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# A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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

1           SECTION 1. The legislature finds that the State provides  
2 or pays for health insurance for nearly forty per cent of the  
3 population and therefore is directly impacted by the escalating  
4 cost of health care services. Increases in premiums for health  
5 insurance coverage affect insureds, existing and new businesses,  
6 and the overall economy of the State.

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

14           The purpose of this Act is to develop and implement  
15 strategies and rules directed at improving the quality and cost-  
16 effectiveness of the health care delivery system in the State  
17 and ensure that Hawaii residents and visitors have access to  
18 high quality and cost-effective health care.



1 SECTION 2. Chapter , Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§ - Health care transformation program. (a) There  
5 is established within the department of commerce and consumer  
6 affairs the health care transformation program whose principal  
7 mission is to plan, develop, and implement initiatives and  
8 policies directed at improving the quality and cost-  
9 effectiveness of the health care delivery system and ensure that  
10 Hawaii residents and visitors have access to high quality and  
11 cost-effective health care.

12 (b) The department shall develop strategies to:

13 (1) Establish standards, measures, and goals to evaluate  
14 the quality and cost-effectiveness of health care  
15 services;

16 (2) Devise fair and efficient payment models for health  
17 care services;

18 (3) Improve the authorization procedures for health care  
19 services;

20 (4) Improve and expand on the use of information  
21 technologies to organize, store, safeguard, exchange,  
22 and report clinical, cost, educational, technical,



1 administrative, regulatory, and other health care-  
2 related data;

3 (5) Improve and promote the establishment and use of cost-  
4 effective preferred drug lists; and

5 (6) Address any other issue, solution, or initiative  
6 necessary or appropriate to further the principal  
7 mission of the program.

8 (c) The department may adopt rules pursuant to chapter 91  
9 to implement strategies developed pursuant to subsection (b).

10 (d) To facilitate the development of strategies pursuant  
11 to subsection (b) or monitor the effectiveness of the strategies  
12 and to facilitate the adoption of any rules to implement the  
13 strategies or monitor the effectiveness of the rules, the  
14 department may in its discretion obtain information by  
15 informally consulting with any stakeholder or subject matter  
16 expert selected by the department, individually or as a group.  
17 The department may informally collaborate with any stakeholder  
18 or subject matter expert, individually or as a group, to enable  
19 the department to create possible means or solutions to  
20 implement or ensure the effectiveness of a strategy or rule.

21 The director may appoint a designee to engage in the informal  
22 consultation and collaboration for the department.



1       (e) Nothing in subsection (d) shall be construed to  
2 provide a stakeholder or subject matter expert who has been  
3 consulted, individually or as a group, with supervision,  
4 control, jurisdiction, or advisory power over any issue that is  
5 the subject of informal consultation or collaboration with the  
6 department."

7       SECTION 3. The director of commerce and consumer affairs  
8 shall submit a report, including the director's findings and any  
9 strategies developed by the health care transformation program,  
10 to the legislature no later than twenty days prior to the  
11 convening of the regular session of 2014.

12       SECTION 4. New statutory material is underscored.

13       SECTION 5. This Act shall take effect upon its approval.

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**Report Title:**

Health Care Transformation Program; Department of Commerce and Consumer Affairs

**Description:**

Establishes the health care transformation program within the department of commerce and consumer affairs. Outlines the strategies that the department shall develop in regards to the program. Allows the department to informally consult with any stakeholder or subject matter expert in order to facilitate and monitor the effectiveness of any strategy and any rules to implement the strategy by the department. Requires the director of the department to submit a report. (SD1)

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