

Honolulu, Hawaii

MAR 06 2015RE: S.B. No. 1338
S.D. 2

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 S.B. No. 1338, 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;
- (2) Expand the potential small businesses market in the Connector by amending the current definition of "small employer" under section 431:2-201.5, Hawaii Revised Statutes;
- (3) End transitional renewal policies in Hawaii beginning January 1, 2016; and
- (4) Require health insurers to provide notice to group health plans offering continuation coverage about options to secure affordable coverage under the Connector.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association and one individual. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Health Connector, and Hawaii Medical Service Association.



Your Committees find that this measure offers a number of options to strengthen the Connector, including enabling the Connector to offer large group coverage to insurers and changing the definition of "small employers" in Hawaii from fifty employees to the nationally accepted threshold of one hundred employees. These options will encompass a greater number of businesses in the State, which will provide for a stronger Connector and a better marketplace for consumers.

Your Committees further find 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 transitional renewal policies on January 1, 2016, as proposed by this measure, 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 additionally find that it is important that individuals on unemployment be made aware of potential savings through programs that provide tax credits and other cost-sharing reductions that may lower the overall price of health care. Accordingly, this measure requires health insurers to provide notice to group health plans offering continuation coverage about options to secure affordable coverage under the Connector.

Your Committees have amended this measure by changing the threshold number of employees under the definition of "small employer" from one hundred employees to an unspecified number of employees.

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 S.B. No. 1338, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1338, S.D. 2.



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



JILL N. TOKUDA, Chair

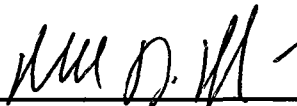


GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1338 SDI	CPN, JDL/WAM	2/27/15		
<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 type="checkbox"/> Pass, unamended 2312	<input checked="" 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	✓			
INOUE, Lorraine R.		✓		
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam			✓	
TOTAL	9	1	1	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes