



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

STATE OF HAWAII
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CATHERINE P. AWAKUNI COLÓN
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TO THE SENATE COMMITTEE ON WAYS AND MEANS

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015
Tuesday, April 7, 2015
1:35 p.m.

WRITTEN TESTIMONY ONLY

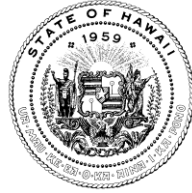
TESTIMONY ON HOUSE BILL NO. 576, H.D. 1, S.D. 1 – RELATING TO THE STATE AFFORDABLE CARE ACT INNOVATION WAIVER.

TO THE HONORABLE JILL TOKUDA, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports this bill.

The purpose of this bill is to narrow the scope of work of the State Innovation Waiver Task Force established by Act 158, Session Laws of Hawaii 2014, to conform with the requirements of the Patient Protection and Affordable Care Act of 2010 Section 1332 (waiver for state innovation), and provide the resources to carry out the timely development of a waiver as mandated by Act 158.

We thank this Committee for the opportunity to present testimony on this matter.



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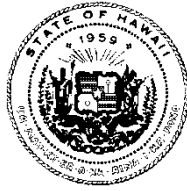
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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

April 7, 2015

Memorandum

TO: The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means

FROM: Rachael Wong, DrPH, Director

SUBJECT: **H.B. 576 HD1SD1 - RELATING TO THE STATE
AFFORDABLE CARE ACT INNOVATION WAIVER**

Hearing: Tuesday, April 7, 2015; 1:35 p.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of the bill is to appropriate funds to develop a waiver from certain provisions of the federal Patient Protection and Affordable Care Act of 2010; and narrows the scope of work of the state innovation waiver task force.

DEPARTMENT'S POSITION:

The Department of Human Services (DHS) supports the intent of the measure to the extent passage does not replace or adversely impact priorities indicated in the Executive Budget. Participation on the Innovation Waiver Task Force provides the DHS with the opportunity to contribute to development of the waiver.

Thank you for the opportunity to testify on this bill.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Tuesday, April 7, 2015 at 1:35 P.M.
Conference Room 211, State Capitol**

**RE: HOUSE BILL 576 HD1 SD1 RELATING TO THE STATE AFFORDABLE CARE
ACT INNOVATION WAIVER**

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** HB 576 HD1 SD1, appropriates funds to develop a waiver from certain provisions of the federal Patient Protection and Affordable Care Act of 2010. Also narrows scope of work of the state innovation waiver task force.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 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.

Hawaii's innovation in health care has led it to be the only state with a mandated health care policy. While the Hawaii Prepaid Health Care Act has provided affordable health coverage to individuals, ACA has been very expensive in time and money for businesses in Hawaii. We believe this bill helps the state in being focused and successful in obtaining a waiver and minimizing the impact of ACA on employers.

Thank you for the opportunity to testify.



April 7, 2015

The Honorable Jill Tokuda, Chair
The Honorable Ronald Kouchi, Vice Chair
Senate Committee on Ways and Means

Re: HB 576 HD1 SD1– Relating to Health

Dear Chair Tokuda, Vice Chair Kouchi and Members of the Committee:

The Hawai'i Association of Health Plans (HAHP) respectfully submits comments supporting HB 576 HD1 SD1, which seeks to continue work initiated by the State Innovation Waiver Task Force towards developing a health care reform plan that meets the requirements for obtaining a state innovation waiver that complies with the Affordable Care Act (ACA) of 2009.

HAHP appreciates the Committee's commitment to investing in the work of the Task Force. As you know, Hawaii leads the country in having the lowest number of uninsured residents thanks to the Hawaii Prepaid Health Care Act (PHCA); therefore, the efforts of the Task Force to preserve the PHCA while also adhering to the ACA's goals and directives are essential.

The innovation waiver application drafted by the Task Force can show the nation how Hawaii's already successful PHCA is best able to co-exist with and complement the ACA. Consequently, it is imperative that the Task Force includes participation by and receive sufficient support from all parties in the health care system.

We appreciate your consideration of our comments and for allowing HAHP to testify in support of HB 576 HD1 SD1.

Sincerely,

Wendy Morriarty
Chair, HAHP Public Policy Committee

Cc: HAHP Board Members



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Ways and Means

The Hon. Jill N. Tokuda, Chair

The Hon. Ronald D. Kouchi, Vice Chair

Testimony on House Bill 576 HD1 SD1
Relating to the State Affordable Care Act Innovation Waiver
Submitted by Nani Medeiros, Public Affairs and Policy Director
April 7, 2015, 1:35 pm, Room 211

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 576, which provides resources for the creation of a state innovation waiver.

