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## A BILL FOR AN ACT

RELATING TO HEALTH.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that health savings  
2 accounts are an encouraging development in the health insurance  
3 market that creates a new opportunity for providing affordable  
4 health care coverage and engaging patients as allies in managing  
5 costs and achieving high value for health care spending.

6           Health savings accounts combine a tax-advantaged savings  
7 account earmarked for medical expenses with a high-deductible  
8 health insurance plan. Lower insurance premiums offset the  
9 amount used to fund the account, which can be used to pay  
10 expenses before the deductible has been met.

11           Health savings accounts encourage patients to comparison  
12 shop among treatment options, as well as among physicians and  
13 hospitals. These accounts also encourage patients to seek  
14 health information that prompts greater use of preventive  
15 services and the adoption of healthy lifestyle habits.

16           Ultimately, health savings accounts can lower the cost of  
17 health care, encourage healthier lifestyles, allow for more  
18 patient and physician control of health care decisions, and save



1 money for employers and employees. In any case, more evidence  
2 is needed on the actual impact of health savings accounts on  
3 patient behavior and on mechanisms through which such impact  
4 occurs.

5 The purpose of this Act is to create a health savings  
6 account assessment task force to assess the viability of health  
7 savings accounts in the State.

8 SECTION 2. (a) There is created a health savings account  
9 assessment task force to be placed in the department of labor  
10 and industrial relations for administrative purposes only. Not  
11 later than August 1, 2010, the director of labor and industrial  
12 relations shall appoint members to the task force as follows:

- 13 (1) Four members from the Hawaii Prepaid Health Care  
14 Council;
- 15 (2) Three members from the Employees of Hawaii Medical  
16 Association;
- 17 (3) Three members from non-government employee unions;
- 18 (4) One member from a local bank;
- 19 (5) Three members from the health insurance industry; and
- 20 (6) Four members from other interested organizations or  
21 stakeholders who can contribute to the mission of the



1 task force, to be appointed at the discretion of the  
2 chairperson.

3 The director of labor and industrial relations shall also  
4 serve on the task force.

5 The taskforce shall elect a chairperson and any other  
6 officers it deems necessary from its membership. Members shall  
7 not be compensated for their service, but may be reimbursed for  
8 expenses, including travel expenses, necessarily incurred in the  
9 performance of their duties.

10 (b) The task force shall convene its initial meeting no  
11 later than August 20, 2010. The duties of the taskforce shall  
12 include the following:

13 (1) Assess the current state of health savings accounts in  
14 Hawaii;

15 (2) Create a plan of action to encourage the use of health  
16 savings accounts and propose legislation to ensure a  
17 greater number of Hawaii residents have the option to  
18 open a health savings account;

19 (3) Identify and recruit potential health care plans that  
20 may be willing to look into expanding the availability  
21 of health savings accounts; and



1 (4) Assess the potential economic impact of expanding  
2 health savings accounts, estimate potential monetary  
3 savings for individuals and employers, and estimate  
4 the costs and benefits of expanding health savings  
5 account options.

6 (c) The task force shall submit a report of findings,  
7 recommendations, and any proposed legislation to the legislature  
8 no later than twenty days prior to the convening of the 2011  
9 regular session. The task force shall cease to exist on June  
10 30, 2011.

11 SECTION 3. This Act shall take effect on May 1, 2010.

12

INTRODUCED BY:



JAN 26 2010



**Report Title:**

Health Insurance; Health Savings Accounts; Health Savings Account Assessment Task Force

**Description:**

Creates a health savings account assessment task force to assess the viability of health savings accounts in the State.

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