

MAR 10 2010

S.R. NO. 120

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## SENATE RESOLUTION

REQUESTING THE AUDITOR TO REVIEW ALL FEDERAL HEALTH CARE REFORM  
LEGISLATION PASSED BY CONGRESS AND ITS EFFECT ON THE HAWAII  
PREPAID HEALTH CARE ACT.

1           WHEREAS, on September 2, 1974, Congress enacted the  
2 Employment Retirement Income Security Act of 1974, which, among  
3 other things, regulates the operation of health benefit plans  
4 and preempts all state laws that relate to any employee benefit  
5 plan; and  
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7           WHEREAS, the Hawaii Prepaid Health Care Act was enacted on  
8 June 12, 1974, and operates on an exemption from the Employment  
9 Retirement Income Security Act of 1974; and  
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11           WHEREAS, the Hawaii Prepaid Health Care Act provides  
12 protection against the cost of medical care that may consume all  
13 or an excessive part of a person's resources by mandating  
14 certain health care benefits for certain employees in Hawaii;  
15 and  
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17           WHEREAS, national health care reform legislation contains a  
18 provision to exempt Hawaii's Prepaid Health Care Act--similar in  
19 effect to the exemption from the Employment Retirement Income  
20 Security Act--if Hawaii's law provides more benefits than what  
21 the eventual federal law would provide; and  
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23           WHEREAS, in the event national health care reform becomes a  
24 reality, the Legislature must take steps now to ensure it is  
25 fully informed of the potential effects on the State's ability  
26 to expand the Hawaii Prepaid Health Care Act to cover more  
27 people or provide more benefits than under federal law; now,  
28 therefore,  
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30           BE IT RESOLVED by the Senate of the Twenty-fifth  
31 Legislature of the State of Hawaii, Regular Session of 2010,  
32 that the Auditor is requested to review all federal health care  
33 reform legislation passed by Congress and the potential effect  
34 upon the Hawaii Prepaid Health Care Act; and  
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1 BE IT FURTHER RESOLVED that the Auditor is requested to  
2 consider:

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4 (1) Whether the Hawaii Prepaid Health Care Act may be  
5 expanded to cover more people or provide more benefits  
6 under existing federal laws, such as the Employment  
7 Retirement Income Security Act of 1974, and under any  
8 federal health care reform laws that gain passage; and  
9  
10 (2) Whether the current exemption for the Hawaii Prepaid  
11 Health Care Act from the Employment Retirement Income  
12 Security Act of 1974 needs to be modified to permit  
13 expanding coverage or benefits; and  
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15 BE IT FURTHER RESOLVED that the Auditor is requested to  
16 report its findings and recommendations, including any necessary  
17 proposed legislation, to this body no later than twenty days  
18 prior to the convening of the Regular Session of 2011; and  
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20 BE IT FURTHER RESOLVED that certified copies of this  
21 Resolution be transmitted to the Auditor.  
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OFFERED BY: \_\_\_\_\_

