

STAND. COM. REP. NO.

1230

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 1338  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committees on Health and Consumer Protection & Commerce,  
to which was referred S.B. No. 1338, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to improve the operations of the Hawaii Health Connector and assist its achievement of full financial self-sustainability by authorizing the sale of fully-insured large group health plans through the Connector and instituting certain coverage and notice requirements in conformity with controlling federal law. Specifically, this measure ends the authorization to issue or renew transitional renewal policies effective January 1, 2016, authorizes the sale through the Connector of small employer group health plans for employers with up to the maximum number of employees permitted under federal law, and requires health insurers to provide notice to group health plans of the availability through the Connector of continuing coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

The Maui Chamber of Commerce, Chamber of Commerce of Hawaii, and Hawai'i Lodging and Tourism Association submitted testimony in opposition to this measure. The Department of Commerce and Consumer Affairs, Hawaii Primary Care Association, ProService Hawaii, and Hawaii Medical Service Association submitted comments.

SB1338 HD1 HSCR HLT-CPC HMS 2015-2878



Your Committees have amended this measure by:

- (1) Ending the authorization to issue or renew transitional renewal policies on October 1, 2016, the latest day permissible under federal law;
- (2) Deleting provisions relating to the sale of small employer group health plans through the Connector;
- (3) Changing its effective date to July 1, 2012, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1338, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1338, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Health and  
Consumer Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



DELLA AU BELATTI, Chair





