

STAND. COM. REP. NO.

895

Honolulu, Hawaii

MAR 18 2013

RE: H.B. No. 877  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 877, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE DESIGNEES FOR THE DIRECTORS OF THE DEPARTMENTS OF COMMERCE AND CONSUMER AFFAIRS, OF HEALTH, OF HUMAN SERVICES, AND OF LABOR AND INDUSTRIAL RELATIONS FOR THE BOARD OF DIRECTORS OF THE HAWAII HEALTH INSURANCE EXCHANGE,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the Directors of Commerce and Consumer Affairs, Health, Human Services, and Labor and Industrial Relations to delegate voting authority to their designees for all meetings of the Hawaii Health Insurance Exchange.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Health, Department of Human Services, and Department of Labor and Industrial Relations.

Your Committee finds that because the Hawaii Health Insurance Exchange, also known as the Hawaii Health Connector, was established as a Hawaii nonprofit corporation, more specific language is required regarding designees for the directors of state agencies who serve as exofficio voting members of the Board of Directors of the Hawaii Health Connector.

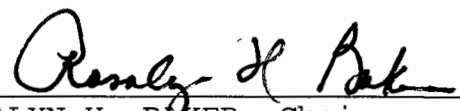


Your Committee further finds that the language in this measure states that the directors of the named state agencies may select a designee from their respective departments for all meetings, which could potentially be interpreted to require a designee to attend all meetings of the Hawaii Health Insurance Exchange. In comparison, your Committee notes that the Senate companion to this measure, S.B. No. 1108, which was previously heard by your Committee, permits the directors of the named departments to select a designee for a specified meeting or meetings. The language in S.B. No. 1108 is therefore preferable because it offers more clarity to the directors regarding their respective designees. S.B. No. 1108 also provides the necessary flexibility for the directors of state agencies to voice their votes through their designees when they are unable to attend a meeting or meetings of the Board of Directors, ensures that a voting quorum can be met, and facilitates the timely development and implementation of the Hawaii Health Insurance Exchange.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 1108, a substantively similar measure, which allows the Directors of Commerce and Consumer Affairs, Health, Human Services, and Labor and Industrial Relations to delegate voting authority to their designees for a specified meeting or meetings of the Hawaii Health Insurance Exchange.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 877, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 877, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



