

SB1348

Measure Title: RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE.

Report Title: Hawaii Health Insurance Exchange

Description: Establishes the Hawaii health connector to create a health insurance exchange pursuant to the federal Patient Protection and Affordable Care Act of 2010; creates Hawaii health insurance exchange council under a board of directors; creates board of directors; creates task force to recommend policies and procedures to implement the governance of the health insurance exchange.
(\$)

Companion:

Package: None

Current Referral: CPN/HTH, WAM



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310

P.O. Box 541

HONOLULU, HAWAII 96809

Phone Number: 586-2850

Fax Number: 586-2856

www.hawaii.gov/dcca

KEALI'I S. LOPEZ
INTERIM DIRECTOR

EVERETT KANESHIGE
DEPUTY DIRECTOR

TO THE SENATE COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION
AND HEALTH

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Thursday, February 10, 2011
8:30 a.m.

**TESTIMONY ON SENATE BILL NO. 1348 – RELATING TO THE HAWAII HEALTH
INSURANCE EXCHANGE.**

TO THE HONORABLE ROSAYLN H. BAKER AND JOSH GREEN, M.D., CHAIRS,
AND MEMBERS OF THE COMMITTEES:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department supports the intent of this bill which creates a health insurance exchange for Hawaii. However, we wish to offer the following comments.

We agree that action to create a health insurance exchange is advisable. Under the Patient Protection and Affordable Care Act ("PPACA"), the Secretary of Health and Human Services is scheduled to determine Hawaii's ability to create an exchange in 2013 and the exchange must be up and running by 2014. Given the size of the task, we believe implementation should start soon and the first step is establishing the statutory framework for the exchange.

The definition of "insurer" is problematic because it does not include mutual benefit societies (HRS chapter 432) and health maintenance organizations (HRS chapter 432D). In fact, under HRS section 432:1-101 a law cannot apply to a mutual benefit society unless there reference is specific. It may also be advisable to reference

accident and sickness and health insurers under HRS article 431:10A because in the future we may see more mainland companies entering the Hawaii market. The definition may also be problematic in sweeping in insurers that are not writing health insurance. The NAIC model act is more explicit. However, this level of detail might be deferred to a future legislative session.

We understand that using private sector employees affords greater flexibility to the exchange. However, we should point out that under PPACA, the exchange does the following things: (a) certify, recertify, and decertify health plans; and (b) certify exemptions from the individual purchase mandate under PPACA. Giving private sector employees the ability to determine legal rights of citizens and access of insurers to the market, is something that can be done, but careful consideration on this issue should be undertaken. Unintended consequences such as legal challenges may arise.

We thank this Committee for the opportunity to present testimony on this matter.

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN,
INTERIM DIRECTOR
PANKAJ BHANOT
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 10, 2011

MEMORANDUM

TO: The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce and Consumer Protection

The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 1348 - RELATING TO HAWAII HEALTH INSURANCE
EXCHANGE**

Hearing: Thursday, February 10, 2011; 8:30 a.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of the bill is to establish the Hawaii health connector to create a health insurance exchange pursuant to the federal Patient Protection and Affordable Care Act of 2010; create the Hawaii health insurance exchange council under a board of directors; create a board of directors; and create a task force to recommend policies and procedures to implement the governance of the health insurance exchange.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of the bill and respectfully requests an amendment to it.

Under the Affordable Care Act, applications submitted through a health insurance exchange are required to be determined for Medicaid eligibility. Federal

funding is available through Medicaid to support this function. Accordingly, DHS recommends amending Section 3 of this bill to include this purpose by adding a subsection (b) (4) to section 431: -B, on page 5 as follows: "(4) Interfacing with the department of human services to determine medicaid eligibility."

Thank you for the opportunity to provide testimony on this bill.

