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

Date: Friday, February 23, 2018
Time: 11:00 A.M.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.B. 2924, S.D. 1, Relating to Health Insurance

The Department of Taxation (Department) offers the following comments on S.B. 2924, S.D. 1, for the Committee's consideration.

S.B. 2924, S.D. 1, requires qualified taxpayers to obtain and maintain creditable coverage of health insurance and imposes a penalty on any qualified taxpayer that fails to maintain creditable coverage for more than 63 days. The penalty is to be assessed on taxpayers' individual income tax returns. The bill defines creditable coverage by referring to the various plans and sources of coverage that constitute creditable coverage. The bill has a defective effective date of July 1, 2050 and will be repealed on December 31, 2023.

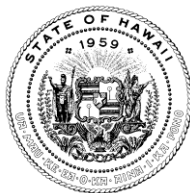
First, the Department notes that it has concerns with its ability to properly administer this penalty. The Department is not an expert on health insurance coverage and will be unable to make sophisticated determinations as to what qualifies as creditable coverage and what does not. The Department notes that the bill empowers the insurance commissioner to review the Department's decisions on the applicability of the penalty. This highlights the Department's concern, as it shows that the Department is not the agency best equipped to determine what qualifies as creditable coverage.

For the above reason, the Department recommends requiring another party to certify to taxpayers that they have creditable coverage. This certification would mimic the federal penalty, which requires insurers to issue a statement to those insured to document their coverage.

Second, the Department notes that the penalty itself is not specified in the bill. The Department recommends defining the calculation and amount of the penalty.

Finally, the Department notes that the definition and description of the taxpayers that are affected is unclear and potentially confusing. The Department recommends revisiting the definition of qualified taxpayers to clarify who the penalty does and does not apply to.

Thank you for the opportunity to provide comments.



DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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CATHERINE P. AWAKUNI COLÓN
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JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON
WAYS AND MEANS

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Friday, February 23, 2018
11:00 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE BILL NO. 2924, S.D. 1, RELATING TO HEALTH INSURANCE.

TO THE HONORABLE DONOVAN M. DELA CRUZ, CHAIR, AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on S.B. 2924, S.D.1, Relating to Health Insurance. My name is Gordon Ito, and I am the Insurance Commissioner (“Commissioner”) for the Department’s Insurance Division (“Division”). The Department appreciates the intent of this bill and submits the following comments.

The purpose of this bill is to establish an individual mandate for certain qualified taxpayers to obtain and maintain health insurance throughout the year.

This bill seeks to stabilize our health insurance market and provides a valuable opportunity to discuss the important issue of maintaining enrollment numbers in health insurance plans.

In Section 3, page 10, lines 5 to 8, the Commissioner is required to “establish a process to determine which health plans shall be considered affordable, for the

purposes of ... section 235- [.]” Instead of establishing a process, assessing affordability should be based upon criteria similar to the individual mandate process implemented by Massachusetts.

Additionally, on page 10, lines 9 to 11, the Commissioner is further required to post on the Division website “the list of health plans deemed to be creditable coverage[.]” If the intent of this language is that the Division maintain a comprehensive list of every insurance plan that would possibly qualify as “creditable coverage,” this task would present significant difficulties for the Division. Many entities that would issue “creditable coverage,” such as all federal government entities, are outside the jurisdiction of the Division.

Finally, on page 11, lines 3 to 7, the Commissioner is empowered to “establish an appeals procedure for enforcement actions taken by the department of taxation under section 235- [.]” The Department submits that it may not be appropriate for the Commissioner to preside over appeals of administrative actions by the Department of Taxation (“DOTAX”), as the Commissioner would then be called upon to review DOTAX’s administrative decisions in matters that are within DOTAX’s scope of expertise.

Thank you for the opportunity to submit written testimony on this measure.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Members, Committee on Ways and Means
Paula Yoshioka

From: Paula Yoshioka, Vice President, Government Relations and External Affairs, The
Queen's Health Systems

Date: February 21, 2018

Hrg: Senate Committee on Ways and Means Hearing; Friday, February 23, 2018 at 11:00
A.M. in Room 211

Re: **Support for SB 2924, SD1, Relating to Health Insurance**

My name is Paula Yoshioka, and I am a Vice President at The Queen's Health Systems (QHS). I would like to express my **support** for the intent of SB 2924, SD1, Relating to Health Insurance. This measure would establish an individual mandate for certain qualified taxpayers to sign up and maintain health insurance throughout the year, or pay a penalty on their individual income tax return.

Across the nation about 20 million more adults have gained coverage through the Affordable Care Act (ACA) and the country has seen the uninsured rate drop by nearly 40 percent or more for every income group.¹ For Hawaii, number of uninsured individuals declined by 46 percent between 2013 and 2016.²

The mission of QHS to provide quality health care services to Native Hawaiians and the people of Hawaii regardless of their ability to pay. QHS is concerned that the dismantling of the ACA would result in thousands of our patients losing coverage. In 2016, QHS absorbed \$55.9 million in Medicaid reimbursement shortfalls that did not cover the full cost of care. As QHS continues to grow and meets the needs of our community, ensuring that our patients have access to health insurance is critical for our health care system.

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

¹ United States Department of Health and Human Services, ASPE Issue Brief, "Affordable Care Act Has Led to Historic, Widespread Increase in Health Insurance Coverage",

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

² United States Census Bureau, "Health Insurance Coverage in the United States: 2016",

<https://www.census.gov/content/dam/Census/library/publications/2017/demo/p60-260.pdf>

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

SB-2924-SD-1

Submitted on: 2/21/2018 1:01:34 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Laurie Field	Testifying for Planned Parenthood Votes Northwest and Hawaii	Support	No

Comments:

Testimony of
Jonathan Ching
Government Relations Specialist

Before:
Senate Committee on Ways and Means
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

February 23, 2018
11:00 a.m.
Conference Room 211

Re: SB2924 SD1, Relating to Health Insurance

Chair Dela Cruz, Vice-Chair Keith-Agaran, and committee members, thank you for this opportunity to provide testimony on SB2924 SD1, which establishes a state-level individual mandate.

