

Honolulu, Hawaii

April 5, 2012

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 1276, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to update the Insurance Code, Chapter 431, Hawaii Revised Statutes (HRS), and the laws relating to the Hawaii Hurricane Relief Fund, Chapter 431P, HRS, and mutual benefit societies, Chapter 432:1, HRS.

Prior to the public hearing, a Proposed House Draft 2 (Proposed H.D. 2) was circulated for public review and comment. The purpose of the Proposed H.D. 2 is to attempt to provide affordable health care to the people of Hawaii in a fiscally responsible manner by:

- (1) Prohibiting any state entity from establishing a basic health program, as contemplated by section 1331 of the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended, without the enactment of state legislation that explicitly authorizes or directs the establishment and operation of such a program; and



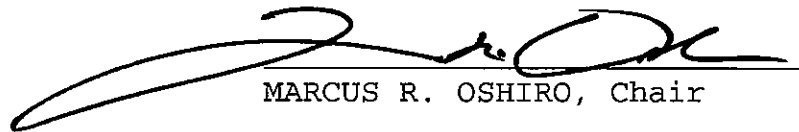
- (2) Authorizing the Insurance Division of the Department of Commerce and Consumer Affairs to prepare a comprehensive study on the feasibility of establishing a basic health program in Hawaii.

The Office of the Governor, Department of Commerce and Consumer Affairs, and AlohaCare supported the Proposed H.D. 2. The Hawaii Primary Care Association and Ohana Health Plan opposed the Proposed H.D. 2. The Department of Human Services and Faith Action for Community Equity submitted comments.

After careful consideration, your Committee has amended this bill by adopting the Proposed H.D. 2.

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

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



