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**A BILL FOR AN ACT**

RELATING TO HEALTH INSURANCE.

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

1           SECTION 1. The Patient Protection and Affordable Care Act  
2 of 2010 provides for the establishment by 2014 of health  
3 insurance exchanges which will facilitate the purchase and sale  
4 of federally qualified health insurance plans and provide a  
5 connection between buyers and sellers of those plans. The intent  
6 of the health insurance exchange is to reduce the number of  
7 uninsured, to provide a transparent marketplace and consumer  
8 education, and to assist individuals with access to programs,  
9 premium assistance, tax credits, and cost-sharing reductions.  
10 The legislature finds that the people of Hawaii will be best  
11 served by a health insurance exchange that is operated in Hawaii.

12           Because a federal grant to support the operations of a  
13 health insurance exchange will become available and the Secretary  
14 of the United States Department of Health and Human Services will  
15 determine whether Hawaii can implement a health insurance  
16 exchange, the legislature finds that moving forward in the 2011  
17 legislative session with an enabling statute is prudent.

H .B. NO. 1048

1           The purpose of this Act is to establish an authority to  
2 implement that policy.

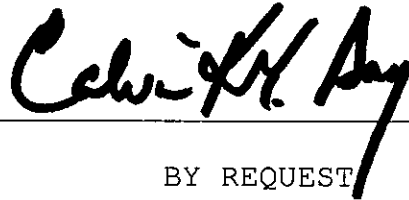
3           SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY:



BY REQUEST

JAN 24 2011

**Report Title:**

Health Insurance Exchange

**Description:**

Provides for the establishment of a health insurance exchange authority in response to the Patient Protection and Affordable Care Act of 2010 to facilitate the purchase and sale of, and provide a connection between buyers and sellers of federally qualified health insurance plans.

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO HEALTH INSURANCE

PURPOSE: To provide for the establishment of a health insurance exchange authority required by the Patient Protection and Affordable Care Act of 2010 to facilitate the purchase and sale of and provide a connection between buyers and sellers of federally qualified health insurance plans.

MEANS: Amend the Hawaii Revised Statutes by adding a new chapter enabling a health insurance exchange authority.

JUSTIFICATION: If the Legislature determines that the people of Hawaii would best be served by a health insurance exchange operated in Hawaii, legislation enabling a health insurance exchange authority to implement the federal requirements is necessary.

Impact on the public: The intent of this bill is to reduce the number of uninsured, provide consumer education and a more transparent marketplace, and assist individuals with access to programs, premium assistance tax credits and cost-sharing reductions.

Impact on the department and other agencies: The department has created a Task Force to address issues regarding the implementation of a health insurance exchange in Hawaii. The health insurance exchange authority will be placed within the department for administrative purposes and shall be a public body and a body corporate and politic.

GENERAL FUND: None.

OTHER FUNDS: \$150,000.

PPBS PROGRAM  
DESIGNATION: CCA-106.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.