 8 lines 1-11, the definition does not appear broad enough to include such coverages as military, VA, Medicare, CHIP, and other coverages that come from the federal government. We assume that HB 552 is not intended to extend the individual mandate to these people, but we believe that the bill's intention should be expressed more clearly.

5. **Need for Clear Transitional Provisions to this Law from Present Federal law.** HB 552 would mandate compliance as of January 1, 2018. This mandate appears to conclusively presume that, as of that date, the ACA will be a dead letter. However, Trump and Congressional Republicans have been backtracking on repeal of the ACA. HB 552 does not appear to have any provision that would delay the state-law individual mandate for compliance if the ACA remains in effect as of January 1, 2018. The transition needs to be made CONDITIONAL upon actual repeal of the ACA, whenever that might be.

6. **Need to Prohibit Caps on Annual and Lifetime Benefits.** HB 552 has a good provision that bars insurers from requiring copayments and from conditioning benefits upon deductibles. See page 10 lines 1-4, and page 13 line 20 to page 14 line 2. However, the bill does not appear to have any provisions to assure that patients' benefits are not limited by either annual or lifetime caps that insurers might impose. Perhaps such prohibitions are implied in the language that bars copayments and deductibles, but we believe that this is an important issue and that the bill should specifically bar such caps.

7. **Addressing the Healthcare Needs of Indigent Micronesians Ineligible for Medicaid-Quest or other Federal Financial Assistance.** As was discussed during the informational briefing on Monday, February 6, 2017, under the Compacts of Free Association, Micronesians are free to come and reside and work in the United States. And, as we know, Hawaii has a disproportionately large Micronesian population. Not all of them are indigent by any means. Many of them are working and paying taxes like the rest of us. But a substantial number of them are indigent.

Problems arose when the Federal “welfare reform” law was enacted in 1996. Few people realized it at the time, but that law cut most non-citizens off from most social services unless they were green-card immigrants who are present in the United States for 5 years or more.

Most Micronesians enter the United States via a special NON-immigrant visa program under the Compacts. That visa program does not qualify them for green-card status – ever. So, they are forever cut off from most Federal welfare benefits. When Governor Lingle tried to cut Micronesians off Med-Quest in October 2010, local Micronesians filed a major lawsuit in Federal District Court in Honolulu. The Federal District Court issued an injunction that prevented the State from removing them from Medicaid-Quest, pending the outcome of the lawsuit. In early November 2014, the U.S. Supreme Court denied review of a Ninth Circuit decision from mid-2013, which had declared that Micronesians had no right to Medicaid.

Since late 2014, the Hawaii State government has been covering indigent Micronesians’ healthcare under a patchwork of programs, and the State has been using some federal impact aid money for the rest of the amount needed to provide these services. Some of that funding may now be in jeopardy. It is unclear how HB 552 would address the predicament that these people will be in. In the briefing on February 7, 2017, the DHS representative stated that the fiscal burden to the State for these people is about \$2 million per year. One trusts that this sum can be found, lest these people also find themselves inadvertent and involuntary lawbreakers.

* * *

Thank you very much for the opportunity to testify on this important matter. We apologize for the delay in getting these comments to you.

Very truly yours,

Alan B. Burdick
Leslie Hartley Gise, MD
Dennis B. Miller
Daria Fand

Stephen Kemble, MD
Bart Dame
Erynn Fernandez
Karen Cobeen

Please reply c/o Alan B. Burdick, burdick808@gmail.com, 486-1018



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

February 6, 2017

LATE

To: Representative Della Au Belatti, Chair
Representative Bertrand Kobayashi, Vice Chair
Committee on Health

Representative Angus L.K. McKelvey, Chair
Representative Linda Ichiyama, Vice Chair
Committee on Consumer Protection and Commerce

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

Re: **HB 552 – Relating to Health Insurance**
Hawaii State Capitol, Room 329, February 8, 2017, 2:05 PM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to support HB 552 – 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.

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 pass 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>.

