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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY  
OF CERTAIN ISSUES RELATING TO RISING HEALTH INSURANCE  
PREMIUM COSTS, AS ADDRESSED BY HOUSE BILL NO. 1896, REGULAR  
SESSION 2012.

1 WHEREAS, rising health insurance premium costs are  
2 detrimental to the economic recovery of businesses in the State;  
3 and  
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5 WHEREAS, restricting the increases in health insurance  
6 premium costs would help businesses in this State that are  
7 struggling to meet expenses; and  
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9 WHEREAS, reform of the health insurance medical loss ratio  
10 and rate regulation provisions of the State's insurance code  
11 would likely promote economic revitalization; and  
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13 WHEREAS, there are many important unresolved issues  
14 relating to the reform of the health insurance medical loss  
15 ratio and rate regulation provisions of the State's insurance  
16 code; now, therefore,  
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18 BE IT RESOLVED by the House of Representatives of the  
19 Twenty-sixth Legislature of the State of Hawaii, Regular Session  
20 of 2012, the Senate concurring, that the Legislative Reference  
21 Bureau is requested to conduct a study of rising health  
22 insurance premium costs, as addressed by House Bill No. 1896,  
23 Regular Session of 2012, to examine any relevant issues,  
24 including the following:  
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- 26 (1) Whether a higher medical loss ratio would help to  
27 prevent increasing health insurance premium rates in  
28 Hawaii;  
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- 1 (2) Whether a higher medical loss ratio would promote
- 2 competition in the health insurance market in Hawaii;
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- 4 (3) Whether it would be fair to apply a medical loss ratio
- 5 calculated according to the federal Patient Protection
- 6 and Affordable Care Act formula, to tax-exempt health
- 7 insurers that is higher than the ratio applicable to
- 8 for-profit health insurers;
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- 10 (4) What medical loss ratio the Insurance Commissioner
- 11 uses when reviewing the rate requests of health
- 12 insurers;
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- 14 (5) How the Insurance Commissioner factors in investment
- 15 income when reviewing the rate requests of health
- 16 insurers;
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- 18 (6) What were past medical loss ratios of health insurers
- 19 in Hawaii;
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- 21 (7) Whether House Bill No. 1896, Regular Session 2012,
- 22 would be beneficial for employers, union trust funds,
- 23 and individuals purchasing health insurance; and
- 24
- 25 (8) Whether House Bill No. 1896, Regular Session 2012,
- 26 would be beneficial for the Employer-Union Health
- 27 Benefits Trust Fund; and
- 28

29 BE IT FURTHER RESOLVED that the Insurance Commissioner is  
 30 requested to provide any necessary assistance and information to  
 31 the Legislative Reference Bureau; and

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 33 BE IT FURTHER RESOLVED that the Legislative Reference  
 34 Bureau is requested to submit its findings and recommendations  
 35 to the Legislature no later than twenty days prior to the  
 36 convening of the Regular Session of 2013; and

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 38 BE IT FURTHER RESOLVED that certified copies of this  
 39 Concurrent Resolution be transmitted to the Director of the  
 40 Legislative Reference Bureau and the Insurance Commissioner.

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OFFERED BY: Calvin K. Aoy  
 MAR 13 2012

