

STAND. COM. REP. NO.

3044

Honolulu, Hawaii

MAR 20 2008

RE: H.B. No. 2224
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Health and Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 2224, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this measure is to provide relief for individuals who are ineligible for employer based health care coverage under the Prepaid Health Care Act by expanding health care coverage to part-time employees.

Specifically, this measure requires insurers that offer health care coverage to the regular employees of any group or association, to also offer the same coverage to part-time employees who work at least fifteen hours, but less than twenty hours per week for a single-employer.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii State Teachers Association, and one individual. The Hawaii Medical Service Association, the Hawaii Association of Health Plans, The Chamber of Commerce of Hawaii, and Kaiser Permanente submitted comments on this measure.

Your Committees find that this measure seeks to fill a void in the Prepaid Health Care Act by requiring insurers to offer group coverage to employers for their part-time employees.

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However, your Committees are concerned that the effect of this measure would be a rise in premium costs for small group health plans due to adverse selection.

Accordingly, your Committees have amended this measure by deleting its language and inserting language that:

- (1) Beginning September 1, 2008, and annually thereafter, requires all group health issuers to offer small group health plans to self-employed individuals who live, work, or reside in the group health issuer's service areas; provided that the Insurance Commissioner may exempt a group health issuer if the Commissioner determines that the group health issuer does not have the capacity to deliver services adequately to enrollees of additional groups given its obligation to existing employer groups;
- (2) Authorizes, rather than requires, the Insurance Commissioner to exempt group health plans offered to small employers that employ only one employee if such plan satisfies the requirements of chapter 393, Hawaii Revised Statutes, and upon determination by the Insurance Commissioner as to the adequacy of the insurer's capacity;
- (3) Inserts a sunset date of July 1, 2013 in order for the Legislature to revisit this issue in five years to examine the cost impact of this measure; and
- (4) Makes technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce, Consumer Protection, and Affordable Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2224, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2224, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.



Respectfully submitted on
behalf of the members of the
Committees on Health and
Commerce, Consumer Protection,
and Affordable Housing,

Russell S. Kubit

RUSSELL S. KOKUBUN, Chair

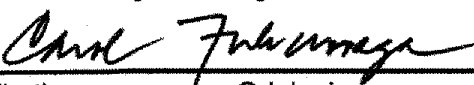
David Y. Ige

DAVID Y. IGE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

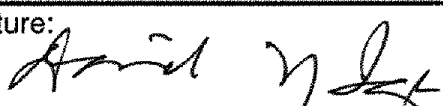
Record of Votes
 Committee on Health
 HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2224, HD1	HTH/CPH, JDL	3-17-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
FUKUNAGA, Carol (VC)	✓			
BAKER, Rosalyn H.	✓			
MENOR, Ron	✓			
WHALEN, Paul	✓			
TOTAL	5			0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes

The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

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HB 2224 HD1	HTH/CPH, JDL	3-17-08		
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The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman	✓			
TANIGUCHI, BRIAN T.				✓
TRIMBLE, Gordon		✓		
TOTAL	4	1		2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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