

STAND. COM. REP. NO.

523

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 552

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committees on Health and Consumer Protection & Commerce,  
to which was referred H.B. No. 552 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INSURANCE,"

beg leave to report as follows:

The purpose of this measure is to preserve certain benefits  
of the federal Patient Protection and Affordable Care Act in the  
face of the threatened repeal of that Act by Congress.

Specifically, this measure preserves:

- (1) The individual mandate that requires all persons to  
acquire health insurance coverage and corresponding tax  
penalties for noncompliance;
- (2) Minimum requirements for health insurance policies  
issued in the State, including requirements for  
contraceptive and breastfeeding counseling and supplies;
- (3) Extension of dependents' eligibility for coverage  
through age 26; and
- (4) Prohibitions on exclusion from coverage based on a  
preexisting condition and on gender-based discrimination  
in premium and other cost amounts.



Your Committees received testimony in support of this measure from Hawaii State Commission on the Status of Women; IMUAlliance; Hawai'i Public Health Institute; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Children's Action Network; Planned Parenthood Votes Northwest and Hawaii; International Longshore and Warehouse Union Local 142; Hawaii Women's Coalition; March of Dimes Hawaii; Hawaii Association for Behavior Analysis; Action with Aloha, Early Childhood Action Strategy; The Sex Abuse Treatment Center; LGBT Caucus of the Democratic Party of Hawaii; Americans for Democratic Action; The CHOW Project; Hawaii Substance Abuse Coalition; American Diabetes Association; Lanai Community Health Center; League of Women Voters of Hawaii; Hawai'i Psychological Association; Healthcare Association of Hawaii; Hawaii Medical Association; and many individuals. Your Committees received testimony in opposition to this measure from one individual. The Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees, Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, Department of Human Services, Department of Health, Department of Taxation, Tax Foundation of Hawaii, Kaiser Permanente Hawaii, Hawaii Section of the American Congress of Obstetricians and Gynecologists, Hawaii Association of Health Plans, Hawaii Medical Service Association, AARP Hawaii, and Community Coalition for Hawaii Universal Healthcare Through Comprehensive Planning submitted comments.

Your Committees have amended this measure by:

- (1) Adding an exemption from the individual mandate to acquire insurance coverage for individuals who are exempt from coverage requirements or penalties for noncompliance under the current federal Patient Protection and Affordable Care Act;
- (2) Adding a new provision to require all insurers that issue any health insurance policies, plans, contracts, or agreements in the State that satisfy minimal essential coverage requirements to provide confirmation of that coverage to the individuals covered and to the Department of Taxation;
- (3) Establishing a Minimum Essential Coverage Premium Supplementation Trust Fund and related procedures to provide premium supplementations to insurers that issue minimal essential coverage at a net financial loss;



- (4) Deleting prescription drug, habilitative service, and pediatric oral and vision coverage from the list of essential health care benefits that must be provided by every health insurance policy, plan, contract, or agreement issued in the State;
- (5) Changing its effective date to July 1, 2090; provided that the substantive requirements for acquisition and content of health insurance coverage shall become effective upon the repeal of the Patient Protection and Affordable Care Act by Congress; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity and consistency, including by amending terminology used throughout this measure for the purpose of maintaining consistency with current law under the Patient Protection and Affordable Care Act.

Your Committees note that the practice of age banding, in which different health insurance premium amounts may be charged to different groups of enrollees based on age, has been the subject of extensive discussion, especially as it relates to cost-control and incentives to encourage younger, healthier enrollees to join insurance pools. Your Committees respectfully request that discussions on the appropriate use and regulation of age banding practices continue to be held as this measure continues through the legislative process.

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 H.B. No. 552, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 552, H.D. 1, and be referred to your 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





