
A BILL FOR AN ACT

RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE.

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

1 SECTION 1. The legislature finds that health insurance
2 exchanges established in the Patient Protection and Affordable
3 Care Act of 2010 are intended to support consumers and their
4 access to quality affordable health care as well as information
5 that will help consumers to make informed decisions regarding
6 health care.

7 The purpose of this Act is to clearly define the consumer
8 in the health insurance exchange board, strengthen statewide
9 consumer and business representation on the health insurance
10 exchange board, address conflicts of interest on the health
11 insurance exchange board by preventing health plans from serving
12 on the board, and requiring the health insurance exchange to
13 offer a basic health plan.

14 SECTION 2. Section 435H-1, Hawaii Revised Statutes, is
15 amended by adding a new definition to be appropriately inserted
16 and to read as follows:

17 "Consumer" means a person who, after January 1, 2014,
18 receives health care benefits through the Hawaii health



1 insurance exchange or a parent or guardian whose dependents
2 receive health care benefits through the Hawaii health insurance
3 exchange. Until the Hawaii health insurance exchange is
4 operational on January 1, 2014, a "consumer" representative may
5 be more broadly construed to be a person likely to use the
6 exchange to obtain health insurance or a representative of an
7 organization whose mission includes work on behalf of the
8 medically underserved."

9 SECTION 3. Section 435H-2, Hawaii Revised Statutes, is
10 amended by amending subsection (g) to read as follows:

11 "(g) The connector shall make qualified plans and
12 qualified dental plans available to qualified individuals and
13 qualified employers beginning with effective dates on or before
14 January 1, 2014[-] and the basic health plan as defined in the
15 Patient Protection and Affordable Care Act of 2010 (P.L. 111-
16 148) available to qualified individuals and qualified employers
17 on or before January 1, 2015."

18 SECTION 4. Section 435H-4, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

20 "(b) The membership of the board shall reflect geographic
21 statewide diversity, including representation from all islands,
22 and the diverse interests of stakeholders including consumers,



1 employers, insurers, and dental benefit providers. The director
2 of commerce and consumer affairs or the director's designee, the
3 director of health or the director's designee, the director of
4 human services or the director's designee, and the director of
5 labor and industrial relations or the director's designee shall
6 be ex-officio, voting members of the board."

7 SECTION 5. Act 205, Session Laws of Hawaii 2011, section
8 4, is amended by amending subsection (a) to read as follows:

9 "(a) There shall be an interim board of the Hawaii health
10 connector in the department of commerce and consumer affairs for
11 administrative purposes only that shall recommend to the
12 legislature policies and procedures to further define and
13 operate the Hawaii health connector established under section 3
14 of this Act. The interim board shall consist of [~~fifteen~~
15 sixteen members who are representative of the stakeholders in
16 the Hawaii health connector and shall include members with
17 expertise in the financial, health care, information technology,
18 organizational management, and nonprofit industries. Members of
19 the interim board shall be designated by the governor based upon
20 recommendations by the insurance commissioner and to the extent
21 possible shall come from the members of the task force
22 established in the department of commerce and consumer affairs



1 pursuant to the Catalog of Federal Domestic Assistance number
2 93.525 and shall include:

3 (1) Three members representing health or dental insurance
4 plans that provide insurance throughout the State;

5 (2) One member representing a health care provider group
6 that is located on a neighbor island and that employs
7 a wide range of licensed health care providers
8 including physicians, nurse practitioners, nurses, and
9 physician assistants;

10 (3) One representative of a hospital trade association;

11 (4) One representative of an organization that represents
12 health care consumers;

13 (5) One representative from a labor-management committee
14 organization;

15 (6) One representative of a native Hawaiian health care
16 organization;

17 (7) One representative of an organization representing
18 federally qualified health care centers;

19 (8) One representative of an organization representing
20 businesses or employers;

21 (9) One representative of a health information exchange;

22 (10) The director of health or the director's designee;



- 1 (11) The director of human services or the director's
2 designee;
- 3 (12) The director of labor and industrial relations or the
4 director's designee; [~~and~~]
- 5 (13) The director of commerce and consumer affairs or the
6 director's designee [~~-~~]; and
- 7 (14) A consumer as defined in section 435H-1, Hawaii
8 Revised Statutes.

9 The interim board may form working groups that include
10 members of the interim board and other persons as necessary to
11 assist with the implementation of the Hawaii health connector."

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect upon its approval.



Report Title:

Hawaii Health Insurance Exchange; Composition of Board; Basic Health Plan

Description:

Defines the consumer in the health insurance exchange board. Clarifies that the health insurance exchange board shall have geographic diversity consisting of representation from all islands. Requires the health insurance exchange to offer a basic health plan. Adds a consumer to the interim board. (SD1)

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