Charlotte A. Carter-Yamauchi
Acting Director

Shawn Nakama
Assistant Director for Research

Research (808) 587-0666
Revisor (808) 587-0670
Fax (808) 587-0681



LEGISLATIVE REFERENCE BUREAU
State of Hawaii
State Capitol
415 S. Beretania Street, Room 446
Honolulu, Hawaii 96813

Written Testimony

SB1348

RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE

Testimony by the Legislative Reference Bureau
Charlotte A. Carter-Yamauchi, Acting Director

Presented to the Senate Committee on Commerce and Consumer Protection
and the Senate Committee on Health

Thursday, February 10, 2011, 8:30 a.m.
Conference Room 229

Chairs Baker and Green and Members of the Committees:

I am Charlotte Carter-Yamauchi, Acting Director of the Legislative Reference Bureau. The Bureau appreciates this opportunity to submit the following written comments on Senate Bill No.1348:

- (1) S.B. No. 1348, among other things, establishes the Hawaii health insurance exchange in the form of a nonprofit organization, called the Hawaii health connector.
- (2) Section 4 of the measure establishes the Hawaii health connector task force in the department of commerce and consumer affairs for administrative purposes, and requires the task force to make recommendations in a wide range of areas to the 2012 regular session of the Legislature concerning policies and procedures to further define and operate the Hawaii health connector.
- (3) The Department of Commerce and Consumer Affairs is authorized to hire staff to assist the task force in a variety of ways.
- (4) Section 4(e) of the measure directs the Legislative Reference Bureau to assist the task force in drafting its recommendations and proposed legislation for submission to the Legislature. The task force is required to submit its proposals to the Bureau no later than November 1, 2011. We note that this is an important feature of the measure that will help to ensure that the report can be completed and submitted in a timely manner.

The Bureau takes no position on the merits of the measure, but notes that, as the measure is presently drafted, the functions required of us appear to be manageable and we would undertake them to the best of our ability.

Thank you again for allowing us to comment on this measure.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 10, 2011

The Honorable Rosalyn Baker, Chair
The Honorable Josh Green, M.D., Chair
Senate Committees on Commerce and Consumer Protection and Health

Re: SB 1348 – Relating to the Hawaii Health Insurance Exchange

Dear Chair Baker, Chair Green and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1348 which would establish the Hawaii Health Connector. HMSA supports this Bill.

Pursuant to the federal Affordable Care Act (ACA), by January 1, 2014, each state must have created a fully operable health insurance exchange, through which individuals will “shop” for their health plans. If, by January 2013, a state has not made sufficient progress in creating its exchange, the U. S. Department of Health and Human Services (HHS) will move to establish an exchange for that state, effectively taking over the state’s health care system.

Given that expedited timetable, prudence dictates this State establishes an exchange that has sufficient flexibility so that it may employ staff; develop and execute rules and procedures; contract for necessary services such as creating a website through which the public will shop the Exchange; and procure the plans for inclusion in the Exchange. We are concerned that a State agency subject to civil service, procurement, and administrative statutes and rules will not be able to successfully meet that challenge. This Bill offers an alternative model - a nonprofit agency to be known as the Hawaii Health Connector – which shall serve as Hawaii’s health exchange.

While this independent Connector would be responsive to the exchange mandate of the ACA, the system also must be responsible to the State, which ultimately is accountable to HHS. To address this, this Bill provides for an already established State health insurance task force, chaired by the Insurance Commissioner, to propose details to the 2012 Legislature on the governance of the Connector, administration of the Connector, the Connector’s role and responsibilities, short and long-term financing mechanisms for the Connector, and policies governing the inclusion of plans offered via the Connector.

This measure also provides for the use of already secured federal monies to provide staffing for the task force and to procure resources needed to expedite the establishment of the Connector and its purposes. This is critical for Hawaii’s successfully meeting the ACA’s deadlines. Thank you for the opportunity to testify today in support of SB 1348.

Sincerely,

A handwritten signature in black ink, appearing to read "JDiesman".

