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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce and Consumer Protection
Wednesday, February 22, 2023
9:35 a.m.**

State Capitol, Conference Room 229 and via Videoconference

**On the following measure:
S.B. 64, S.D. 1 RELATING TO MEDICARE SUPPLEMENT INSURANCE**

Written Testimony Only

Chair Keohokalole and Members of the Committee:

My name is Gordon Ito, and I am the Insurance Commissioner for the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department opposes this bill.

The purpose of this bill is to require issuers of Medigap insurance in the State to accept an eligible individual's application for coverage at any time throughout the year and prohibits issuers from denying the applicant a Medigap policy or certificate or make any premium rate distinctions because of health status and requires the Insurance Commissioner to amend or adopt rules accordingly.

We caution that this bill is likely to lead to an upward pressure on premiums for Medicare Supplement insurance for the approximately 10,000 Hawaii seniors who are enrolled today.

Maintaining reasonable eligibility standards and underwriting criteria help insurance issuers to maintain solvency and control the costs of premiums charged to consumers.

We note that the Medicare Supplement insurers are already required to offer an open enrollment period upon initial eligibility for Medicare and then a guarantee issue period for those who find themselves in a special circumstance.

Thank you for the opportunity to testify on this bill.

SB-64-SD-1

Submitted on: 2/18/2023 12:12:02 AM

Testimony for CPN on 2/22/2023 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
B.A. McClintock	Individual	Support	Written Testimony Only

Comments:

The more we can simplify these services for kupuna the better. Please support this bill.

SB-64-SD-1

Submitted on: 2/18/2023 2:20:24 PM

Testimony for CPN on 2/22/2023 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Minister, Hector Hoyos (aka) SisterFace	Individual	Support	Written Testimony Only

Comments:

Alohas Committee,

I fully support medicare receivers to get any support they can in our state of Hawaii with the system we have in Medicaid or any gap not covered that should be covered by an insurance company or medical provider

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SB-64-SD-1

Submitted on: 2/21/2023 1:38:40 PM
Testimony for CPN on 2/22/2023 9:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Adam Zarrin	Testifying for Leukemia & Lymphoma Society	Support	Written Testimony Only

Comments:

Chair and members of the Committee.

I am Adam Zarrin, the Director of State Government Affairs for the Leukemia & Lymphoma Society. Our mission is to cure blood cancers and improve the quality of life of patients and their families.

On behalf of blood cancer patients and their families, we testify in support of SB 64.

As you know, aging Americans usually enroll in a Medicare-type program when they reach 65. Those who pick Medicare Parts A and B will find no annual out-of-pocket spending limit for their major medical coverage.

So, many turn to supplemental coverage to reduce those out-of-pocket costs.

This coverage is critical for blood cancer patients. Cancer treatment is expensive. Patients pay tens of thousands of dollars in out-of-pocket expenses each year.

Unfortunately, no ACA patient protections exist in Medicare Supplement Insurance or Medigap.

And the only time a Medigap plan is guaranteed to be available is in a six-month window right when you turn 65. After that, the plan can discriminate against people with serious or chronic health conditions.

That means no coverage at all or higher premiums for seniors with pre-existing conditions.

SB64 can stop that practice.

The bill reduces discrimination, creates choices for patients, and cuts bad debts for health systems.

And that means more patients will have affordable access to these plans.

Again, we thank the sponsors for bringing this important piece of legislation. And we appreciate the members' time and consideration of this matter and hope you will support this bill on behalf of blood cancer patients.

Thank you.