

Honolulu, Hawaii

February 28, 2014

RE: H.B. No. 2581
H.D. 3

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2581, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to explore innovative options to promote universal health care coverage and ensure State compliance with the Patient Protection and Affordable Care Act (PPACA).

Specifically, the measure establishes a state innovation waiver task force to:

- (1) Examine the feasibility of alternatives to certain health reforms in the PPACA; and
- (2) Develop a plan for applying for a state innovation waiver that meets the requirements of the PPACA.

The Office of Healthcare Transformation, Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and the Chamber of Commerce Hawaii provided testimony in support of this measure.

Your Committee finds that the PPACA permits states to seek waivers from certain federal health reform requirements in order to enact their own innovative solutions for health care delivery



that are equally affordable and comprehensive. Your Committee further finds that the state innovation waiver task force, consisting of public and private stakeholders, should be created to determine the feasibility of innovative approaches to delivering health care in Hawaii's unique health insurance market and to prepare a draft application for a state innovation waiver.

Your Committee has amended this measure by:

- (1) Adding the Chief Information Officer of the Office of Information Management and Technology and a representative of The Chamber of Commerce Hawaii to the state innovation waiver task force; and
- (2) Directing the task force to submit an interim report to the Legislature prior to the Regular Session of 2015 that includes:
 - (A) Identification of opportunities for state agencies to collaborate on new information technology that advances the goals of the PPACA and state innovation; and
 - (B) Recommendations on the allocation of existing moneys available for health reform and innovation, including any proposed legislation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2581, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2581, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



