

STAND. COM. REP. NO.

531

Honolulu, Hawaii

Feb 18, 2011

RE: H.B. No. 1201
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1201, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH BENEFIT EXCHANGE,"

begs leave to report as follows:

The purpose of this bill is to allow the State to conform to new federal regulations under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, in a manner consistent with local practice. Among other things, this measure:

- (1) Establishes a private, nonprofit Hawaii Health Benefit Exchange (Exchange);
- (2) Establishes a governing Board of Directors (Board) for the Exchange and its composition and meeting and voting requirements;
- (3) Requires the Board to submit an annual report to the Legislature;
- (4) Provides the Board with the authority to hire its officers and employees and determine their benefits;

HB1201 HD1 HSCR CPC HMS 2011-2278



- (5) Stipulates that the Exchange, under the direction of the Board, shall have the power and authority of a private nonprofit entity;
- (6) Authorizes the Board to establish fees to offset administrative costs;
- (7) Requires the State Insurance Commissioner to adopt rules governing the Exchange;
- (8) Requires the Exchange to work with the State Health Insurance Exchange Task Force of the Department of Commerce and Consumer Affairs to develop policies and proposed legislation to implement the duties and responsibilities of the Exchange; and
- (9) Requires the Board to submit proposed legislation to implement the duties and responsibilities of the Exchange to the Legislature.

The American Cancer Society, Hawaii Medical Service Association, Hawaii Medical Association, and Healthcare Association of Hawaii supported this bill. The State Insurance Commissioner and Department of Human Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1201, H.D. 1, and recommends that it be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



