
HOUSE RESOLUTION

SUGGESTING THE DEFERRAL OF H.B. NO. 2529 AND REQUESTING A
PROPOSAL FROM THE HAWAII HEALTH CONNECTOR AND INSURANCE
DIVISION FOR THE ORDERLY WINDING DOWN OF THE STATE EXCHANGE
AND IMPLEMENTATION OF THE FEDERAL EXCHANGE.

1 WHEREAS, the Patient Protection and Affordable Care Act
2 (PPACA) authorized states to create health insurance exchanges
3 to implement certain health insurance reforms within PPACA; and
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5 WHEREAS, in 2011, in response to PPACA's authorization,
6 Hawaii established the Hawaii Health Connector as a private
7 nonprofit entity to serve as Hawaii's health insurance exchange
8 and implement certain health insurance reforms within PPACA; and
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10 WHEREAS, PPACA requires state health insurance exchanges,
11 including the Hawaii Health Connector, to be self-sustaining by
12 January 1, 2015; and
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14 WHEREAS, the Hawaii Health Connector, like most state and
15 federal exchanges nationwide, has faced considerable
16 implementation challenges and obstacles to marketplace adoption;
17 and
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19 WHEREAS, the Interim Director of the Hawaii Health
20 Connector has testified to the Legislature that due to the
21 longstanding success of Hawaii's Prepaid Health Care Act, Hawaii
22 does not have a sufficient number of uninsured to keep the
23 Connector sustainable either as a private nonprofit or state-run
24 entity; and
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26 WHEREAS, spending substantial State funds to bail out the
27 Connector and bring it under the State's control is not fiscally
28 prudent, as additional money will not change the core market
29 dynamics working against the Connector; and
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31 WHEREAS, Hawaii's insurers cannot absorb the surcharges
32 being proposed, with the result that those costs will ultimately
33 be passed on to the consumer in the way of higher rates; and



1 WHEREAS, the House Committees on Health, Consumer
 2 Protection & Commerce, and Finance are commended for their
 3 leadership, diligence, and innovation in working to address the
 4 obstacles the Hawaii Health Connector is presently encountering;
 5 and

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 7 WHEREAS, the Hawaii Health Connector's narrow but valuable
 8 role should be as its name suggests: educating consumers and
 9 connecting them with the best available health insurance
 10 options; and

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


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 18 BE IT RESOLVED by the House of Representatives of the
 19 Twenty-seventh Legislature of the State of Hawaii, Regular
 20 Session of 2014, that H.B. No. 2529 be deferred; and

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 22 BE IT FURTHER RESOLVED that the Hawaii Health Connector and
 23 Insurance Division are requested to propose a plan for:

- 24
 25 (1) An orderly winding down of the State Exchange and
 26 implementation of the Federal Exchange while
 27 preserving the Prepaid Health Care Act; and
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 29 (2) Future functioning of the Hawaii Health Connector
 30 strictly as an informational resource to Hawaii
 31 consumers; and
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33 BE IT FURTHER RESOLVED that the Hawaii Health Connector and
 34 the Insurance Division are requested to submit their proposal to
 35 the Legislature within 90 days of the adoption of this
 36 Resolution; and

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 38 BE IT FURTHER RESOLVED that certified copies of this
 39 Resolution be transmitted to the Interim Executive Director of
 40 the Hawaii Health Connector and Insurance Commissioner.
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 42
 43

OFFERED BY:  _____
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