Kaiser Permanente Hawai'i SUPPORTS SB2924 SD1

As the committee is aware, significant uncertainties exist in the individual health insurance market. Last year, the federal government eliminated funding of Cost Sharing Reduction (CSR) payments, which drove up premiums for many consumers seeking coverage in Hawai'i and across the nation. Additionally, Congress and President Trump signed into law tax legislation that reduces the federal individual mandate penalty to zero. Both the elimination of the CSR payments and the penalty associated with the individual mandate has resulted in further uncertainty about the future of the individual market in Hawai'i. For this reason, we support the state's efforts to protect and preserve the individual market through the establishment of a state-level individual mandate.

Kaiser Permanente Hawai'i recognizes that a state-level individual mandate is not a panacea to stabilized markets, but is one component that can be used to provide certainty and stability to insurers. Other tools such as an appropriately structured and funded reinsurance program is another step towards reducing individual premiums and promoting stability in the individual market.

Prior to the enactment of the Patient Protection and Affordable Care Act (ACA) in 2010, states attempting to manage guaranteed issue markets without individual coverage mandates experienced rising premiums and fewer options for consumers. With the enactment of the ACA and the federal individual mandate, many more of our residents obtained affordable health insurance. However, the reduction of the ACA's individual mandate penalty to zero have created a lack of certainty and stability, which are the biggest contributors to premium hikes.

Finally, we request the Committee urge the Office of the Attorney General to research whether mandating the changes sought under SB2924 SD1 may have the inadvertent effect of jeopardizing the ongoing existence of the State's Prepaid Health Care Act, given that any substantive changes to the Prepaid Health Care Act can cause the Act to sunset.

We look forward to having the opportunity to work with the Committee to further SB2924 SD1, which we see as the best alternative to an enforced federal mandate. Thank you for the opportunity to testify on this measure.



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

**TESTIMONY FOR SENATE BILL 2924, SENATE DRAFT 1, RELATING TO HEALTH
INSURANCE**

**Senate Committee on Ways and Means
Hon. Donovan M. Dela Cruz, Chair
Hon. Gilbert S.C. Keith-Agaran, Vice Chair**

**Friday, February 23, 2018, 11:00 AM
State Capitol, Conference Room 211**

Honorable Chair Dela Cruz and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in strong support of Senate Bill 2924, SD 1, relating to health insurance.

President Donald Trump and the Republicans who currently control Congress have moved to repeal the Affordable Care Act, recently eliminating the individual mandate at the core of Obamacare in the GOP's heartless tax reform bill enacted at the end of 2017. 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 complete repeal.

Without access to health care, the inalienable rights to life, liberty, and the pursuit of happiness can be neither pursued nor obtained. The recently enacted Republican tax bill effectively repealed the ACA's individual mandate by reducing the tax penalty in the existing law to \$0 or 0 percent of household income above a certain threshold, which will result in increased insurance premiums, weakened insurance markets, and up to 13,000,000 more uninsured citizens by the year 2027, including many working families here in the islands.

Health care is a human right. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance



An Independent Licensee of the Blue Cross and Blue Shield Association

February 23, 2018

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Re: SB 2924, SD1 – Relating to Health Insurance

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments on SB 2924, SD1, which establishes an individual mandate for certain qualified taxpayers to sign up and maintain health insurance throughout the year, or pay a penalty on their individual income tax return. HMSA supports the intent of this Bill.

HMSA commends the Committee for taking a proactive stance in preserving aspects of the Affordable Care Act that were repealed as a result of recent action by the President and Congress. This Bill in particular seeks to make permanent the individual mandate at a state level in order to help maintain the high percentage of individuals who are insured in Hawaii. Additionally, this Bill will help avoid a potentially drastic increase in individual plan rates.

Thank you for allowing us to comment on SB 2924, SD1.

Sincerely,

Pono Chong
Vice-President, Government Relations

SB-2924-SD-1

Submitted on: 2/21/2018 11:25:50 AM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joel Noble	Testifying for Samaritan Ministries International	Comments	No

Comments:

I would like to ask that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry credible coverage. Recently, three other states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for your consideration of your constituents that are members of a health care sharing ministry.

SB-2924-SD-1

Submitted on: 2/21/2018 4:01:04 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Haglund	Testifying for Samaritan Ministries	Comments	No

Comments:

Aloha!

My husband and I are members of Samaritan Ministries which is a health care sharing ministry. We recently had our first child, Makana, and have been so blessed by this ministry which allows members to help pay one another's medical expenses. We had around \$8,000 worth of expenses which included all of the prenatal checkups and the baby's delivery. These bills were shared with Samaritan Ministries and every single dollar was covered by Samaritan Ministries members! Every month we are so blessed we get to send our share to another family who is in need of medical coverage and in this way we all take care of one another. The price we are able to pay per month is significantly lower than what we would have to pay if going through an insurance company. We are a group of Jesus-followers, Christians, who are so thankful we can help to take care of one another through this ministry and would love to continue doing so without being penalized.

My husband and I would like to ask that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry credible coverage. Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. These exemptions are consistent with the Affordable Care Act.

Thank you for the work you are doing to support our community. We are grateful for you!

Much aloha and mahalo,

Jenny and Kawika Haglund

SB-2924-SD-1

Submitted on: 2/21/2018 12:54:17 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gordon Noice	Individual	Comments	No

Comments:

To my representatives-

I request that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry as credible coverage. Recently, three other states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for the consideration of your constituents that are members of a health care sharing ministry.

Thank you, Gordon Noice

SB-2924-SD-1

Submitted on: 2/21/2018 12:59:19 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Iwalani Isbell	Individual	Comments	No

Comments:

To my representatives,

I am requesting that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry credible coverage. Three other states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Please review what MA, MD, VT, WA, and the ACA have implemented as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for the consideration of your constituents that are members of a health care sharing ministry.

