

Honolulu, Hawaii
February 4, 2016

RE: H.B. No. 726
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 726, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to:

- (1) Require health insurers with greater than twenty percent share of the State's small group health insurance market to offer gold and silver level qualified health plans as a condition of participation in the individual market of the Hawaii Health Connector; and
- (2) Require the issuer of each qualified plan participating in the Hawaii Health Connector to offer to contract with federally qualified health centers.

For the purposes of a public hearing on this measure, your Committee circulated Proposed H.B. 726, H.D.2, and notified the public that it would be accepting testimony on the proposal, which repeals chapter 435H, Hawaii Revised Statutes, Hawaii Health Insurance Exchange, and makes a conforming amendment elsewhere in the Hawaii Revised Statutes to reflect this repeal.



Your Committee received testimony from the following organizations on the proposed draft:

The Department of Labor and Industrial Relations and Chamber of Commerce Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee, upon careful consideration, adopted the proposed draft with the following amendments:

- (1) Specifying that the Insurance Commissioner may request that a managed care plan demonstrate the adequacy of its provider network for qualified health plans to be listed with the Affordable Care Act marketplace at the time that it files its health plan benefit document with the Insurance Commissioner;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that there is a similar measure to this one currently being considered by your Committee on Health and that there is a detailed discussion occurring in that Committee. Therefore, your Committee respectfully requests that your Committee on Finance harmonize the two measures in its consideration of this issue.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 726, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 726, H.D. 2.



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



ANGUS L.K. MCKELVEY, Chair



