
HOUSE CONCURRENT RESOLUTION

REQUESTING THAT THE HAWAII HEALTH CONNECTOR AND THE INSURANCE DIVISION OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS DEVELOP A PLAN FOR THE ORDERLY TRANSITION OF THE STATE EXCHANGE TO THE FEDERAL EXCHANGE OR FOR AN ALTERNATIVE PRACTICAL SOLUTION.

1 WHEREAS, the Patient Protection and Affordable Care Act
2 authorized states to create health insurance exchanges to
3 implement certain health insurance reforms; and
4

5 WHEREAS, in 2011, in response to Patient Protection and
6 Affordable Care Act authorization, Hawaii established the Hawaii
7 Health Connector as a private nonprofit entity to serve as
8 Hawaii's health insurance exchange and implement certain health
9 insurance reforms; and
10

11 WHEREAS, the Patient Protection and Affordable Care Act
12 requires state health insurance exchanges, including the Hawaii
13 Health Connector, to be self-sustaining by January 1, 2015; and
14

15 WHEREAS, the Hawaii Health Connector, like most state and
16 federal exchanges nationwide, has faced considerable challenges
17 in implementation and marketplace adoption; and
18

19 WHEREAS, the Interim Director of the Hawaii Health
20 Connector has testified that due to the longstanding success of
21 Hawaii's Prepaid Health Care Act, Hawaii does not have a
22 sufficient number of uninsured residents for the Hawaii Health
23 Connector to become sustainable as either a private nonprofit or
24 a state-run entity; and
25

26 WHEREAS, spending substantial state funds on the Hawaii
27 Health Connector to bring it under state control is not fiscally
28 prudent because additional money will not change core market
29 dynamics; and
30



1 WHEREAS, Hawaii's insurers cannot absorb the surcharges
2 being proposed to fund the Hawaii Health Connector and any
3 additional costs will ultimately be passed on to consumers
4 through higher insurance premiums; and

5
6 WHEREAS, the Hawaii Health Connector's valuable role should
7 be educating consumers and connecting them with the best
8 available health insurance options; and

9
10 WHEREAS, the Hawaii Health Connector is already acting as
11 an information gateway, and it can continue doing so at a
12 fraction of the current expense if the State Exchange is
13 eliminated in favor of participation in the Federal Exchange;
14 now, therefore,

15
16 BE IT RESOLVED by the House of Representatives of the
17 Twenty-Seventh Legislature of the State of Hawaii, Regular
18 Session of 2014, the Senate concurring, that the State should
19 pursue alternative solutions to the current health care program;
20 and

21
22 BE IT FURTHER RESOLVED that the Hawaii Health Connector and
23 the Insurance Division are requested to provide input on the
24 feasibility of receiving an expedited waiver for a more
25 functional insurance exchange for the State of Hawaii; and

26
27 BE IT FURTHER RESOLVED that the Hawaii Health Connector and
28 the Insurance Division of the Department of Commerce and
29 Consumer Affairs are requested to propose:

- 30
31 (1) An orderly transition of the State Exchange to the
32 Federal Exchange while preserving compliance with the
33 Prepaid Health Care Act; and
34
35 (2) A plan, including a proposed operating budget, for the
36 future functioning of the Hawaii Health Connector as
37 strictly an informational resource to Hawaii
38 consumers; and

39
40 BE IT FURTHER RESOLVED that the Hawaii Health Connector and
41 the Insurance Division of the Department of Commerce and
42 Consumer Affairs are requested to submit a report to the
43 Legislature, not later than twenty days prior to the Regular
44 Session of 2015, on the plan for an orderly winding down process



1 of the State Exchange and implementation of the Federal
2 Exchange, in addition to a plan for the future functioning of
3 the Hawaii Health Connector as strictly an informational
4 resource to Hawaii consumers; and
5

6 BE IT FURTHER RESOLVED that certified copies of this
7 Concurrent Resolution be transmitted to the Governor, the
8 Director of Health, the Director of Commerce and Consumer
9 Affairs, the Director of Finance, and the Executive Director of
10 the Hawaii Health Connector.
11
12
13

OFFERED BY: _____

B.R.

MAR 07 2014

