

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2085
S.D. 1

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

Sir:

Your Committee on Health, to which was referred S.B. No. 2085 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Hawaii Health Insurance Exchange to offer a basic health plan and, in regard to the Exchange's Board of Directors, to:

- (1) Clearly define the consumer;
- (2) Strengthen statewide consumer and business representation; and
- (3) Address conflicts of interest by prohibiting health plans from being members.

Your Committee received testimony in support of this measure from Ohana Health Plan; Waikiki Health Center; Bay Clinic, Inc.; Molokai Community Health Center; Lanai Community Health Center; AlohaCare; and three individuals. Your Committee received testimony in opposition to this measure from HMSA and Hawaii Dental Service. Your Committee received comments on this measure from the Office of the Governor, Hawaii Health Connector, and the Healthcare Association of Hawaii.



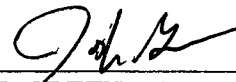
Your Committee finds that the continued membership of health insurers and dental benefit providers in the Board will provide valuable perspectives regarding health care. Your Committee also notes that the federal rules regarding the composition of the Board of Directors may be examined going forward.

Your Committee has amended this measure by:

- (1) Amending the definition of "consumer" to conform to language provided by the Office of the Governor;
- (2) Requiring the basic health plan to be offered by the Exchange to be available on or before January 1, 2015, rather than January 1, 2014;
- (3) Reinstating insurers and dental benefit providers to the Board;
- (4) Adding a consumer to the interim Board; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2085, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

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



JOSH GREEN, M.D., Chair