Jennifer Diesman
Vice President, Government Relations



Hawaii Association of Health Plans

February 10, 2011

The Honorable Rosalyn H. Baker, Chair
The Honorable Josh Green, M.D., Chair

Senate Committees on Commerce and Consumer Protection and Health

Re: SB 1348 – Relating to the Hawaii Health Insurance Exchange

Dear Chair Baker, Chair Green and Members of the Committees:

My name is Howard Lee and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of eight (8) member organizations:

- | | |
|---------------------------------------|----------------------------|
| AlohaCare | Kaiser Permanente |
| Hawaii Medical Assurance Association | MDX Hawai‘i |
| HMSA | University Health Alliance |
| Hawaii-Western Management Group, Inc. | UnitedHealthcare |

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

HAHP appreciates the opportunity to provide testimony supporting the intent of SB 1348 which would set up the framework in the state for the creation of an Exchange. The Affordable Care Act (ACA) requires that all states set up a health insurance Exchange by 2014 with the caveat that if a state has not made sufficient progress by 2013, the federal Department of Health and Human Services will take over the state’s efforts and put an Exchange in place.

While 2014 seems to be a far off date, health plans which recently were given a six-month timeframe to enact numerous consumer-related provisions under the ACA know that extensive work is needed in order to ensure the state maintains control over Hawaii’s Exchange.

HAHP plans have come to consensus on a set of guiding principles regarding Exchanges and we have attached that document. We would respectfully urge the Committee’s passage of enabling legislation that takes into account these principles in order to establish the Exchange so that the state can begin the extensive work that needs to be accomplished.

Sincerely,

Howard Lee
President

• AlohaCare • HMAA • HMSA • HWMG • Kaiser Permanente • MDX Hawaii • UHA • UnitedHealthcare •
HAHP c/o Howard Lee, UHA, 700 Bishop Street, Suite 300 Honolulu 96813
www.hahp.org

Hawaii Association of Health Plans Guiding Principles for a Successful Health Insurance Exchange in Hawaii

The Hawaii Association of Health Plans (HAHP) believes that the unique employer healthcare coverage environment created by Hawaii's Prepaid Health Care Act (PHCA) is valuable and worth sustaining. Together with the State's Medicaid plans and other federal programs, PHCA assures that roughly 90 percent of Hawaii residents have health plan coverage that is robust, affordable, and accessible. The Hawaii employer healthcare coverage marketplace offers:

- The least expensive and richest PPO and HMO coverage offered in the United States and overall, the best value to employers and members of any state;
- The greatest number of participating providers in any state in private health plan coverage options;
- The nation's lowest growth rate in employer-sponsored health care coverage costs over the past 20 years; and
- Robust small, medium and large employer markets with multiple competitive products which are rate regulated and guaranteed issue.

Thus, we believe that the employer-employee marketplace for health care in Hawaii does not need to be reformed, but rather may be enriched by the Affordable Care Act.

We also believe that the Affordable Care Act can help Hawaii address its coverage gap - the roughly 10 percent of Hawaii residents (primarily individuals and sole proprietors) who either cannot afford or choose not to purchase coverage - through the establishment of a health insurance Exchange. The Exchange will create a marketplace where people in Hawaii can shop for health insurance, apply for tax subsidies and enroll in health plans.

HAHP believes the following principles should guide the development of this Exchange:

- **Primary Mission.** The Exchange should supplement, but not replace, existing individual markets and offer affordable health plan options to uninsured Hawaii residents.
- **Governance.** The Exchange should be governed through an independent, transparent and non-politicized entity with a Board of Directors consisting of consumer representatives, employers, health plans, providers, and other Stakeholders.
- **Rule Making.** The Exchange should promulgate and apply rules predictably, fairly and consistently to all health plans to create a level playing field.
- **Uniform Standards.** To minimize unnecessary costs while maximizing participation, uniform federal standards and national accreditation policies should be adopted to certify Exchange participants.
- **Regulatory Efficiency.** The Exchange should avoid, where possible, duplication of State licensing, rate review and other existing regulatory functions.
- **Pricing.** To support pricing accuracy, the Exchange must develop risk adjustment and reinsurance processes that are actuarially sound.
- **Consumer affordability.** Individual plan benefit design should meet minimum Federal standards in order to provide maximum affordability.
- **Enrollment.** The affordability and viability of individual products depends upon adoption of enrollment rules that encourage consumers to obtain and maintain continuous coverage and discourage enrollment/disenrollment around high health care cost events.



SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair

SENATE COMMITTEE ON HEALTH
Senator Josh Green, M.D., Chair

Conference Room 229
Feb. 10, 2011 at 8:30 a.m.

Supporting the intent of SB 1348 and proposing an amendment.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of the intent of SB 1348, which establishes a health insurance exchange.

The federal Affordable Care Act requires each state to have an insurance exchange. Each state may create its own insurance exchange; otherwise, the federal government will create one. In Hawaii a task force to develop an insurance exchange has been established, and the Healthcare Association is represented on the task force.

A bill creating an insurance exchange is included in the Governor's package, and the Healthcare Association supports that bill. As such, we propose that the substance of SB 1348 be deleted and replaced with the substance of SB 1275.

With this amendment, the Healthcare Association supports SB 1348.



To: Senate Committee on Commerce and Consumer Protection
Senator Rosalyn H. Baker, Chair

Senate Committee on Health
Senator Josh Green, M.D., Chair

Date: February 10, 2011, Conference Room 229, 8:30am

Re: **SB 1348, RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE**

Chair Baker, Chair Green and Committee Members:

My name is Barbara Kim Stanton, State Director of AARP Hawaii. AARP is a membership organization of people 50 and older with nearly 150,000 members in Hawaii. We are committed to championing access to affordable, quality health care for all generations, providing the tools needed to save for retirement, and serving as a reliable information source on issues critical to Americans age 50+.

AARP strongly supports SB 1348 that establishes a health insurance exchange pursuant to the federal Patient Protection and Affordable Care Act of 2010 and authorizes a task force to propose legislation to the 2012 legislature implementing a Hawaii Health Insurance Exchange, to be known as the Hawaii health connector.

A Hawaii Health Insurance Exchange will benefit consumers by:

- Providing a single, centralized, insurance market that enables individuals and families to buy and keep health insurance regardless of job changes.
- Making health insurance more affordable and accessible by providing an organized market for the purchase of health insurance.
- Providing access and facilitate comparison and selection of health insurance plans by providing more and better information about health insurance options.
- Providing strong oversight and protection of consumer rights, by making insurers more accountable.
- Providing seamless transitions among private plans, Medicaid, and state health programs.
- Facilitating other key features of federal health care reform legislation.

We urge you to support the passage of SB 1348, as it will help consumers obtain affordable health insurance for themselves and their families. It will also help provide needed health insurance for the approximate 10% of our uninsured population.

Thank you for the opportunity to submit my testimony.



The Official Sponsor of Birthdays

February 8, 2011

Committee on Commerce and Consumer Protection
Senator Rosalyn Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

Committee on Health
Senator Josh Green, MD, Chair
Senator Clarence K. Nishihara, Vice Chair

Hearing:

February 10, 2011, 8:30 a.m.
Hawaii State Capitol, Conference Rm. 229

RE: DB 1348 – Relating to Hawaii Health Insurance Exchange

Testimony in Strong Support

Chairs Baker and Green, and members of the both the Committee on Commerce and Consumer Protection and the Committee on Health. Thank you for the opportunity to offer this testimony in strong support of SB1348 which would establish the Hawaii Health Connector to create a health insurance exchange pursuant to the recently passed federal Patient Protection and Affordable Care Act (PPACA).

For over thirty years, Hawaii's prepaid health care act has served our state well. As you know, it became the model and blueprint for the nation's endeavor to reform health care. Because of our prepaid health care act, Hawaii has one of the healthiest populations and one of the lowest rates for uninsured individuals in the country. Nonetheless, Hawaii has not been immune to many of the health care challenges that the rest of the country faces and is attempting to address accessibility, quality, and cost. Although our individual health care costs are low when compared to the rest of the nation, they have been rising. These include health insurance premium increases, increases in co-pays, and prescription drug cost.