Thank you, Iwalani Isbell

SB-2924-SD-1

Submitted on: 2/21/2018 1:32:01 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Hedlund	Individual	Comments	No

Comments:

Dear Legislators, Greetings from the Big Island! As a resident of Hawaii for 37 years and a member of a Health Care Sharing Ministry, I would encourage you to keep Health Care Sharing Ministries in mind and consider amending this legislation to exempt members of Health Care Sharing or consider membership in a Health Care Sharing Ministry as credible coverage. Please consider what MD, VA, WA, VT, the ACA and MA have done to include Health Care Sharing as a viable option. Mahalo nui for your consideration! Sincerely, Steven E. Hedlund

SB-2924-SD-1

Submitted on: 2/21/2018 2:30:36 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristen Levitt	Individual	Comments	No

Comments:

I would like to ask that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry credible coverage. Recently, three other states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for the consideration of your constituents that are members of a health care sharing ministry.

SB-2924-SD-1

Submitted on: 2/21/2018 4:10:10 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Senator Donovan Dela Cruz, Chair, Senator Gilbert Keith-Agaran, Vice Chair, And Members of the Senate Ways and Means Committee

From: Leslie Jones, Kamaaina and Constituent friend

To: Hearing of Senate Ways and Means Committee

Hearing Date: Friday, February 23, 2018 Hearing Time: 11:00 a.m.

Testimony in Opposition to S.B. 2924, SD1 Relating to Health Insurance with suggested amendment

Thank you for this opportunity to testify. As a kamaaina and friend of many constituents and others that would be adversely affected by this bill, I stand in opposition to this measure as currently drafted. While the intent may be praiseworthy, the current draft falls short of protecting all of Hawaii's citizens without an amendment to include certain exemptions that were provided for in the federal Affordable Care Act (ACA) also known as Obamacare.

Due to the high cost of living in Hawaii, affordable health care coverage is a challenge for many in our state. As a result, many citizens have had to seek reputable alternatives to standard health care insurance. These alternatives were provided for in the Affordable Care Act as exemptions or credible alternatives to the requirement for standard health care insurance. One such exemption and/or credible alternative is for health care sharing ministries such as Medishare (founded 1993) and Samaritan Ministries (founded 1994), among others. These health care sharing ministries are low-cost, member organizations wherein the members share each others' eligible medical expenses and have been doing so for nearly a quarter century.

Recently, three states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

For these reasons, please amend S.B. 2924, SD1 Section 2, subparagraph h to include an exemption for members of health care sharing ministries or to consider membership in a health care sharing ministry credible coverage. Thank you again for this opportunity to testify.

SB-2924-SD-1

Submitted on: 2/21/2018 6:54:46 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Najt	Individual	Oppose	No

Comments:

I would like to ask that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry credible coverage. Recently, three other states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Thank you for your attention to this matter,

Brett and Zianne Najt

Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for the consideration of your constituents that are members of a health care sharing ministry.

SB-2924-SD-1

Submitted on: 2/21/2018 7:54:59 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
wade kloefkorn	Individual	Comments	No

Comments:

I ask that you keep sharing ministries, such as Samaritan Ministries, in mind and consider amending the legislation to exempt members of health caresharing coverage. States such as MD,WA,VT & MA have all ready done so for their residents and I ask for your consideration in helping Hawaii to follow suit.

Thank you for your continued commitment and efforts to serve all Hawaii residents well.

Sincerely, WK

Aloha to those who are currently in the process of making a decision for the people of Hawai'i,

My name is Kristie Duarte and I currently qualify with an **exemption** in my taxes from purchasing health insurance. As a current **health care sharing member**, I am **not penalized** when filing taxes. If SB 2924 is not amended, my family will be penalized in 2019 as tax payers in the state of Hawaii.

I am asking you respectfully to please amend SB 2924 so that an **exemption** be made for those involved in a qualified **health care sharing ministry**. This exemption is **currently included in the ACA** so that I am **not penalized** federally when filing our taxes.

In reference to the federal code, USC 5000a, it does state the following exemption for those in health care sharing ministries:

(B) Health care sharing ministry

(i) In general

Such term shall not include any individual for any month if such individual is a member of a health care sharing ministry for the month.

(ii) Health care sharing ministry

The term "health care sharing ministry" means an organization—

(I) which is described in section 501(c)(3) and is exempt from taxation under section 501(a),

(II) members of which share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the State in which a member resides or is employed,

(III) members of which retain membership even after they develop a medical condition,

(IV) which (or a predecessor of which) has been in existence at all times since December 31, 1999, and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999, and

(V) which conducts an annual audit which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request.

I am asking as one who has been born, raised and now is raising her own children here in Hawai'i, on behalf of our religious freedom and rights to be able to have this **exemption** where members of a **qualified health care sharing ministry** care for each other's medical needs rather than having to make payments to a public or private insurance company.

As the federal government has allowed my family to have an **exemption** from purchasing health insurance, please **allow us to continue** to responsibly care for each other's needs through being members of a **health care sharing ministry** without being penalized.

I do not oppose this bill, but am respectfully **asking for amendments** to be made for families across Hawaii who are **responsible health care sharing members** and are caring for the medical needs for those all across America as their own needs are being cared for.

I have attached the USC 5000a code below for your reference.

Respectfully,

Kristie Duarte

EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239 applicable to items and services furnished after Dec. 19, 1989, see section 6202(b)(5) of Pub. L. 101-239, set out as a note under section 162 of this title.

EFFECTIVE DATE

Section applicable to items and services furnished on or after Jan. 1, 1987, see section 9319(f) of Pub. L. 99-509, set out as an Effective Date of 1986 Amendment note under section 1395y of Title 42, The Public Health and Welfare.

CHAPTER 48—MAINTENANCE OF MINIMUM ESSENTIAL COVERAGE

Sec.
5000A. Requirement to maintain minimum essential coverage.

