

---

---

## A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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

1           SECTION 1. Hawaii has enjoyed one of the highest rates of  
2 health care insurance coverage in the nation for more than  
3 thirty years, largely due to the prepaid health care law. The  
4 prevalence of health care insurance coverage is a good predictor  
5 of community health, so it is no surprise that the people of  
6 Hawaii enjoy a higher level of health than most of the rest of  
7 the nation.

8           The prepaid health care law requires employers to provide  
9 health care insurance to employees who work at least twenty  
10 hours a week, and provides for minimum requirements for the  
11 benefits package of each health care insurance plan. The  
12 director of labor and industrial relations administers the law  
13 and has the authority to determine which health plans may  
14 operate in Hawaii. The director of labor and industrial  
15 relations is advised by the prepaid health care advisory  
16 council.

17           The prepaid health care advisory council currently consists  
18 of a maximum of seven members appointed by the director of labor



1 and industrial relations, with the required representation of  
2 medical and public health professions, representatives of  
3 consumer interests, and persons experienced in prepaid health  
4 care protection. Health care provider organizations, such as  
5 hospitals, are not currently represented on the prepaid health  
6 care advisory council.

7 The purpose of this Act is to include representation from  
8 health care organizations on the prepaid health care advisory  
9 council to provide the council with valuable perspectives on the  
10 design of health plan benefits. For example, the representation  
11 of health care organizations on the prepaid health care advisory  
12 council would add the expertise needed to create value-based  
13 insurance benefits that could improve the preventions and  
14 treatment of chronic diseases and ultimately reduce Hawaii's  
15 health care costs. This Act also increases the membership of  
16 the prepaid health care advisory council from seven to nine.

17 SECTION 2. Section 393-7, Hawaii Revised Statutes, is  
18 amended by amending subsection (d) to read as follows:

19 "(d) The prepaid health care advisory council shall be  
20 appointed by the director and shall include representatives of  
21 the medical and public health professions, representatives of  
22 health care provider organizations, representatives of consumer



1 interests, and persons experienced in prepaid health care  
 2 protection; provided that a person representing a health  
 3 maintenance organization under chapter 432D, a mutual benefit  
 4 society issuing individual and group hospital or medical service  
 5 plans under chapter 432, or any other health care organization  
 6 shall not be a member. The membership of the council shall not  
 7 exceed [~~seven~~] nine individuals."

8 SECTION 3. Statutory material to be repealed is bracketed  
 9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2012.

11

INTRODUCED BY:

John A. Belotti

Manuel Adel

Y. Oll.

[Signature]  
Rida Cattanilla

Karen Luena

John M. [Signature]  
[Signature]



# H.B. NO. 2170

**Report Title:**

Prepaid Health Care Advisory Council

**Description:**

Adds representatives of health care provider organizations to the prepaid health care advisory council. Increases maximum membership from 7 to 9.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

