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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1           SECTION 1. The legislature finds that the Patient  
2 Protection and Affordable Care Act encourages states to develop  
3 innovative approaches to insuring their populations by  
4 authorizing states to apply for waivers from certain  
5 requirements of the Act. To be eligible, a state must  
6 demonstrate that its proposed health insurance reforms are as  
7 comprehensive and affordable as the federal requirements for  
8 insurance sold in its state health insurance exchange. In  
9 addition, proposed reforms must be budget neutral for the  
10 federal government. States that are granted innovation waivers  
11 may receive federal assistance to operate their reform programs  
12 in an amount that is equivalent to the aggregate amount of tax  
13 credits and cost-sharing subsidies that the federal government  
14 would have paid for individuals enrolled in state health  
15 insurance exchanges.

16           The legislature also finds that Hawaii has a bold history  
17 as an innovator in ensuring that its residents have access to  
18 health care. The Hawaii Prepaid Health Care Act has ensured the



1 availability of employer-sponsored health insurance for workers  
2 and their families, and the State's Med-QUEST program has  
3 provided access to comprehensive managed care for low-income  
4 families. The legislature believes that, while Hawaii has taken  
5 great steps in implementing the health insurance exchange and  
6 other insurance reforms required by the Patient Protection and  
7 Affordable Care Act, the State may be able to create a more  
8 effective alternative solution for providing affordable health  
9 coverage to individuals.

10 The purpose of this Act is to establish a state innovation  
11 waiver task force to develop a health care reform plan that  
12 meets requirements for obtaining a state innovation waiver.

13 SECTION 2. (a) There is created the state innovation  
14 waiver task force, to be attached to the office of the governor  
15 for administrative purposes.

16 (b) The task force shall consist of the following members,  
17 or their respective designees:

18 (1) The healthcare transformation coordinator, who shall  
19 serve as chair;

20 (2) The director of health;

21 (3) The director of commerce and consumer affairs;

22 (4) The director of labor and industrial relations;



- 1 (5) The administrator of the MedQUEST division of the  
2 department of human services;
- 3 (6) The insurance commissioner;
- 4 (7) The chief information officer of the office of  
5 information management and technology;
- 6 (8) The administrator of the Hawaii employer-union health  
7 benefits trust fund;
- 8 (9) The chairperson of the board of directors of the  
9 Hawaii Health Connector;
- 10 (10) The executive director of the Hawaii Health Connector;
- 11 (11) The executive director of the Hawaii Health  
12 Information Exchange;
- 13 (12) A representative of The Chamber of Commerce Hawaii;
- 14 (13) Two persons with expertise in health care delivery or  
15 health insurance, to be designated by the president of  
16 the senate; and
- 17 (14) Two persons with expertise in health care delivery or  
18 health insurance, to be designated by the speaker of  
19 the house of representatives.
- 20 (c) The task force shall:



- 1           (1) Examine the feasibility of alternative approaches to  
2           the health reform requirements described under section  
3           1332(a)(2) of the federal act;
- 4           (2) Examine alternatives to and possible exemptions or  
5           waivers from requirements relating to allowable  
6           premium rate variations based upon age, as described  
7           in section 1201 of the federal act;
- 8           (3) Examine the feasibility of options for providing  
9           affordable insurance coverage for uninsured and  
10          underinsured individuals in Hawaii through brokers and  
11          professional employer organizations that include  
12          innovations to the State's existing medicaid program;  
13          and
- 14          (4) Develop a plan for applying for a state innovation  
15          waiver that meets the requirements of section 1332 of  
16          the federal act, including:
- 17                (A) Developing a strategy for health care reform  
18                that:
- 19                   (i) Provides coverage that is at least as  
20                   comprehensive as required by the federal  
21                   act;



- 1                   (ii) Provides coverage and cost-sharing
- 2                               protections that are at least as affordable
- 3                               as under the federal act;
- 4                   (iii) Makes health insurance coverage available to
- 5                               as many residents of Hawaii as under the
- 6                               federal act; and
- 7                   (iv) Is budget neutral for the federal
- 8                               government;
- 9                   (B) Examining the feasibility of options for
- 10                              providing affordable insurance coverage for
- 11                              uninsured and underinsured individuals in Hawaii
- 12                              that include innovations to the State's existing
- 13                              medicaid program; and
- 14                   (C) Ensuring compliance with all applicable public
- 15                              notice requirements of 31 Code of Federal
- 16                              Regulations part 33 and 45 Code of Federal
- 17                              Regulations part 155, as amended.
- 18                   (d) The task force shall prepare a draft application for a
- 19                              state innovation waiver, to take effect for plan years beginning
- 20                              after January 1, 2017.



1 (e) The members of the task force shall serve without  
2 compensation but shall be reimbursed for expenses, including  
3 travel expenses, necessary for the performance of their duties.

4 (f) The task force shall submit an interim report to the  
5 legislature, no later than twenty days prior to the convening of  
6 the regular session of 2015, that includes:

7 (1) Identification of opportunities for state agencies to  
8 collaborate on new information technology that will  
9 advance the goals of the federal act and state  
10 innovation; and

11 (2) Recommendations on the allocation of existing moneys  
12 available for health reform and innovation, including  
13 any proposed legislation.

14 (g) The task force shall submit a final report of its  
15 findings and recommendations to the legislature, including any  
16 proposed legislation and the draft application, no later than  
17 twenty days prior to the convening of the regular session of  
18 2016.

19 (h) The task force shall be dissolved on June 30, 2017.

20 (i) For the purposes of this section, "federal act" means  
21 the Patient Protection and Affordable Care Act (Public Law 111-  
22 148), as amended, and any regulations adopted thereunder.



1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so much  
3 thereof as may be necessary for fiscal year 2014-2015 for the  
4 operations of the state innovation waiver task force.

5 The sum appropriated shall be expended by the office of the  
6 governor for the purposes of this Act.

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



**Report Title:**

State Innovation Waiver; Task Force; Appropriation

**Description:**

Establishes and appropriates funds for the state innovation waiver task force to develop a plan for applying for a state innovation waiver under the PPACA. Effective 7/1/2050. (HD3)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