LATE



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

TESTIMONY FOR HOUSE BILL 552, RELATING TO HEALTH INSURANCE

**House Committee on Health
Hon. Della Au Belatti, Chair
Hon. Bertrand Kobayashi, Vice Chair**

**House Committee on Consumer Protection and Commerce
Hon. Angus McKelvey, Chair
Hon. Linda Ichiyama, Vice Chair**

**Wednesday, February 8, 2017, 2:05 PM
State Capitol, Conference Room 329**

Honorable Chair Belatti, Chair McKelvey, 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, 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



LATE

Date: February 7, 2017

To: The Honorable Della Au Belatti, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health

The Honorable Angus L.K. McKelvey, Chair
The Honorable Linda Ichiyama, Vice Chair
Members of the Committee on Consumer Protection and Commerce

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

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

Hrg: February 8 2017 at 2:05 pm at Conference Room 329

Thank you for the opportunity to offer testimony in strong support of HB 552, 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 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 ten 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. Access to health care should be 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 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



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 Health
Committee on Consumer Protection and Commerce

Testimony by
Hawaii Government Employees Association

February 8, 2017

H.B. 552 – RELATING TO HEALTH INSURANCE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 552 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.

Respectfully submitted,

Randy Perreira
Executive Director





LATE

The House
Committee on Health
Committee on Commerce, Consumer Protection
Wednesday, Feb. 8, 2017
2:05 p.m.
Conference Room 329

RE: HB 552: RELATING TO HEALTH INSURANCE

Rep. Della Belatti, Chair

Rep. Angus McKelvey, Chair

Members of the Commerce, Consumer Protection and Health Committees

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 ensures certain insurance protections required under the federal Affordable Care Act remain preserved under the Hawaii law.

AARP Hawaii supports 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 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

We're especially concerned about the age rating provisions under the Affordable Care Act.

Currently, insurers are limited to a 3 to 1 limit on how much more they can charge older people for health insurance. Some proposals would allow 5 to 1 or even wider ratios at a state's discretion.

Weakening or eliminating the 3 to 1 age band restriction would dramatically increase premiums for older adults, making coverage less affordable for 50 to 64 year olds. Estimates are that changing the age rating limit to 5 to 1 would increase yearly premiums for the average 64 year old on a silver plan by \$2,100 (from \$8,500 to \$10,600), while reducing premiums for a 21-year-old by only \$700 (from \$2,800 to \$2,100).

An income analysis done before the implementation of the ACA found that median family income for uninsured 18 to 24 year olds was about \$28,500, while the median income of 50 to 64 year olds was \$30,000, only a \$1,500 difference. Seniors already have higher health care and insurance costs and many will not be able to afford this increase.

A September 2015 Commonwealth Fund analysis also found that changing the age rating would result in 400,000 older Americans losing health coverage altogether.

In addition to limits on age rating, we strongly support maintaining existing insurance market rules relating to guaranteed issue and prohibitions on preexisting condition exclusion.

We are hopeful and are working hard to make sure that the elements of the Affordable Care Act that keep health insurance accessible and affordable remain in place.

On behalf of our kupuna, we thank you for your efforts to keep insurance protections in place.

kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 3:06 PM
To: HLTtestimony
Cc: cchaudron08@gmail.com
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/5/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Camila Chaudron | Individual | Support | No |

Comments: Aloha, my name is Camila Chaudron and I am a constituent from the Manoa/Makiki area. I strongly support this bill. As I believe that access to health care is a basic human right, I fully support the need for the state to protect our citizen's access to health care coverage. I am proud that our state currently provides quality care to its people, and we should continue doing so. 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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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 4:46 PM
To: HLTtestimony
Cc: teresa.parsons@hawaii.edu
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/6/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Teresa Parsons | Individual | Support | No |

Comments: Esteemed Chairs, Vice Chairs, and Committee members, Mahalo for the opportunity to submit testimony on HB 552. The changes occurring in the U.S. Congress are leaning toward losing the critical protections established by the Affordable Care Act of 2010. This will be devastating for the women, men, and families in Hawai'i who now depend on them. It is imperative to continue moving forward to better health, not backwards. In Hawai'i, after the Affordable Care Act was passed, 54,000 people gained insurance coverage, and over 630,000 people benefited from being able to access a broad range of preventive services. Healthcare providers have more resources (and capabilities) to provide a broad range of services to the public. Please support HB 552 to ensure the people in Hawai'i continue to benefit from these critical and life-saving protections, 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 Hawai'i healthy by supporting House Bill 552 to ensure nobody loses access to the care and protections. Teresa Parsons, APRN-BC

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kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 4:05 PM
To: HLTtestimony
Cc: ndavlantes@aol.com
Subject: *Submitted testimony for HB552 on Feb 8, 2017 14:05PM*

HB552

Submitted on: 2/6/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Nancy Davlantes | Individual | Support | No |

Comments:

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kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:41 PM
To: HLTtestimony
Cc: lberthold@yahoo.com
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/6/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Laura Berthold | Individual | Support | No |

Comments: The ACA benefits so many people. We should continue its benefits. This bill 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 Affordable Care Act went into effect.

