

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 1467
H.D. 2
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred H.B. No. 1467, H.D. 2, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Enable the Hawaii Health Connector (Connector) to offer large group coverage to insurers, beginning January 1, 2017;
- (2) End transitional renewal policies, beginning January 1, 2016;
- (3) Require health insurers to provide notice to group health plans offering continuation coverage about options to secure affordable coverage under the Connector; and
- (4) Expand the potential small businesses market in the Connector by changing the threshold number of employees under the definition of "small employer" in section 431:2-201.5, Hawaii Revised Statutes, to an unspecified number of employees.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association. Your Committees



received testimony in opposition to this measure from the Chamber of Commerce Hawaii and one individual. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.

Your Committees find that this measure offers several options to strengthen the Connector, including ending transitional renewal policies on January 1, 2016. Your Committees note that transitional renewal policies, also known as grandmothers health plans, do not provide all of the features and protections of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act). Ending these transitional renewal policies on January 1, 2016, will simplify health plan choices for individuals and small businesses and will ensure that all plans offered in Hawaii are fully compliant with the Affordable Care Act.

Your Committees further find that section 1304(b)(2) of the Affordable Care Act defines a small employer as an employer who employs an average of at least one but not more than one hundred employees. Amending the definition of "small employer" in section 431:2-201.5, Hawaii Revised Statutes, to conform to the definition in section 1304(b)(2) of the Affordable Care Act may help expand the potential market for small businesses in the Connector's small business health options program.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1467, H.D. 2, S.D. 1, and recommend that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Ways and Means,



JILL N. TOKUDA, Chair

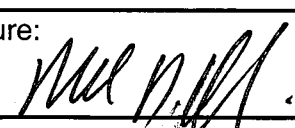


GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1467, HD2, SD1	CPN, JDL/WAM	4/8/15		
<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 checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene				✓
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam			✓	
TOTAL	9	0	1	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