

STAND. COM. REP. NO.

2466

Honolulu, Hawaii

FEB 19 2014

RE: S.B. No. 2470
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2470 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH CONNECTOR,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Lower the number of members on the Board of Directors of the Hawaii Health Connector to twelve, with a maximum of nine total voting members;
- (2) Remove members representing insurers and dental benefit providers from the Board;
- (3) Require all but one of the state agency representatives on the Board to be ex officio nonvoting members; and
- (4) Establish procedures for filling vacancies on the Board.

Your Committee received testimony in support of this measure from AARP; Community Alliance for Mental Health; Advantage Insurance Services, Inc.; and one individual. Your Committee received testimony in opposition to this measure from The Chamber of Commerce of Hawaii. Your Committee received comments on this measure from the Office of the Governor, Hawai'i Health Connector, and Hawai'i Primary Care Association.



Your Committee finds that this year will be a particularly important time for the Hawaii Health Connector as the Connector continues to improve operations, seeks stability, contemplates options for sustainability, and adapts to evolving requirements under the Patient Protection and Affordable Care Act of 2010 (Affordable Care Act). To best accomplish these objectives, the Board of Directors of the Hawaii Health Connector must be as efficient as possible.

Your Committee further finds that the insurer and dental benefit provider representatives currently serving on the Board of Directors for the Hawaii Health Connector have been a valuable resource to the Connector. As the Connector moves into the full implementation phase required by the Affordable Care Act, the need for recusal due to potential conflict of interest may increase for these representatives. Rather than having these Board members continue to recuse themselves, as is required under the Connector's strict conflict of interest rules, it is more efficient to establish a subcommittee of insurer and dental benefit provider representatives to offer assistance and insurance expertise to the Connector.

Your Committee additionally finds that this measure proposes a similar solution for the state agency representatives. Your Committee notes that the Offices of Healthcare Transformation and Information Management and Technology are integral to the implementing aspects of the Affordable Care Act in Hawaii. Rather than adding representatives from these offices to the number of ex officio members on the Board, your Committee finds amendments to this measure are necessary that would authorize the Governor to designate an official voting member of the Board from among various state agencies and offices.

Your Committee has amended this measure by:

- (1) Specifying that the list of state representatives from which the Governor may designate the official state representative on the Board of Directors of the Hawaii Health Connector includes representatives from the Office of Healthcare Transformation and the Office of Information Management and Technology;
- (2) Requiring the Governor to notify the Chair of the Board of Directors regarding the selection of the designated

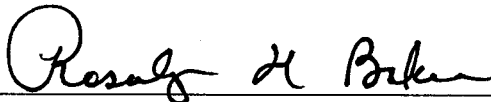


voting and nonvoting state representative members of the Board;

- (3) Clarifying that the designated ex officio members of the board shall serve during their entire term of office or until the Governor names a replacement;
- (4) Amending the purpose section for clarity;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 2470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2470, S.D. 1, and be placed on the calendar for Third Reading.

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

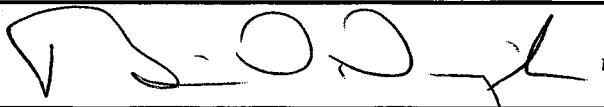


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2470	CPN	2/5/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes