

# HMSA



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## LATE TESTIMONY

February 15, 2011

The Honorable Ryan Yamane, Chair  
The Honorable Dee Morikawa, Vice Chair  
House Committee on Health

**Re: HB 863 – Relating to Health**

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 863 which extends the reporting deadline for the Hawaii Health Authority (Authority) to submit a comprehensive health plan for all individuals in the State to the Legislature 20 days prior to the convening of the 2012 Legislature. HMSA offers comments on this Bill.

Pursuant to HRS Section 332H-2, the Authority was made responsible for developing an overall health plan for the State that would (1) incorporate eligibility for inclusion in a health plan for all individuals; (2) determine all reimbursable services to be paid by the Authority; (3) determine all approved providers of services in a health plan for all individuals; (4) evaluate cost effectiveness of all aspects of a health plan for all individuals; and (5) establish a budget for a health plan for all individuals in the State.

While the Authority has yet to be established, federal action effectively has superseded this model of State health care planning. Pursuant to the Affordable Care Act (ACA), by January 1, 2014, each state must have created a fully operable health insurance exchange (Exchange), through which individuals will “shop” for their health plans. If, by January 2013, a state has not made sufficient progress in creating its Exchange, the U.S. Department of Health and Human Services (HHS) will move to establish an Exchange for that state, effectively taking over the state’s health care system.

Both houses of the Legislature are considering legislation to create an Exchange in Hawaii, including a measure submitted by the Governor. And, this Committee took assertive action to create such an Exchange when it passed HB 1201 earlier this month. Given these actions, the extension of the Authority’s reporting deadline may not be necessary.

Thank you for the opportunity to testify today.

Sincerely,

Jennifer Diesman  
Vice President  
Government Relations

February 14, 2011

# LATE TESTIMONY

TO: HOUSE HEALTH COMMITTEE  
RYAN YAMANE, CHAIR; DEE MORIKAWA, VICE-CHAIR  
FOR HEARING ON FEBRUARY 15, 2011; 10:00 AM  
HOUSE CONFERENCE ROOM 329  
HB 863 – RELATING TO HEALTH

TESTIMONY BY DENNIS ARAKAKI

Honorable Chair Yamane, Vice- chair Morikawa and members of the House Health Committee, I am Dennis Arakaki, retired legislator, testifying in strong support of HB 863, re-authorizing the Hawaii Health Authority.

Hawaii has long been known as the "Health State ". Hawaii led the way in the 1970's, being the first state to mandate the provision of health insurance coverage for all employees working 20 hours or more a week with the passage of the Hawaii Prepaid Health Act. As one of the original introducers of the Universal Health Bill over a decade ago in the House, I know that the inception of this landmark bill was due in no small part to the tireless efforts of the late labor and community organizer and University of Hawaii Regent Ah Quon McElrath, one of the architects of the Health Care Authority Act that this bill seeks to extend. Ah Quon recognized the changing economic times and that the Hawaii Prepaid Health Act was no longer enough. Unfortunately, AQ was not just slightly, but far ahead of her time. The bill was finally passed as HB 1504, HD1, SD2, CD1, vetoed by the Governor but overridden by the Legislature as Act 11 on July 15, 2009. Since then no action has been taken on the authority by the previous administration, obviously in opposition to the override and the authority. The need for the Hawaii Health Authority is more compelling than ever with National Health Care or "Obama Care" in the foreseeable future.

While Hawaii's unemployment levels are below the rest of the country, we also have the highest rate of involuntary part - time employment. The current health care system is a poorly woven patchwork quilt, with little to show from its high costs in population health indicators. The United States is one of the only developed countries where health indicators have fallen in recent years. The health care system in the U.S. drastically needs reform, but politicians in Washington D.C. are offering the same tired ideas in response to the crisis. The great state of Hawaii needs to lead by example by providing health care to all of its residents through a comprehensive state health plan.

The creation and implementation of the Hawaii Health Authority is an essential step toward creating a rational plan for comprehensive healthcare services that lowers cost while expanding access to health services to everyone. While there is great hope with President Obama's health care plan for America's citizens, we have the opportunity to stay ahead of the curve and prepare for the federal plan. Let us not be forced into accepting a lower standard of health care by keeping the best of our current health care system.

The Hawaii Health Care Authority will bring together the finest minds, from the most significant backgrounds in healthcare to plan and prepare for a National Health Care system but also keeping the best of Hawaii's unique system of care and health financing. During these economically challenging times, the extension of this act provides an opportunity to put all the healthcare resources on the table in order to maximize those resources and eliminate duplicity and waste. It is time to envision a comprehensive system of care for all of Hawaii's citizens where no one is left out or left behind and precious resources are balanced between health, wellness and illness.

Thank you for the opportunity to testify. I wish the best of health to all of you.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 14, 2011 11:04 PM  
**To:** HLTtestimony  
**Cc:** maguinger@hawaii.rr.com  
**Subject:** Testimony for HB863 on 2/15/2011 10:00:00 AM

Testimony for HLT 2/15/2011 10:00:00 AM HB863

Conference room: 329  
Testifier position: support  
Testifier will be present: Yes  
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Submitted on: 2/14/2011

**Comments:**

I am for the passage of H.B.863 that will establish a Hawaii Health Authority to develop a comprehensive universal health care plan in Hawaii by 2012.  
People without health care are increasing.  
Those that do have health care are paying more. My health care has doubled from 2000 to the present. Just this last year the cost rose by 12%.  
No wonder employers do not hire full time workers needed to expand their businesses.  
Employers can't afford the health care cost.  
Hawaii, like the rest of the United States, pays the most for health care yet does not have universal health care.  
This act is dedicated to Ah Quon McElrath who worked for everyone in Hawaii and the U.S. to have access to affordable health care. She died before her dream was realized.  
All democracies, except ours, have universal health care for their people at almost half the cost.  
Clearly Hawaii can have affordable health care for all.