
A BILL FOR AN ACT

RELATING TO THE HAWAII HEALTH CONNECTOR.

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

1 SECTION 1. The legislature finds that the Hawaii health
2 insurance exchange, also known as the Hawaii health connector,
3 is the State's online health insurance marketplace, created to
4 help individuals and small businesses take advantage of the
5 health insurance choices available under the federal Patient
6 Protection and Affordable Care Act of 2010. The legislature
7 further finds that amendments relating to the board of directors
8 of the Hawaii health connector are needed to facilitate the
9 implementation phase of the Patient Protection and Affordable
10 Care Act and better position the Hawaii health connector for
11 long-term sustainability.

12 Therefore, the purpose of this Act is to amend the
13 composition and procedures of the board of directors of the
14 Hawaii health connector by:

15 (1) Lowering the number of members on the board of
16 directors to twelve, with a maximum of nine total
17 voting members;



- 1 (2) Removing members representing insurers and dental
2 benefit providers from the board;
- 3 (3) Authorizing the governor to designate one
4 representative from a list of state agencies to serve
5 as the State's official voting member on the board;
- 6 (4) Requiring all other listed state agency
7 representatives to be ex officio nonvoting members of
8 the board;
- 9 (5) Requiring the Governor to notify the chair of the
10 connector regarding the selection of the designated
11 voting and nonvoting state representative members of
12 the board; and
- 13 (6) Establishing procedures for filling vacancies on the
14 board.

15 SECTION 2. Section 435H-4, Hawaii Revised Statutes, is
16 amended to read as follows:

17 **"§435H-4 Board of directors; composition; operation. (a)**

18 The Hawaii health connector shall be a nonprofit entity governed
19 by a board of directors that shall comprise [~~fifteen members~~
20 ~~appointed by the governor and with the advice and consent of the~~
21 ~~senate pursuant to section 26-34; provided that the governor~~
22 ~~shall submit nominations to the senate for advice and consent no~~



1 ~~later than February 1, 2012; and provided further that the~~
2 ~~senate shall timely advise and consent to nominations for terms~~
3 ~~to begin July 1, 2012. Members of the interim board shall be~~
4 ~~eligible for appointment to the board.] twelve members. The~~
5 total number of voting members on the board shall not exceed
6 nine members. There shall be no board members representing
7 insurers or dental benefit providers, but the board may
8 establish a subcommittee of representatives from insurers and
9 dental benefit providers to provide technical assistance and
10 other information to the connector on macro insurance matters.

11 (b) Appointments to fill vacancies on the board shall be
12 as follows:

13 (1) The board shall recommend to the governor the skill
14 sets that are needed on the board to facilitate
15 implementation of the connector;

16 (2) The board shall submit to the governor a list of
17 qualified nominees that meet the required skill sets;
18 and

19 (3) The governor shall appoint members of the board,
20 subject to the advice and consent of the senate and
21 pursuant to section 26-34, from this list of qualified
22 nominees provided by the board.



1 ~~[(b)]~~ (c) The membership of the board shall reflect
2 geographic diversity and the diverse interests of stakeholders
3 including consumers~~[7]~~ and employers~~[7, insurers, and dental~~
4 ~~benefit providers]~~.

5 (d) The governor shall designate one representative to
6 serve as the State's official representative on the board from
7 among the following state representatives: the director of
8 commerce and consumer affairs or the director's designee, the
9 director of health or the director's designee, the director of
10 human services or the director's designee, ~~and~~ the director of
11 labor and industrial relations or the director's designee, a
12 representative from the office of healthcare transformation, or
13 a representative from the office of information management and
14 technology.

15 The governor's designated representative shall be an ex
16 officio voting member of the board. The remaining state
17 representatives shall be ex officio~~[, voting]~~ nonvoting members
18 of the board. The governor shall notify the chair of the
19 connector regarding the selection of the designated voting and
20 nonvoting state representative members of the board.

21 The director of commerce and consumer affairs, the director
22 of health, the director of human services, and the director of



1 labor and industrial relations may select a designee for a
2 specified meeting or meetings. Such selection of the designee
3 shall be submitted in writing to the board of directors prior to
4 or at the meeting in which the designee will serve.

5 No state agency shall impede the efficient operation of the
6 connector.

7 [~~e~~] (e) Board members shall serve staggered terms and
8 the interim board shall recommend an appropriate schedule for
9 staggered terms; provided that this subsection shall not apply
10 to ex officio members, who shall serve during their entire term
11 of office~~[-]~~ or until the governor names a replacement.

12 [~~d~~] (f) The board shall adopt policies prohibiting
13 conflicts of interest and procedures for recusal of a member in
14 the case of an actual or potential conflict of interest,
15 including policies prohibiting a member from taking part in
16 official action on any matter in which the member had any
17 financial involvement or interest prior to the commencement of
18 service on the board. Members of the board may retain private
19 counsel for matters relating to service on the board according
20 to rules recommended by the board.

21 [~~e~~] (g) The board shall manage the budget of the
22 connector according to generally accepted accounting principles



1 and a plan for financial organization adopted by the legislature
2 based on recommendations of the interim board.

3 ~~(f)~~ (h) The board shall maintain transparency of board
4 actions, including public disclosure and posting of board
5 minutes on the connector's website according to provisions
6 adopted by the legislature based on recommendations of the
7 interim board."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

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



Report Title:

Hawaii Health Connector; Hawaii Health Insurance Exchange; Board of Directors

Description:

Effective July 1, 2014, lowers the number of members on the board of directors of the Hawaii health connector to twelve, with a maximum of nine total voting members. Removes members representing insurers and dental benefit providers from the board. Requires the governor to designate a state agency representative to serve as the official voting state representative member of the board. Requires all other state agency representatives to be ex officio nonvoting members. Requires the governor to notify the chair of the board regarding the selection of the designated voting and nonvoting state representative members of the board. Establishes procedures for filling vacancies on the board. Effective 07/01/2050. (SD1)

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