§ 5000A. Requirement to maintain minimum essential coverage

(a) Requirement to maintain minimum essential coverage

An applicable individual shall for each month beginning after 2013 ensure that the individual, and any dependent of the individual who is an applicable individual, is covered under minimum essential coverage for such month.

(b) Shared responsibility payment

(1) In general

If a taxpayer who is an applicable individual, or an applicable individual for whom the taxpayer is liable under paragraph (3), fails to meet the requirement of subsection (a) for 1 or more months, then, except as provided in subsection (e), there is hereby imposed on the taxpayer a penalty with respect to such failures in the amount determined under subsection (c).

(2) Inclusion with return

Any penalty imposed by this section with respect to any month shall be included with a taxpayer's return under chapter 1 for the taxable year which includes such month.

(3) Payment of penalty

If an individual with respect to whom a penalty is imposed by this section for any month—

(A) is a dependent (as defined in section 152) of another taxpayer for the other taxpayer's taxable year including such month, such other taxpayer shall be liable for such penalty, or

(B) files a joint return for the taxable year including such month, such individual and the spouse of such individual shall be jointly liable for such penalty.

(c) Amount of penalty

(1) In general

The amount of the penalty imposed by this section on any taxpayer for any taxable year with respect to failures described in subsection (b)(1) shall be equal to the lesser of—

(A) the sum of the monthly penalty amounts determined under paragraph (2) for months in the taxable year during which 1 or more such failures occurred, or

(B) an amount equal to the national average premium for qualified health plans

which have a bronze level of coverage, provide coverage for the applicable family size involved, and are offered through Exchanges for plan years beginning in the calendar year with or within which the taxable year ends.

(2) Monthly penalty amounts

For purposes of paragraph (1)(A), the monthly penalty amount with respect to any taxpayer for any month during which any failure described in subsection (b)(1) occurred is an amount equal to $\frac{1}{12}$ of the greater of the following amounts:

(A) Flat dollar amount

An amount equal to the lesser of—

(i) the sum of the applicable dollar amounts for all individuals with respect to whom such failure occurred during such month, or

(ii) 300 percent of the applicable dollar amount (determined without regard to paragraph (3)(C)) for the calendar year with or within which the taxable year ends.

(B) Percentage of income

An amount equal to the following 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) with respect to the taxpayer for the taxable year:

(i) 1.0 percent for taxable years beginning in 2014.

(ii) 2.0 percent for taxable years beginning in 2015.

(iii) 2.5 percent for taxable years beginning after 2015.

(3) Applicable dollar amount

For purposes of paragraph (1)—

(A) In general

Except as provided in subparagraphs (B) and (C), the applicable dollar amount is \$695.

(B) Phase in

The applicable dollar amount is \$95 for 2014 and \$325 for 2015.

(C) Special rule for individuals under age 18

If an applicable individual has not attained the age of 18 as of the beginning of a month, the applicable dollar 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.

(D) Indexing of amount

In the case of any calendar year beginning after 2016, the applicable dollar amount shall be equal to \$695, increased by an amount equal to—

(i) \$695, multiplied by

(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting "calendar year 2015" for "calendar year 1992" in subparagraph (B) thereof.

If the amount of any increase under clause (i) is not a multiple of \$50, such increase

shall be rounded to the next lowest multiple of \$50.

(4) Terms relating to income and families

For purposes of this section—

(A) Family size

The family size involved with respect to any taxpayer shall be equal to the number of individuals for whom the taxpayer is allowed a deduction under section 151 (relating to allowance of deduction for personal exemptions) for the taxable year.

(B) Household income

The term “household income” means, with respect to any taxpayer for any taxable year, an amount equal to the sum of—

- (i) the modified adjusted gross income of the taxpayer, plus
- (ii) the aggregate modified adjusted gross incomes of all other individuals who—

(I) were taken into account in determining the taxpayer’s family size under paragraph (1), and

(II) were required to file a return of tax imposed by section 1 for the taxable year.

(C) Modified adjusted gross income

The term “modified adjusted gross income” means adjusted gross income increased by—

- (i) any amount excluded from gross income under section 911, and
- (ii) any amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

(d) Applicable individual

For purposes of this section—

(1) In general

The term “applicable individual” means, with respect to any month, an individual other than an individual described in paragraph (2), (3), or (4).

(2) Religious exemptions

(A) Religious conscience exemption

Such term shall not include any individual for any month if such individual has in effect an exemption under section 1311(d)(4)(H) of the Patient Protection and Affordable Care Act which certifies that such individual is—

- (i) a member of a recognized religious sect or division thereof which is described in section 1402(g)(1), and
- (ii) an adherent of established tenets or teachings of such sect or division as described in such section.

(B) Health care sharing ministry

(i) In general

Such term shall not include any individual for any month if such individual is a member of a health care sharing ministry for the month.

(ii) Health care sharing ministry

The term “health care sharing ministry” means an organization—

(I) which is described in section 501(c)(3) and is exempt from taxation under section 501(a),

(II) members of which share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the State in which a member resides or is employed,

(III) members of which retain membership even after they develop a medical condition,

(IV) which (or a predecessor of which) has been in existence at all times since December 31, 1999, and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999, and

(V) which conducts an annual audit which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request.

(3) Individuals not lawfully present

Such term shall not include an individual for any month if for the month the individual is not a citizen or national of the United States or an alien lawfully present in the United States.

(4) Incarcerated individuals

Such term shall not include an individual for any month if for the month the individual is incarcerated, other than incarceration pending the disposition of charges.

(e) Exemptions

No penalty shall be imposed under subsection (a) with respect to—

(1) Individuals who cannot afford coverage

(A) In general

Any applicable individual for any month if the applicable individual’s required contribution (determined on an annual basis) for coverage for the month exceeds 8 percent of such individual’s household income for the taxable year described in section 1412(b)(1)(B) of the Patient Protection and Affordable Care Act. For purposes of applying this subparagraph, the taxpayer’s household income shall be increased by any exclusion from gross income for any portion of the required contribution made through a salary reduction arrangement.

