

HMSA



Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

LATE TESTIMONY

February 14, 2008

The Honorable Tommy Waters, Chair
The Honorable Blake K. Oshiro, Vice Chair

House Committee on Judiciary

Re: HB 2256 HD1 – Relating to Insurance

Dear Chair Waters, Vice Chair Oshiro and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2256 HD1 which would exempt small health plans that occupy less than five per cent of the health care market from adhering to a portion of the Insurance Code dealing with unfair methods of competition and unfair or deceptive acts or practices. HMSA opposes this measure in its current form.

Unfortunately, the current language of this measure would allow health plans with less than a five percent share of the local market to engage in an activity that would be prohibited for many of the health plans in the state, including HMSA. We believe that this would create an unlevel playing field.

If it is the Committee's will to move this measure forward we would request a small amendment to ensure that the measure applies equally to all health plans and that all are regulated fairly. This would be accomplished by removing language which refers to a plan's market share so that Page 6, Lines 17 – 20 read as follows:

provided that this subparagraph shall not apply to any accident or sickness insurer.

This would ensure that all health plans in the State are operating under the same regulatory guidelines. Thank you for the opportunity to testify on HB 2256 HD1.

Sincerely,

Jennifer Diesman
Director, Government Relations