

Honolulu, Hawaii

APR 26 2012

RE: S.B. No. 1276
S.D. 2
H.D. 2
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1276, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Prohibit any state entity from establishing a basic health program, pursuant to the federal Patient Protection and Affordable Care Act, without the enactment of state legislation that explicitly authorizes or directs the establishment and operation of such a program; and
- (2) Authorize the Insurance Division of the Department of Commerce and Consumer Affairs to prepare a comprehensive study on the feasibility of establishing a basic health program in Hawaii.



Your Committee on Conference finds that a basic health program under the federal Patient Protection and Affordable Care Act is intended to provide health benefits to certain low-income individuals who do not qualify for Medicaid and who would otherwise be eligible to purchase health insurance through a state's health insurance exchange. Your Committee on Conference further finds that the federal government has not yet issued final rules to the states regarding the operation or financing of many aspects of the basic health program and as a result, many unknown factors involved in operating such a program remain.

Your Committee on Conference concludes that the creation of a basic health program in Hawaii is a significant policy decision that first deserves careful analysis of several important public health considerations. Legislative authorization for the establishment of a basic health program and a feasibility study are therefore necessary.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Clarifying that any state entity seeking to establish a basic health program pursuant to the federal Patient Protection and Affordable Care Act shall submit proposed legislation to the Speaker of the House of Representatives and the President of the Senate for introduction and consideration by the Legislature and requiring a report on the feasibility, plan for sustainability, and benefits of establishing a basic health plan to accompany the requested legislation;
- (2) Specifying that the Insurance Division of the Department of Commerce and Consumer Affairs is required to undertake a feasibility study of establishing a basic health program in Hawaii and clarifying the items to be analyzed in the feasibility study;
- (3) Specifying that the Insurance Division of the Department of Commerce and Consumer Affairs is required to submit a report of its findings and recommendations to the Speaker of the House of Representatives and the President of the Senate no later than twenty days prior to the convening of the Regular Session of 2013; and



- (4) Updating the purpose section of this measure to reflect its amended purpose.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1276, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1276, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE




RYAN L. YAMANE, Co-Chair



ROSALYN H. BAKER, Chair



JOHN M. MIZUNO, Co-Chair



WILL ESPERO, Co-Chair



MARILYN B. LEE, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1276, SD 2, HD 2	Date/Time: <i>10:04AM 4-25-2012</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).



The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				YAMANE, Ryan I., Co-Chr.	✓			
ESPERO, Will, Co-Chr.	✓				MIZUNO, John M., Co-Chr.				✓
CHUN OAKLAND, Suzanne	✓				LEE, Marilyn B., Co-Chr.	✓			
TANIGUCHI, Brian T.	✓				JORDAN, Jo				✓
SLOM, Sam	✓				MARUMOTO, Barbara C.	✓			
TOTAL	5	-	-	-	TOTAL	3	-	-	2

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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