

The Twenty-Fifth Legislature
Regular Session of 2009

HOUSE OF REPRESENTATIVES
Committee on Health
Rep. Ryan I. Yamane, Chair
Rep. Scott Y. Nishimoto, Vice Chair

LATE

State Capitol, Conference Room 329
Tuesday, March 17, 2009; 8:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 1205, SD2
RELATING TO TEMPORARY HEALTH INSURANCE FOR UNEMPLOYED PERSONS**

The ILWU Local 142 supports S.B. 1205, SD2, which provides temporary health insurance for unemployed persons who lost their health insurance.

The unemployment rate in Hawaii is the highest it has been in a decade. Thousands of Hawaii residents are without jobs or have reduced work hours. Most are collecting unemployment benefits, but many have exhausted their eligibility for benefits. With seriously reduced income, most of them find themselves and their families without health insurance, placing an additional burden on hospitals and insurance plans.

S.B. 1205, SD2 will help to close that gap and provide coverage to those who would otherwise be uninsured. While the Legislature may believe the State cannot afford such expenditure in this difficult economic climate, the alternative of having more people uninsured yet requiring health services which cost must be borne by taxpayers or passed on to employers and employees by insurance companies is unacceptable as well.

The bill limits funds available for this temporary health insurance for unemployed persons to federal monies through the American Recovery and Reinvestment Act of 2009. We have no position on this, largely because we do not know how the federal "stimulus" money may be spent. One provision that has been discussed is that COBRA continuation coverage for unemployed persons would be reduced by 65%. However, we have not yet been able to find someone who knows how this will be implemented. One thing is fairly certain, though--if temporary insurance will only be for those signed up for COBRA, that will be a problem.

Nevertheless, the ILWU does support keeping this bill alive. Temporary health insurance will provide relief not only to the unemployed person and his family but to the State, insurers, and taxpayers as well.

The ILWU urges passage of S.B. 1205, SD2. Thank you for considering our testimony.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

LATE

March 17, 2009

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Vice Chair

House Committee on Health

Re: SB 1205 SD2 – Relating to Temporary Health Insurance for Unemployed Persons

Dear Chair Yamane, Vice Chair Nishimoto and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1205 SD2.

While Hawaii can boast a lower than average uninsured rate due to the Prepaid Health Care Act (PHCA), it also must be noted that when the economy is not faring well and unemployment is rising the PHCA cannot assist those who have lost their health care coverage along with their jobs.

The initiative outlined in SB 1205 SD2 could help uninsured individuals in need of health care coverage in this difficult environment. Allowing those who are out-of-work to utilize the existing QUEST-Net plan for health care coverage will likely curb expensive and unaffordable trips to the emergency room. With Hawaii's unemployment rate hitting a ten year high, the legislature's proposal to provide assistance in this fashion makes good sense.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal stroke extending to the right.

Jennifer Diesman
Assistant Vice President
Government Relations