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kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 7:52 AM
To: HLTtestimony
Cc: bgreenleaf.maui@yahoo.com
Subject: *Submitted testimony for HB552 on Feb 8, 2017 14:05PM*

HB552

Submitted on: 2/7/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| William Greenleaf | Individual | Support | No |

Comments:

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kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 10:01 AM
To: HLTtestimony
Cc: Kathleen.Elliott808@Gmail.com
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/7/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Kathleen Elliott | Individual | Support | No |

Comments: My name is Kathleen Elliott and I live in Honolulu. I've been a health care provider, a physician assistant, PA-C, for 30 years and I support this bill

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The Honorable Rep. Della Au Belatti, Chair
Rep. Bertrand Kobayashi, Vice Chair
Re: Testimony in Strong Support of H.B. 552 (Relating to Health Insurance)
Hearing Date: 2/8/17

Good morning Chair Au Belatti, Vice Chair Kobayashi, and members of the House Committee on Health:

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

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

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

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

Sincerely,
JoAnn Farnsworth
1565 Kalani Iki Street
Honolulu

kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 8:10 AM
To: HLTtestimony
Cc: egcarson@icloud.com
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/7/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Ellen Godbey Carson | Individual | Support | No |

Comments: Please support HB552. Hawaii has been in the forefront of broad healthcare coverage for our residents, and we don't want to lose any of the progress from the additional protections of the Affordable Care Act, if Congress repeals those protections nationally. Our residents' lives and health could be substantially threatened if these protections are not kept in place. Thank you.

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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To: Committee on Health and Committee on Consumer Protection & Commerce

Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Dear Representative Bellati, Representative Kobayashi, Representative McKelvey, Representative Ichiyama and other members of the Health Committee and the Committee on Consumer Protection & Commerce:

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 and help ensure that nobody loses access to the care and protections they rely on.

Sincerely,



Kimberly Nagamine, MD
1319 Punahou St. Suite 824
Honolulu, HI 96826
kkmn@hawaii.edu

To: Committee on Health and Committee on Consumer Protection & Commerce

Subject: Pass HB 552 to maintain protections established by the Affordable Care Act

Dear Representative Bellati, Representative Kobayashi, Representative McKelvey, Representative Ichiyama and other members of the Health Committee and the Committee on Consumer Protection & Commerce:

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 and help ensure that nobody loses access to the care and protections they rely on.

Sincerely,

Sara Harris, MD
1319 Punahou Street, Ste 824
Honolulu, HI 96826
saracharris@gmail.com

LATE

kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 7:37 PM
To: HLTtestimony
Cc: bkulbis@reagan.com
Subject: Submitted testimony for HB552 on Feb 8, 2017 14:05PM

HB552

Submitted on: 2/7/2017

Testimony for HLT/CPC on Feb 8, 2017 14:05PM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Brett Kulbis | Individual | Oppose | No |

Comments: I OPPOSE this legislation. Government mandated health insurance benefits have long been associated with unnecessarily higher health insurance bills for decades. These proposed mandatory state benefit requirements represent a blatant assertion that you as Legislators and state bureaucrats know best how to design health insurance policies. The effects will be one-size-fits-all coverage—so that patients are not “confused” by having choices—and elimination of people’s freedom. It will also extend an open invitation to local medical providers to lobby the Legislature and DHHS to incessantly expand the “essential benefits.” The more benefits providers are able to have deemed “essential,” the more insurers and patients will have to pay for these services. The result will be higher premiums for tens of thousands of Hawaiians. Additionally, the birth-control coverage mandate violates the First Amendment’s bar against the “free exercise” of religion. It also violates the Religious Freedom Restoration Act.

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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