

MAR 07 2014

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# SENATE 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  
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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  
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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  
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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  
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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  
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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  
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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

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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

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

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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

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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  
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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  
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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.  
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OFFERED BY:

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