We see the creation of the Health Insurance Exchange as an effective way to address these and other challenges. We are certain that a well-run health insurance exchange in Hawaii will allow people to find other affordable health care options in an expanded and competitive market place.

We applaud the legislature for opting to address insurance exchange creation early on. We also support the creation of a nonprofit entity for its operation. There are certain efficiencies within a nonprofit corporation that will allow it to respond rapidly to the many changes that will be encountered as the Health Insurance Exchange evolves.

In preparing for our testimony we did a side-by-side comparison of SB1348 and the House version HB1201. In doing so we strongly believe that this bill, SB1348 should be the preferred vehicle. It is in much better alignment with the Society's vision of what an effective Health Insurance Exchange should look like. It provides for consumer representation on the board thus insuring transparency. We also like the provisions in Section 4(d) that would allow DCCA to hire temporary staff outside the constraints of the civil service. Because of short timeline to have the exchange up and running those employed by the exchange with need flexibility to respond quickly to a myriad of changes requirement that they almost certain to encounter.

As we move forward we have two thoughts regarding the powers of the exchange should be imbued with, and the source of sustainable funding.

Powers – We believe that exchange must possess the power to drive improvements in the quality of care, and generate cost savings for consumers and businesses, especially our small business community. To accomplish this, the exchange will need the authority to limit participation in the exchange, and to negotiate rates and other components of plan offerings. Specifically:

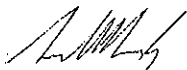
- Authority to limit the number of plans in the exchange based on established criteria;
- Ability to negotiate rates or other components of plan offering, such as provider networks, or reimbursement of transportation cost for care gives; and
- Ability to quickly remove a carrier for poor performance or unacceptable premium increases.

Funding – We recommend that an exchange fee be levied against all insures in the market place (not just those in the exchange). By doing so, we assure the sustainability of the exchange.

The implementation of Hawaii's Health Exchange will be critical in harmonizing the various benefits of our Prepaid Health Care Act with those of the Patient Protection and Affordable Care Act. If done correctly, our residents will experience real improvement in their ability to access, choose, and purchase comprehensive and affordable health coverage that meets their specific needs.

Thank you for the opportunity to offer this testimony here today.

Respectfully,



George S. Massengale, JD
Director of Government Relations

February 8, 2011

To: COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

COMMITTEE ON HEALTH
Senator Josh Green, MD, Chair
Senator Clarence K. Nishihara, Vice Chair

From: Lyn Moku, Office Manager

Hearing: February 10, 2011 – 8:30 a.m., Conference Room 229

Subject: **SUPPORT OF SB 1348, RELATING TO THE HAWAII HEALTH
INSURANCE EXCHANGE**

The National Multiple Sclerosis Society supports SB 1348 which establishes the Hawaii health connector to create a health insurance exchange; creates a Hawaii health insurance exchange council; creates a board of directors; creates a task force to recommend policies and procedures to implement the governance of the health insurance exchange; and appropriates, out of federal funds received, funds necessary for fiscal year 2011-2012 to support the operations of the Hawaii health insurance exchange task force.

Quality health care has no benefit to people, if it is not affordable and accessible. The National MS Society seeks policies and programs that can make healthcare services, including the cost of prescription therapies, more affordable. People with chronic illnesses and disabilities are especially likely to be uninsured or underinsured. That includes people with high deductible health plans and those who must pay 25% or more in co-insurance for essential drugs.

We believe the task force and Hawaii health connector will make great strides toward achieving needed improvements in health coverage and care for people with MS and uninsured individuals.

Please support SB 1348. Thank you for the opportunity to testify.