In 2014, the legislature passed Act 158 establishing a state innovation task force that would devise a health care reform plan that would both comply with provisions of the Affordable Care Act and improve the overall functioning of the healthcare system in Hawaii. House Bill 576 seeks to build on that by providing the resources for the formal drafting of this vital plan.

Thank you for the opportunity to testify.



Tuesday, April 7, 2015 – 1:35 p.m.
Conference Room #211

Senate Committee on Ways and Means

To: Sen. Jill Tokuda, Chair
Sen. Ron Kouchi, Vice Chair

From: George Greene, President & CEO
Healthcare Association of Hawaii

Re: Testimony in Support
HB576 HD1 SD1 — Relating to the State Affordable Care Act (ACA) Innovation Waiver

The Healthcare Association of Hawaii (HAH) is a 160 member organization that includes all of the acute care hospitals in Hawaii, the majority of long term care facilities, all the Medicare-certified home health agencies, all hospice programs, as well as other healthcare organizations including durable medical equipment, air and ground ambulance, blood bank and respiratory therapy. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

Thank you for the opportunity to testify in **support** of HB576 HD1 SD1, which provides resources to develop a waiver from certain provisions of the Patient Protection and Affordable Care Act. The ACA waiver is an important tool that allows states to amend provisions of the ACA to better support unique circumstances that exist in their healthcare market.

With the passage of Act 158 (SLH 2014), the Healthcare Association of Hawaii was an active participant in the deliberations of the State ACA Innovation Waiver Task Force, and concurs with the findings and recommendations outlined in the report submitted to the legislature. While this task force is not set to be dissolved until 2017, it is clear that resources are sorely needed by the Office of the Governor to meet all the specified requirements and recommendations for the waiver proposal for consideration by the legislature.

Thank you for the opportunity to testify in support of HB576 HD1 SD1.



April 7, 2015

The Honorable Jill N. Tokuda, Chair
The Honorable Ronald D. Kouchi, Vice Chair
Senate Committee on Ways and Means

Re: HB 576, HD1, SD1 – Relating to the State Affordable Care Act Innovation Waiver

Dear Chair Tokuda, Vice Chair Kouchi and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 576, HD1, SD1, which is intended to provide funding to complete the work of the State Innovation Waiver Task Force. HMSA supports this Bill.

Even before the Affordable Care Act (ACA), the people of Hawaii already benefitted from a successful health insurance model. We had amongst the lowest uninsured populations and lowest health insurance rates in the nation. We had been doing so well because of the State Prepaid Health Care Act (PHCA).

We truly believe in the primary goal of the ACA – to ensure universal health care coverage in a cost-effective way. But, as we look at ways to reach that goal, it is important that we protect the PHCA and build upon it with an efficient ACA system.

The Task Force offers an opportunity for the State to show the federal government how the PHCA already accomplishes much of the ACA's goals. The innovation waiver application drafted by the Task Force can show the nation how Hawaii's already successful PHCA is best able to co-exist with and complement the ACA. Consequently, it is imperative that the Task Force includes participation by and receive sufficient support from all parties in the health care system. And, HB 576, HD1, SD1, is an expression of the State's commitment to this effort.

Thank you for the opportunity to testify in support of HB 576, HD1, SD1. Passage of this Bill by the Committee is appreciated.

Sincerely,

Jennifer Diesman
Vice President
Government Relations



THE QUEEN'S HEALTH SYSTEMS

To: Chair Jill N. Tokuda
Vice Chair Ronald D. Kouchi
Senate Committee on Ways and Means

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

Re: HB 576 HD 1 SD 1, Relating to the State *Affordable Care Act* Innovation Waiver
Hearing—April 7, 2015 at 1:35 PM

The Queen's Health Systems would like to express support for HB 576 HD 1 SD 1, relating to the state of Hawaii's *Affordable Care Act* Innovation Waiver Task Force.

The *Affordable Care Act (ACA)* has expanded access to high-quality, affordable health care to millions of Americans. The *ACA* also includes a number of initiatives allowing states and providers to innovate ways to increase the quality of care while reducing costs. One of those initiatives is the State Innovation Waiver, which will allow states to implement their own health reform approaches to best fit the needs of their residents.

Supporting the State Innovation Waiver Task Force will allow Hawaii to remain at the forefront of health policy innovation, helping to set examples for the rest of the country. We have full confidence that the current task force members are dedicated to ensuring that any waiver submitted will ensure high-quality, affordable care for our residents. We urge you to support our State Innovation Waiver Task Force.

Thank you for your time and consideration of this matter.

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.