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# A BILL FOR AN ACT

RELATING TO THE STATE AFFORDABLE CARE ACT INNOVATION WAIVER.

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

1           SECTION 1. Act 158, Session Laws of Hawaii 2014,  
2 established a state innovation waiver task force to develop a  
3 health care reform plan that meets the requirements for  
4 obtaining a state innovation waiver that complies with the  
5 federal Patient Protection and Affordable Care Act of 2010,  
6 Public Law 111-148 (Affordable Care Act). The plan to be  
7 developed by the task force for the waiver is expected to build  
8 on the success of chapter 393, Hawaii Revised Statutes, the  
9 Prepaid Health Care Act. The task force, which is to be  
10 dissolved on June 30, 2017, is temporarily attached to the  
11 office of the governor for administrative purposes.

12           In accordance with the terms of the Affordable Care Act, an  
13 approvable waiver must include:

14           (1) Coverage that is at least as comprehensive as the  
15 coverage defined in section 1302(b) of the Affordable  
16 Care Act and offered through exchanges;



- 1 (2) Coverage and cost-sharing protections against
- 2 excessive out-of-pocket spending that are at least as
- 3 affordable;
- 4 (3) Coverage for at least as many residents; and
- 5 (4) Terms that will not increase the federal deficit.

6 The major tasks for waiver development include:

- 7 (1) Identification of specific Affordable Care Act
- 8 provisions that Hawaii seeks to waive;
- 9 (2) Actuarial analysis and actuarial certifications of
- 10 required comparability;
- 11 (3) An economic analysis of the costs and effect on the
- 12 federal deficit;
- 13 (4) Development of a ten-year budget;
- 14 (5) Analysis of the impact on health insurance coverage;
- 15 (6) Public hearings; and
- 16 (7) Explicit legislative approval.

17 The purpose of this Act is to provide the resources needed  
18 to develop an Affordable Care Act waiver in a timely manner.

19 SECTION 2. Act 158, Session Laws of Hawaii 2014, is  
20 amended by amending section 2 as follows:

- 21 1. By amending subsection (c) to read:



- 1           "(c) The task force shall[+  
2           ~~(1) Examine the feasibility of alternative approaches to~~  
3           ~~the health reform requirements described under Section~~  
4           ~~1332(a)(2) of the federal act;~~  
5           ~~(2) Examine alternatives to and possible exemptions or~~  
6           ~~waivers from requirements relating to allowable~~  
7           ~~premium rate variations based upon age, as described~~  
8           ~~in Section 1201 of the federal act;~~  
9           ~~(3) Examine the feasibility of options for providing~~  
10           ~~affordable insurance coverage for uninsured and~~  
11           ~~underinsured individuals in Hawaii through brokers and~~  
12           ~~professional employer organizations that include~~  
13           ~~innovations to the State's existing medicaid program;~~  
14           ~~and~~  
15           ~~(4) Develop] develop a plan for applying for a state~~  
16           ~~innovation waiver that meets the requirements of~~  
17           ~~Section 1332 of the federal act, including:~~  
18           ~~(A)] (1) Developing a strategy for health care reform~~  
19           ~~that:~~



- 1                    ~~[(i)]~~ (A) Provides coverage that is at least as  
2                    comprehensive as required by the federal  
3                    act;
- 4                    ~~[(ii)]~~ (B) Provides coverage and cost-sharing  
5                    protections that are at least as affordable  
6                    as under the federal act;
- 7                    ~~[(iii)]~~ (C) Makes health insurance coverage  
8                    available to as many residents of Hawaii as  
9                    under the federal act; and
- 10                  ~~[(iv)]~~ (D) Is budget neutral for the federal  
11                  government; and
- 12                  ~~[(B)]~~ ~~Examining the feasibility of options for~~  
13                  ~~providing affordable insurance coverage for~~  
14                  ~~uninsured and underinsured individuals in Hawaii~~  
15                  ~~that include innovations to the State's existing~~  
16                  ~~medicaid program; and~~
- 17                  ~~(e)]~~ (2) Ensuring compliance with all applicable  
18                  public notice requirements of title 31 Code of  
19                  Federal Regulations part 33 and title 45 Code of  
20                  Federal Regulations part 155, as amended."
- 21                  2. By amending subsection (f) to read:



1           "(f) The task force shall submit an initial interim report  
 2 to the legislature no later than twenty days prior to the  
 3 convening of the regular session of 2015. The task force shall  
 4 submit a second interim report to the legislature no later than  
 5 twenty days prior to the convening of the regular session of  
 6 2016. The interim reports shall include[~~-~~

7           ~~(1) Identification]~~ identification of opportunities for  
 8 state agencies to collaborate on new information  
 9 technology that will advance the goals of the federal  
 10 act and state innovation[~~,-and~~

11           ~~(2) Recommendations on the allocation of existing moneys~~  
 12 ~~available for health reform and innovation, including~~  
 13 ~~any proposed legislation]."~~

14           SECTION 3. There is appropriated out of the general  
 15 revenues of the State of Hawaii the sum of \$                    or so  
 16 much thereof as may be necessary for fiscal year 2015-2016 and  
 17 the sum of \$                    or so much thereof as may be necessary  
 18 for fiscal year 2016-2017 for expenses related to developing a  
 19 federal Patient Protection and Affordable Care Act waiver.

20           The sums appropriated shall be expended by the office of  
 21 the governor for the purposes of this Act.



1           SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 5. This Act shall take effect on July 1, 2015.



**Report Title:**

Affordable Care Act Waiver; State Innovation Waiver Task Force;  
Appropriation

**Description:**

Provides resources to develop a waiver from certain provisions  
of the federal Patient Protection and Affordable Care Act of  
2010. Appropriates funds. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

