
A BILL FOR AN ACT

RELATING TO HEALTH CARE ADMINISTRATIVE UNIFORMITY.

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

1 SECTION 1. The legislature finds that the State of Hawaii
2 provides or pays for health insurance for nearly forty per cent
3 of the population, and, therefore, is directly impacted by the
4 escalating cost of health care services.

5 The legislature also finds that increases in premiums for
6 health insurance coverage affect subscribers for such coverage,
7 existing and new businesses, and the overall economy of the
8 State.

9 The legislature further finds that the health care industry
10 is undergoing a dramatic transformation, and that, in order to
11 effectively harness new or improved approaches, concepts, and
12 initiatives that have the potential to have a positive impact on
13 the cost and quality of health care, the State must spearhead a
14 statewide health care transformation, and strive to continuously
15 improve the health care system.

16 The purpose of this Act is to establish within the office
17 of the governor a temporary program specially targeted to
18 initiate this transformation. It is envisioned that the program



1 will focus on processes, measures, and other matters directed at
2 improving the quality and cost-effectiveness of health care
3 service; opportunities for administrative uniformity or the
4 standardization of processes, measures, and other matters;
5 reducing unnecessary administrative burdens facing health care
6 providers, health care facilities, and health plans; and
7 supporting innovations in the delivery of care by using common
8 definitions, criteria, and reimbursement approaches.

9 SECTION 2. (a) There is established and temporarily
10 placed within the office of the governor the health care
11 transformation program, which shall terminate on July 1, 2015.
12 The principal mission of the program is to identify the issues
13 that need to be addressed to achieve statewide healthcare
14 transformation, and develop a strategy, framework, and timeline,
15 as well as proposed legislation and rules, directed at the
16 transformation, and to thereby improve the quality and cost-
17 effectiveness of the health care delivery system, and ensure
18 that Hawaii residents and visitors have access to high-quality
19 and cost effective health care. The governor shall consider a
20 broad range of initiatives, issues, and strategies, including:



- 1 (1) The identification of processes, measures, and goals
2 to evaluate and improve the quality and cost-
3 effectiveness of health care services;
- 4 (2) Opportunities for administrative uniformity or the
5 standardization of processes, measures, and other
6 matters directed at improving the quality and cost-
7 effectiveness of health care service;
- 8 (3) Fair and efficient payment models for health care
9 services;
- 10 (4) Streamlined authorization procedures for health care
11 services;
- 12 (5) Improvement and expansion of the use of information
13 technologies to organize, store, safeguard, exchange,
14 and report clinical, cost, educational, technical,
15 administrative, regulatory, and other health care-
16 related data;
- 17 (6) Improvement and promotion of the establishment and use
18 of cost-effective preferred drug lists; and
- 19 (7) Any other issue, solution, or initiative necessary or
20 appropriate to further the principal mission of the
21 program.



1 (b) To facilitate the development of the strategy,
2 framework, and timeline, as well as legislation and rules
3 pursuant to subsection (a), the governor may obtain information
4 by informally consulting, individually or as a group, with any
5 stakeholder or subject-matter expert selected by the program.
6 The governor may informally collaborate, individually or as a
7 group, with any stakeholder or subject matter expert, to enable
8 the program to plan and develop proposed strategies, including
9 proposed legislation and rules.

10 SECTION 3. The governor shall submit a progress report
11 containing the status of the health care transformation program,
12 including findings and recommendations to the legislature no
13 later than twenty days prior to the convening of the regular
14 session of 2014. The governor shall submit a final report on
15 the health care transformation program, including findings,
16 recommendations, and any proposed legislation, to the
17 legislature no later than twenty days prior to the convening of
18 the regular session of 2015.

19 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Health Care; Health Care Transformation Program

Description:

Establishes the health care transformation program within the office of the Governor. Requires a progress and final report to the legislature no later than twenty days prior to the convening of the Regular Sessions of 2014 and 2015, respectively. Effective 07/01/2050. (SD2)

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