

STAND. COM. REP. NO.

2494

Honolulu, Hawaii

FEB 24 2016

RE: S.B. No. 2775

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2775 entitled:

"A BILL FOR AN ACT RELATING TO THE AFFORDABLE CARE ACT
SECTION 1332 STATE INNOVATION WAIVER,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the State to submit and implement a waiver from certain provisions of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act).

Your Committee received written comments in support of this measure from the Office of the Governor, Department of Labor and Industrial Relations, Office of Enterprise Technology Services, Hawaii Primary Care Association, Healthcare Association of Hawaii, and the Queen's Health Systems.

Your Committee finds that section 1332 of the Affordable Care Act authorizes states to apply for a state innovation waiver, which will allow a state to implement innovative ways to provide access to quality health care. However, the benefits and coverage under Prepaid Health Care do not mirror the employer-sponsored benefits available under the Affordable Care Act. Your Committee further finds that this misalignment between the Affordable Care Act and Prepaid Health Care jeopardizes the robust insurance coverage that thousands of employees across the State have depended on for over forty years. As such, a waiver from certain provisions of the Affordable Care Act, to align Affordable Care



Act provisions with Prepaid Health Care's long-standing insurance requirements and processes, is necessary.

Furthermore, your Committee finds that section 1332 of the Affordable Care Act requires state legislatures to sanction the application and implementation of a state innovation waiver. Accordingly, this measure authorizes the State to submit a state innovation waiver proposal to the United States Secretaries of Health and Human Services and the Treasury and implement the waiver upon approval by the Secretaries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775 and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