(B) Required contribution

For purposes of this paragraph, the term “required contribution” means—

(i) in the case of an individual eligible to purchase minimum essential coverage consisting of coverage through an eligible-employer-sponsored plan, the portion of the annual premium which would be paid by the individual (without regard to whether paid through salary reduction or otherwise) for self-only coverage, or

(ii) in the case of an individual eligible only to purchase minimum essential coverage described in subsection (f)(1)(C), the



annual premium for the lowest cost bronze plan available in the individual market through the Exchange in the State in the rating area in which the individual resides (without regard to whether the individual purchased a qualified health plan through the Exchange), reduced by the amount of the credit allowable under section 36B for the taxable year (determined as if the individual was covered by a qualified health plan offered through the Exchange for the entire taxable year).

(C) Special rules for individuals related to employees

For purposes of subparagraph (B)(i), if an applicable individual is eligible for minimum essential coverage through an employer by reason of a relationship to an employee, the determination under subparagraph (A) shall be made by reference to¹ required contribution of the employee.

(D) Indexing

In the case of plan years beginning in any calendar year after 2014, subparagraph (A) shall be applied by substituting for “8 percent” the percentage the Secretary of Health and Human Services determines reflects the excess of the rate of premium growth between the preceding calendar year and 2013 over the rate of income growth for such period.

(2) Taxpayers with income below filing threshold

Any applicable individual for any month during a calendar year if the individual’s household income for the taxable year described in section 1412(b)(1)(B) of the Patient Protection and Affordable Care Act is less than the amount of gross income specified in section 6012(a)(1) with respect to the taxpayer.

(3) Members of Indian tribes

Any applicable individual for any month during which the individual is a member of an Indian tribe (as defined in section 45A(c)(6)).

(4) Months during short coverage gaps

(A) In general

Any month the last day of which occurred during a period in which the applicable individual was not covered by minimum essential coverage for a continuous period of less than 3 months.

(B) Special rules

For purposes of applying this paragraph—

(i) the length of a continuous period shall be determined without regard to the calendar years in which months in such period occur,

(ii) if a continuous period is greater than the period allowed under subparagraph (A), no exception shall be provided under this paragraph for any month in the period, and

(iii) if there is more than 1 continuous period described in subparagraph (A) covering months in a calendar year, the ex-

ception provided by this paragraph shall only apply to months in the first of such periods.

The Secretary shall prescribe rules for the collection of the penalty imposed by this section in cases where continuous periods include months in more than 1 taxable year.

(5) Hardships

Any applicable individual who for any month is determined by the Secretary of Health and Human Services under section 1311(d)(4)(H) to have suffered a hardship with respect to the capability to obtain coverage under a qualified health plan.

(f) Minimum essential coverage

For purposes of this section—

(1) In general

The term “minimum essential coverage” means any of the following:

(A) Government sponsored programs

Coverage under—

(i) the Medicare program under part A of title XVIII of the Social Security Act,

(ii) the Medicaid program under title XIX of the Social Security Act,

(iii) the CHIP program under title XXI of the Social Security Act,

(iv) medical coverage under chapter 55 of title 10, United States Code, including coverage under the TRICARE program;²

(v) a health care program under chapter 17 or 18 of title 38, United States Code, as determined by the Secretary of Veterans Affairs, in coordination with the Secretary of Health and Human Services and the Secretary,

(vi) a health plan under section 2504(e) of title 22, United States Code (relating to Peace Corps volunteers);² or

(vii) the Nonappropriated Fund Health Benefits Program of the Department of Defense, established under section 349 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 10 U.S.C. 1587 note).

(B) Employer-sponsored plan

Coverage under an eligible employer-sponsored plan.

(C) Plans in the individual market

Coverage under a health plan offered in the individual market within a State.

(D) Grandfathered health plan

Coverage under a grandfathered health plan.

(E) Other coverage

Such other health benefits coverage, such as a State health benefits risk pool, as the Secretary of Health and Human Services, in coordination with the Secretary, recognizes for purposes of this subsection.

(2) Eligible employer-sponsored plan

The term “eligible employer-sponsored plan” means, with respect to any employee, a

¹ So in original. Probably should be followed by “the”.

² So in original. The semicolon probably should be a comma.

group health plan or group health insurance coverage offered by an employer to the employee which is—

(A) a governmental plan (within the meaning of section 2791(d)(8) of the Public Health Service Act), or

(B) any other plan or coverage offered in the small or large group market within a State.

Such term shall include a grandfathered health plan described in paragraph (1)(D) offered in a group market.

(3) Excepted benefits not treated as minimum essential coverage

The term “minimum essential coverage” shall not include health insurance coverage which consists of coverage of excepted benefits—

(A) described in paragraph (1) of subsection (c) of section 2791 of the Public Health Service Act; or

(B) described in paragraph (2), (3), or (4) of such subsection if the benefits are provided under a separate policy, certificate, or contract of insurance.

(4) Individuals residing outside United States or residents of territories

Any applicable individual shall be treated as having minimum essential coverage for any month—

(A) if such month occurs during any period described in subparagraph (A) or (B) of section 911(d)(1) which is applicable to the individual, or

(B) if such individual is a bona fide resident of any possession of the United States (as determined under section 937(a)) for such month.

(5) Insurance-related terms

Any term used in this section which is also used in title I of the Patient Protection and Affordable Care Act shall have the same meaning as when used in such title.

(g) Administration and procedure

(1) In general

The penalty provided by this section shall be paid upon notice and demand by the Secretary, and except as provided in paragraph (2), shall be assessed and collected in the same manner as an assessable penalty under subchapter B of chapter 68.

(2) Special rules

Notwithstanding any other provision of law—

(A) Waiver of criminal penalties

In the case of any failure by a taxpayer to timely pay any penalty imposed by this section, such taxpayer shall not be subject to any criminal prosecution or penalty with respect to such failure.