National
Multiple Sclerosis
Society

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Hawaii Division
418 Kuwili Street, #105
Honolulu, Hawaii 96817

Phone: 808-532-0806
Fax: 808-532-0814



Senate Committee on Consumer Protection
Sen Rosalyn Baker Chair

February 4, 2011

Senate Committee on Health
Sen Josh Green, Chair

Honorable Committee Chairs and committee members;

I'd like to have Punc Community Medical Center tom be put on record as a strong supporter of Hawaii's creation of an Insurance Exchange with SB 1348.

We have many uninsured people in Hawaii, many of them with limited funds; these citizens will have to have major assistance in shopping for appropriate insurance products, if, in fact, they are to be expected to be insured as will be required by law.

Our walk-in clinic now provides care to the uninsured and the poor only with outside assistance to help us stay solvent. Having everyone insured is a great idea, but many people are going to be overwhelmed by a very complex system; an Insurance Exchange will help identify insurance products and to assist our clients with finding the resources to purchase them.

Please let Hawaii point the way on how this is done well with compassion and aloha.

Thank you for allowing us to express our strong support of SB 1348.

Sincerely,
Dan Domizio PA,MPH
Clinical Programs Director

MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

February 8, 2011

Honorable Rosalyn H. Baker, Chair
Honorable Brian T. Taniguchi, Vice Chair
Committee on Commerce and Consumer Protection
Honorable Josh Green, Chair
Honorable Clarence K. Nishihara, Vice Chair
Committee on Health
Senate
State Capitol
415 South King Street
Honolulu, Hawaii 96813

Re: S.B. No. 1348, RELATING TO THE HAWAII HEALTH BENEFIT EXCHANGE

Dear Chair Baker and Chair Green, Vice Chairs Taniguchi and Nishihara, and Committee Members:

On behalf of the American Family Life Assurance Company of Columbus (AFLAC), we respectfully submit the following written comments on S.B. No. 1348, relating to the Hawaii Health Benefit Exchange, which is to be heard by your Committees on Commerce and Consumer Protection, and on Health on February 10, 2011.

Proposed Section 431: -C, relating to funding, is intended to comply with Section 1311(d)(5)(A) of the Patient Protection and Affordable Care Act. Section 1311(d)(5)(A) of the federal statute provides as follows:

(5) FUNDING LIMITATIONS-

(A) NO FEDERAL FUNDS FOR CONTINUED OPERATIONS- In establishing an Exchange under this section, the State shall ensure that such Exchange is self-sustaining beginning on January 1, 2015, including allowing the Exchange to charge assessments or user fees to participating health insurance issuers, or to otherwise generate funding, to support its operations.

To conform to the provisions of Section 1311(d)(5)(A) of the Patient Protection and Affordable Care Act, we respectfully suggest that proposed Section 431: -C be revised to provide as follows:

§431: -C Funding. The connector may receive contributions, grants, endowments, fees, or gifts in cash or otherwise from public and private sources including corporations, businesses, foundations, governments, individuals, and other sources subject to

Honorable Rosalyn H. Baker, Chair
Honorable Brian T. Taniguchi, Vice Chair
Committee on Commerce and Consumer Protection
Honorable Josh Green, Chair
Honorable Clarence K. Nishihara, Vice Chair
Committee on Health
February 8, 2011
Page 2 of 2

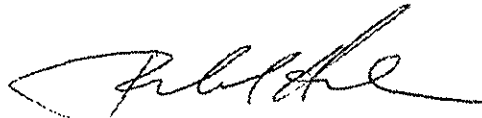
rules adopted by the board. The State may appropriate moneys to the connector; ~~provided that the connector shall be financially self sufficient by January 1, 2015, as required by section 1311(d)(5)(A) of the federal law, the exchange shall be self-sustaining by January 1, 2015 and may charge assessments or user fees to participating health carriers, or may otherwise generate funding, to support its operations.~~ Moneys received by or under the supervision of the connector shall not be placed into the state treasury and the State shall not administer any moneys of the connector nor be responsible for the financial operations or solvency of the connector.

(Deleted language struck out and additional language underscored.)

Thank you for your consideration of the foregoing.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP



Peter J. Hamasaki