

**Testimony to the House Committee on Finance
Tuesday, April 2, 2013 at 2:00 P.M.
Conference Room 308, State Capitol**

LATE

RE: SB 668, SD2 HD1– Relating to Health

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") does not support SB 668, SD2 – Relating to Health in mandating these benefits at this time. We believe further study is required.

The Chamber is the largest business organization in Hawaii, representing over 1000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

We appreciate the intent of the bill to help those with autism spectrum disorders. However, the Chamber has several concerns with the bill.

- The findings of the 2009 Auditor’s report on similar legislation that has concerns on the enactment of a mandated benefit.
- Presently these services are already being offered by the Departments of Education and Health.
- The projected cost could be at least \$70 million per year if not more for private sector companies.

We strongly urge this committee to implement the recommendations of the Legislative Reference Bureau study requested by HCR 177, HD2, SD1 in 2012. Specifically the recommendation to commission an independent actuarial analysis which will help project the cost of this mandated benefit. Also, we highly suggest that the Legislature ask the affected agencies to conduct an analysis what would be the additional cost per this mandate. Based on testimony from government agencies it could cost the state and county governments at least an additional \$80 million per year.

While we understand problems facing our community, we do not believe that business should be the group responsible for paying for this mandated benefit. Ninety percent of the cost of an employee’s health care premium is paid for by the employer. Most employers would be unable to pass this new cost onto the consumer. Please keep in mind that this would be in addition to the already annual increase in health care premiums of 7-10% each year.

Thank you for the opportunity to testify.