

# S .B. NO. 2899

JAN 27 2016

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## A BILL FOR AN ACT

RELATING TO THE AFFORDABLE CARE ACT SECTION 1332 WAIVER.

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

1           SECTION 1.   **Findings and purpose.**   The legislature finds  
2   that section 1332 of the federal Patient Protection and  
3   Affordable Care Act, P. L. 111-148 of 2010, as amended  
4   ("Affordable Care Act"), allows states to develop innovative  
5   approaches to insuring their populations by authorizing states  
6   to apply for waivers from certain requirements of the Affordable  
7   Care Act.

8           The purpose of this Act is to authorize the governor to  
9   submit a waiver proposal and to implement the waiver upon  
10   approval by the federal government.

11          SECTION 2.   The governor is authorized to submit a waiver  
12   proposal to the United States Secretary of Health and Human  
13   Services to waive certain provisions of the Affordable Care Act,  
14   as provided under section 1332 of the Affordable Care Act, and  
15   upon approval by the Secretary, to implement the waiver on or  
16   after January 1, 2017.

17          SECTION 3.   This Act shall take effect upon its approval.

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INTRODUCED BY:                     *M. N. W.*                    

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BY REQUEST

**Report Title:**

Affordable Care Act Waiver; Authorization

**Description:**

Authorizes the Governor to submit and implement a waiver from certain provisions of the Patient Protection and Affordable Care Act of 2010.

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

JUSTIFICATION SHEET

DEPARTMENT: LABOR AND INDUSTRIAL RELATIONS

TITLE: A BILL FOR AN ACT RELATING TO THE AFFORDABLE CARE ACT SECTION 1332 WAIVER.

PURPOSE: Authorize the Governor to submit and implement a waiver proposal from certain provisions of the Patient Protection and Affordable Care Act of 2010, P.L. 111-148.

MEANS: Session Law.

JUSTIFICATION: Certain provisions of the federal Patient Protection and Affordable Care Act (ACA) offer employee protections that are inferior to those guaranteed by the Hawaii Prepaid Health Care Act (PHCA). In addition, the federal act requires the creation of a Small Business Health Options Program (SHOP) whose functions would be expensive to successfully develop and maintain, and, as demonstrated by Hawaii's successful history with the PHCA, are not necessary to support the purchase of insurance by small businesses.

The ACA allows states to apply for waivers of certain provisions. Approved waivers may be implemented on or after January 1, 2017. The State proposes to waive provisions of the ACA that are not aligned with the PHCA. Further, the ACA requires state legislation to authorize the submission of the waiver.

Impact on the public: A waiver can both preserve the benefits of the PHCA and ensure that costs related to supporting a state-based exchange do not burden employers, individual purchasers, or the public.

Impact on the department and other agencies: The Department of Labor and Industrial Relations would be responsible for

implementing the waiver, including generating and submitting any required federal reports if a waiver is granted.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: LBR903.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.