(B) Limitations on liens and levies

The Secretary shall not—

(i) file notice of lien with respect to any property of a taxpayer by reason of any failure to pay the penalty imposed by this section, or

(ii) levy on any such property with respect to such failure.

(Added and amended Pub. L. 111-148, title I, § 1501(b), title X, § 10106(b)-(d), Mar. 23, 2010, 124 Stat. 244, 909, 910; Pub. L. 111-152, title I, §§ 1002, 1004(a)(1)(C), (2)(B), Mar. 30, 2010, 124 Stat. 1032, 1034; Pub. L. 111-159, § 2(a), Apr. 26, 2010, 124 Stat. 1123; Pub. L. 111-173, § 1(a), May 27, 2010, 124 Stat. 1215.)

REFERENCES IN TEXT

The Patient Protection and Affordable Care Act, referred to in subssecs. (d)(2)(A), (e)(1)(A), (2), and (f)(5), is Pub. L. 111-148, Mar. 23, 2010, 124 Stat. 119. Title I of the Act enacted chapter 157 of Title 42, The Public Health and Welfare, and enacted, amended, and transferred numerous other sections and notes in the Code. Sections 1311(d)(4)(H) and 1412(b)(1)(B) of the Act are classified to sections 18031(d)(4)(H) and 18082(b)(1)(B), respectively, of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 18001 of Title 42 and Tables.

The Social Security Act, referred to in subsec. (f)(1)(A)(i) to (iii), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Part A of title XVIII of the Act is classified generally to part A (§ 1395 et seq.) of subchapter XVIII of chapter 7 of Title 42, The Public Health and Welfare. Titles XIX and XXI of the Act are classified generally to subchapters XIX (§ 1396 et seq.) and XXI (§ 1397aa et seq.), respectively, of chapter 7 of Title 42. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

Section 2791 of the Public Health Service Act, referred to in subsec. (f)(2)(A), (3), is classified to section 300gg-91 of Title 42, The Public Health and Welfare.

AMENDMENTS

2010—Subsec. (b)(1). Pub. L. 111-148, § 10106(b)(1), amended par. (1) generally. Prior to amendment, text read as follows: “If an applicable individual fails to meet the requirement of subsection (a) for 1 or more months during any calendar year beginning after 2013, then, except as provided in subsection (d), there is hereby imposed a penalty with respect to the individual in the amount determined under subsection (c).”

Subsec. (c)(1), (2). Pub. L. 111-148, § 10106(b)(2), amended pars. (1) and (2) generally. Prior to amendment pars. (1) and (2) related to the amount of and dollar limitations on penalty for failure to maintain minimum essential coverage.

Subsec. (c)(2)(B). Pub. L. 111-152, § 1002(a)(1)(A), inserted “the excess of” before “the taxpayer’s household income” and “for the taxable year over the amount of gross income specified in section 6012(a)(1) with respect to the taxpayer” before “for the taxable year” in introductory provisions.

Subsec. (c)(2)(B)(i). Pub. L. 111-152, § 1002(a)(1)(B), substituted “1.0” for “0.5”.

Subsec. (c)(2)(B)(ii). Pub. L. 111-152, § 1002(a)(1)(C), substituted “2.0” for “1.0”.

Subsec. (c)(2)(B)(iii). Pub. L. 111-152, § 1002(a)(1)(D), substituted “2.5” for “2.0”.

Subsec. (c)(3)(A). Pub. L. 111-152, § 1002(a)(2)(A), substituted “\$695” for “\$750”.

Subsec. (c)(3)(B). Pub. L. 111-152, § 1002(a)(2)(B), substituted “\$325” for “\$495”.

Pub. L. 111-148, § 10106(b)(3), substituted “\$495” for “\$350”.

Subsec. (c)(3)(D). Pub. L. 111-152, § 1002(a)(2)(C), substituted “\$695” for “\$750” in introductory provisions and cl. (i).

Subsec. (c)(4)(B)(i), (ii). Pub. L. 111-152, § 1004(a)(1)(C), substituted “modified adjusted gross” for “modified gross”.

Subsec. (c)(4)(C). Pub. L. 111-152, § 1004(a)(2)(B), amended subpar. (C) generally. Prior to amendment, text read as follows: “The term ‘modified gross income’ means gross income—

“(i) decreased by the amount of any deduction allowable under paragraph (1), (3), (4), or (10) of section 62(a).

“(ii) increased by the amount of interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, and

“(iii) determined without regard to sections 911, 931, and 933.”

Subsec. (c)(4)(D). Pub. L. 111-152, §1002(b)(1), struck out subpar. (D). Text read as follows:

“(i) IN GENERAL.—The term ‘poverty line’ has the meaning given that term in section 2110(c)(5) of the Social Security Act (42 U.S.C. 1397j(c)(5)).

“(ii) POVERTY LINE USED.—In the case of any taxable year ending with or within a calendar year, the poverty line used shall be the most recently published poverty line as of the 1st day of such calendar year.”

Subsec. (d)(2)(A). Pub. L. 111-148, §10106(c), amended subpar. (A) generally. Prior to amendment, text read as follows: “Such term shall not include any individual for any month if such individual has in effect an exemption under section 1311(d)(4)(H) of the Patient Protection and Affordable Care Act which certifies that such individual is a member of a recognized religious sect or division thereof described in section 1402(g)(1) and an adherent of established tenets or teachings of such sect or division as described in such section.”

Subsec. (e)(1)(C). Pub. L. 111-148, §10106(d), amended subpar. (C) generally. Prior to amendment, text read as follows: “For purposes of subparagraph (B)(i), if an applicable individual is eligible for minimum essential coverage through an employer by reason of a relationship to an employee, the determination shall be made by reference to the affordability of the coverage to the employee.”

Subsec. (e)(2). Pub. L. 111-152, §1002(b)(2), substituted “below filing threshold” for “under 100 percent of poverty line” in heading and “the amount of gross income specified in section 6012(a)(1) with respect to the taxpayer,” for “100 percent of the poverty line for the size of the family involved (determined in the same manner as under subsection (b)(4)).” in text.

