

STAND. COM. REP. NO. 1186

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 1348
S.D. 2
H.D. 2

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 S.B. No. 1348, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to establish a nonprofit health insurance exchange, to be known as the Hawaii Health Connector, to, among other things, facilitate the purchase and sale of qualified health plans in compliance with the federal Patient Protection and Affordable Care Act of 2010.

The Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, Hawaii Medical Association, the American Cancer Society, and the Healthcare Association of Hawaii supported this bill. Hawaii Dental Service supported the bill, suggesting amendments. The Hawaii Association of Health Plans provided comments.

Your Committee amended this measure by, among other things:

- (1) Replacing the State Health Insurance Exchange Task Force with a 15-member Board of Directors of the Hawaii Health Connector to be appointed by the Governor upon recommendation of the Insurance Commissioner;

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- (2) Emphasizing that the Hawaii Health Connector is not an agency of the State but rather a Hawaii nonprofit corporation whose appointment will be made by the Governor and with the advice and consent of the Senate, and establishing an interim board for the Hawaii Health Connector and specifying its membership;
- (3) Requiring the Insurance Commissioner to determine eligibility for the inclusion of health insurers and plans;
- (4) Excluding the expenditure of federal funds for the Interim Board of the Hawaii Health Connector from the procurement process;
- (4) Including qualified dental plans in all of the provisions;
- (5) Changing the effective date to upon approval; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 1348, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1348, S.D. 2, H.D. 2.

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



ROBERT N. HERKES, Chair



