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## HOUSE CONCURRENT RESOLUTION

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ESTABLISHING A TASK FORCE TO ADDRESS THE DRIVERS OF RISING COSTS  
FOR HEALTH INSURANCE PREMIUMS IN THE STATE.

1 WHEREAS, on average, Hawaii's health insurance premiums  
2 double each decade and are presently between \$650-\$750 a month;  
3 and  
4

5 WHEREAS, between 1999 and 2009, family health insurance  
6 premiums increased by 131 percent while the incomes of residents  
7 increased by 38.1 percent and overall inflation was 28.8  
8 percent; and  
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10 WHEREAS, rising health insurance premium costs also consume  
11 a rising percentage of the income of Hawaii's residents, growing  
12 from 2.8 percent in 1974 to 14.7 percent in 2015; and  
13

14 WHEREAS, health insurance premium costs far exceed the  
15 costs of other forms of insurance, with health insurance priced  
16 at \$6,655 in 2014 while home insurance was \$1,018 and auto  
17 insurance was \$751; and  
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19 WHEREAS, businesses that are required to provide employer-  
20 based health insurance will be greatly burdened if health  
21 insurance premium costs continue to rise at current growth  
22 rates; and  
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24 WHEREAS, the continual increase in health insurance premium  
25 costs at a rate that outpaces the growth of household income is  
26 unsustainable; and  
27

28 WHEREAS, the federal Affordable Care Act requires that  
29 insurers planning to increase plan premiums by more than 10  
30 percent submit their rates to the state or federal government  
31 for review for the purpose of improving insurer accountability



1 and transparency by enabling experts to evaluate whether the  
2 proposed rate increases are based on reasonable cost  
3 assumptions; and  
4

5 WHEREAS, Hawaii is among forty-six states and the District  
6 of Columbia with federally recognized effective rate review  
7 programs for the individual and small group markets; and  
8

9 WHEREAS, the process of rate review, while important, is  
10 inadequate to solve the problem of rapidly rising costs of  
11 health insurance premiums; and  
12

13 WHEREAS, more can be done to slow the rate of increase of  
14 health insurance premiums; and  
15

16 WHEREAS, Becker's Hospital Review concluded that there are  
17 many cost drivers fueling the rapid rise in healthcare costs,  
18 including:  
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20 (1) Physician, facility, and pharmaceutical costs;  
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22 (2) Expensive technologies and procedures;  
23

24 (3) Fragmented and uncoordinated care;  
25

26 (4) Lack of cost consideration from patients;  
27

28 (5) Fee-for-service;  
29

30 (6) High administrative cost expenses;  
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32 (7) Unhealthy behavior and lifestyle choices;  
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34 (8) Expensive end-of-life care;  
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36 (9) Provider consolidation; and  
37

38 (10) Aging population; now, therefore,  
39

40 BE IT RESOLVED by the House of Representatives of the  
41 Twenty-ninth Legislature of the State of Hawaii, Regular Session  
42 of 2018, the Senate concurring, that the Department of Commerce



1 and Consumer Affairs is requested to establish a statewide  
2 Health Insurance Premium Task Force that will study the issues  
3 and impacts of rising health insurance premiums in the State and  
4 recommend a comprehensive plan that addresses those issues; and  
5

6 BE IT FURTHER RESOLVED that the task force is requested to:

- 7  
8 (1) Investigate the aforementioned cost drivers; and  
9  
10 (2) Develop recommendations for the Legislature on how to  
11 slow or reverse the growing cost of health insurance  
12 premiums; and  
13

14 BE IT FURTHER RESOLVED that the following persons or their  
15 designated representatives are requested to be members of the  
16 Task Force:  
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- 18 (1) The Director of Human Services;  
19  
20 (2) The Director of Commerce and Consumer Affairs;  
21  
22 (3) The Director of Health;  
23  
24 (4) One representative from the Employer-Union Health  
25 Benefits Trust Fund;  
26  
27 (5) One representative from the Hawaii Medical Service  
28 Association;  
29  
30 (6) One representative from the Hawaii Medical  
31 Association;  
32  
33 (7) One representative from Kaiser Permanente;  
34  
35 (8) One representative from The Chamber of Commerce of  
36 Hawaii;  
37  
38 (9) One representative from the Hawaii Primary Care  
39 Association;  
40  
41 (10) One representative from the Healthcare Association of  
42 Hawaii;



- 1 (11) One representative from the American Heart  
2 Association;
- 3
- 4 (12) One representative from the National Kidney Foundation  
5 of Hawaii;
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- 7 (13) One representative from the American Diabetes  
8 Association; and
- 9
- 10 (14) One representative from the American Cancer Society;  
11 and
- 12

13 BE IT FURTHER RESOLVED that in developing its comprehensive  
14 plan, the Task Force is requested to:

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- 16 (1) Determine cost drivers in addition to those enumerated  
17 in this measure;
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- 19 (2) Propose a target health insurance premium cost growth  
20 rate that is achievable and will not constitute an  
21 undue burden for businesses, households, and the  
22 State; and
- 23
- 24 (3) Compare Hawaii's health insurance premiums as well as  
25 the rate of premium increases in Hawaii to those of  
26 other states; and
- 27

28 BE IT FURTHER RESOLVED that certified copies of this  
29 Concurrent Resolution be transmitted to the Governor; Director  
30 of Human Services; Director of Commerce and Consumer Affairs;  
31 Director of Health; Chairperson of the Board of Trustees of the  
32 Employer-Union Health Benefits Trust Fund; President of Hawaii  
33 Medical Service Association; Chief Executive Officer of Kaiser  
34 Permanente; President of The Chamber of Commerce of Hawaii;  
35 Chair of the Board of Directors of the Hawaii Primary Care  
36 Association; President of the Healthcare Association of Hawaii;  
37 Chief Executive Officer of the American Heart Association;



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1 President of the National Kidney Foundation of Hawaii; Chief  
2 Executive Officer of the American Diabetes Association; and  
3 Chief Executive Officer of the American Cancer Society of  
4 Hawaii.  
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OFFERED BY:



MAR 09 2018