Subsec. (f)(1)(A)(iv). Pub. L. 111-159, §2(a)(1), added cl. (iv) and struck out former cl. (iv) which read as follows: “the TRICARE for Life program.”

Subsec. (f)(1)(A)(v). Pub. L. 111-173, §1(a), amended cl. (v) generally. Prior to amendment, cl. (v) read as follows: “the veteran’s health care program under chapter 17 of title 38, United States Code.”

Subsec. (f)(1)(A)(vii). Pub. L. 111-159, §2(a)(2)-(4), added cl. (vii).

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-173, §1(b), May 27, 2010, 124 Stat. 1215, provided that: “The amendment made by subsection (a) [amending this section] shall take effect as if included in section 1501(b) of the Patient Protection and Affordable Care Act [Pub. L. 111-148].”

Pub. L. 111-159, §2(b), Apr. 26, 2010, 124 Stat. 1123, provided that: “The amendments made by this section [amending this section] shall take effect as if included in section 1501(b) of the Patient Protection and Affordable Care Act [Pub. L. 111-148] and shall be executed immediately after the amendments made by such section 1501(b).”

EFFECTIVE DATE

Pub. L. 111-148, title I, §1501(d), Mar. 23, 2010, 124 Stat. 249, provided that: “The amendments made by this section [enacting this section and section 18091 of Title 42, The Public Health and Welfare] shall apply to taxable years ending after December 31, 2013.”

CHAPTER 49—COSMETIC SERVICES

Sec. 5000B. Imposition of tax on indoor tanning services.

PRIOR PROVISIONS

A prior chapter 49, added Pub. L. 111-148, title IX, §9017(a), Mar. 23, 2010, 124 Stat. 872, which related to

elective cosmetic medical procedures and consisted of section 5000B, was not set out in the Code in view of Pub. L. 111-148, title X, §10907(a), Mar. 23, 2010, 124 Stat. 1020, which provided that the amendments made by section 9017 of Pub. L. 111-148 were deemed null, void, and of no effect.

§ 5000B. Imposition of tax on indoor tanning services

(a) In general

There is hereby imposed on any indoor tanning service a tax equal to 10 percent of the amount paid for such service (determined without regard to this section), whether paid by insurance or otherwise.

(b) Indoor tanning service

For purposes of this section—

(1) In general

The term “indoor tanning service” means a service employing any electronic product designed to incorporate 1 or more ultraviolet lamps and intended for the irradiation of an individual by ultraviolet radiation, with wavelengths in air between 200 and 400 nanometers, to induce skin tanning.

(2) Exclusion of phototherapy services

Such term does not include any phototherapy service performed by a licensed medical professional.

(c) Payment of tax

(1) In general

The tax imposed by this section shall be paid by the individual on whom the service is performed.

(2) Collection

Every person receiving a payment for services on which a tax is imposed under subsection (a) shall collect the amount of the tax from the individual on whom the service is performed and remit such tax quarterly to the Secretary at such time and in such manner as provided by the Secretary.

(3) Secondary liability

Where any tax imposed by subsection (a) is not paid at the time payments for indoor tanning services are made, then to the extent that such tax is not collected, such tax shall be paid by the person who performs the service.

(Added Pub. L. 111-148, title X, §10907(b), Mar. 23, 2010, 124 Stat. 1020.)

PRIOR PROVISIONS

A prior section 5000B, added Pub. L. 111-148, title IX, §9017(a), Mar. 23, 2010, 124 Stat. 872, which related to tax on elective cosmetic medical procedures, and section 9017(c) of Pub. L. 111-148, which provided that the amendments made by section 9017 of Pub. L. 111-148 were applicable to procedures performed on or after Jan. 1, 2010, were not set out in the Code in view of Pub. L. 111-148, title X, §10907(a), Mar. 23, 2010, 124 Stat. 1020, which provided that the provisions of, and amendments made by, section 9017 of Pub. L. 111-148 were deemed null, void, and of no effect.

EFFECTIVE DATE

Pub. L. 111-148, title X, §10907(d), Mar. 23, 2010, 124 Stat. 1021, provided that: “The amendments made by

Aloha,

My name is Trever Duarte and I am asking you to amend SB 2924 S.D. 1 to provide an exemption for members who are part of a health care sharing ministry.

Current Exemption in State of Hawaii- Employees

The State of Hawaii currently allows employees in form HC-5- 2018 (see page 2) to be exempt from employer provided health insurance coverage under the current exemptions:

- a. covered by a Federally established health insurance or prepaid health care plan, such as Medicare, Medicaid or medical care benefits provided for military dependents and military retirees and their dependents.
- b. covered as a dependent under a qualified health care plan.
- c. a recipient of public assistance or covered by a State-legislated health care plan governing medical assistance.
- d. a follower of a religious group who depends upon prayer or other spiritual means for healing.

I am asking for you to respect letter d. and provide an exemption for those who depend on prayer or other spiritual means for healing. Being a member of a health care sharing ministry, allows me to deny coverage from my employer which provides a private health insurance company, and depend on other members in the health care sharing ministry for healing.

Similar Bills Nationwide Include This Exemption

Three other states (Maryland S1011, Washington S6084 and Vermont H696) have all introduced a similar bill such as SB 2924 S.D.1, but all have included language that states that members of a health care sharing ministry are not subject to this individual mandate.

I ask as a tax payer of Hawaii and a responsible citizen of Hawai'i, that you amend your bill to include an exemption for health care sharing ministries.

Current Exemption Request- Approved at Federal level

These exemptions are consistent with the Affordable Care Act [26 United States Code Section 500A, (d), (2), (B)] and have allowed my family to be exempt from penalties when filing our taxes federally.

I humbly ask that you include this exemption at a State level beginning in 2019.

Mahalo,

Trever Duarte



HC-5 (Rev.09/17)

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DISABILITY COMPENSATION DIVISION
 Princess Keelikolani Building, 830 Punchbowl Street, Room 209, Honolulu, Hawaii 96813
FORM HC-5 EMPLOYEE NOTIFICATION TO EMPLOYER FOR CALENDAR YEAR 2018

Use this form if the employee works at least 20 hours per week and:

- Works for 2 or more employers** or
- Claims an exemption or waiver from health care coverage or
- Terminates an exemption or
- Changes principal and/or secondary employer designation**

THIS SECTION IS FOR THE EMPLOYER TO COMPLETE.

Employer name _____ DOL account number _____
 Address _____ Phone no. _____

See employee's selection below and take appropriate action. **Give a copy of this completed form to the employee.** Keep this completed, signed form on file for 2 years. **The employee's selection below is applicable only within calendar year 2018.** If the employee will be renewing the selection after 2018, have the employee complete the form for the appropriate year.

FOR THE EMPLOYEE TO COMPLETE:

Do **not** use this form if: • You work for only 1 employer and that employer provides you with health care coverage or
 • You work less than 20 hours per week for your employer

In accordance with the provisions of the Hawaii Prepaid Health Care Act (Chapter 393, Hawaii Revised Statutes), this is to notify my employer that: (Check appropriate box.)

1. Of the two or more concurrent employers that I work for (at least 20 hours a week), you have been selected as the **principal**** employer and are required to provide me health care coverage (Section 393-6).
****The principal employer is the employer who pays the employee the most wages. However, if the employee works for 1 employer at least 35 hours per week and that employer does not pay the employee the most wages, the employee chooses the principal employer.**

2. Of the two or more concurrent employers that I work for (at least 20 hours a week), you have been selected as the **secondary**** employer and are therefore relieved of the responsibility to provide me health care coverage until you are otherwise notified (Section 393-16).

3. I am **exempt** from health care coverage because I am: (Check appropriate box.) (Sections 393-17 and 393-22)

- a. covered by a Federally established health insurance or prepaid health care plan, such as Medicare, Medicaid or medical care benefits provided for military dependents and military retirees and their dependents.
- b. covered as a dependent (e.g. spouse, child, etc.) under a qualified health care plan.
- c. a recipient of public assistance or covered by a State-legislated health care plan governing medical assistance (e.g. MedQuest).
- d. a follower of a religious group who depends upon prayer or other spiritual means for healing.

4. I waive coverage from my employer's health care plan because I have obtained the plan named _____ from the health care plan contractor named _____.
 I understand this waiver is binding for the 2018 calendar year. I submitted a copy of my plan to my employer to forward to the Department of Labor and Industrial Relations with this form. (Section 393-21).

5. The coverage exemption/waiver previously indicated in items 2, 3 or 4 is no longer applicable; you are therefore required to provide me health care coverage (Section 393-18).
 Requested effective date of coverage: _____.

Print employee name _____ Employee signature _____
 Address _____ Phone no. _____ Date _____

Keep a copy of your completed, signed form for yourself. **RETURN COMPLETED FORM TO EMPLOYER.**

Call (808) 586-9188 with any questions about this form.

Auxiliary aids and services are available upon request. Please call: (808) 586-9188; TTY (808) 586-8844; TTY neighbor islands (888) 569-6859. A request for reasonable accommodation(s) should be made no later than ten working days prior to the needed accommodation(s). Important Notice about Language Assistance: This document contains important information. If you need language assistance at no cost to you, please contact us by phone or in person immediately. It is the policy of the Department of Labor and Industrial Relations that no person shall, on the basis of race, color, sex, marital status, religion, creed, ethnic origin, national origin, age, disability, ancestry, arrest/court record, sexual orientation, and National Guard participation, be subjected to discrimination, excluded from participation in, or denied the benefits of the Department's services, programs, activities, or employment.

SB-2924-SD-1

Submitted on: 2/21/2018 10:08:53 PM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Rohr	Individual	Comments	No

Comments:

I would like to ask that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries, or consider membership in a health care sharing ministry credible coverage. Recently, three other states have introduced insurance mandate legislation: Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for the consideration of your constituents that are members of a health care sharing ministry.

Steve Rohr

SB-2924-SD-1

Submitted on: 2/22/2018 8:00:47 AM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Josh Levitt	Individual	Comments	No

Comments:

I would like to ask that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry credible coverage. Recently, three other states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for the consideration of your constituents that are members of a health care sharing ministry.

SB-2924-SD-1

Submitted on: 2/22/2018 9:16:29 AM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
lynette tamplin	Individual	Comments	No

Comments:

I would like to ask that you keep health care sharing ministries in mind and consider amending the legislation to exempt members of health care sharing ministries or consider membership in a health care sharing ministry credible coverage. Recently, three other states have introduced insurance mandate legislation, Maryland, Washington, and Vermont. MD S1011, WA S6084 and VT H696 have included language that states that members of a health care sharing ministry are not subject to the individual mandate. These exemptions are consistent with the Affordable Care Act [26 United States Code Section 5000A, (d), (2), (B)] and Massachusetts regulation, 956 CMR 5.03:(3)(a)3.

Please consider what MD, WA, VT, the ACA, and MA have already done as it relates to exempting health care sharing ministry members. I appreciate the hard work you are doing for the residents of Hawaii, and I thank you for the consideration of your constituents that are members of a health care sharing ministry.

SB-2924-SD-1

Submitted on: 2/22/2018 9:28:19 AM

Testimony for WAM on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Billie McRill	Individual	Oppose	No

Comments:

I would like to request you keep healthcare ministries in mind and considering amending the legislation to exempt members of healthcare sharing ministries or consider healthcare ministries as a credible coverage. Recently Maryland Washington and Vermont have introduce healthcare mandates. However they each stated that healthcare ministries were to be exempt from the mandate. Thank you mandate. Thank you for the work you do for the Hawaiian residents. I appreciate all your efforts and thank you for considering this and the work you do for your constituents that utilize healthcare ministries.