

STAND. COM. REP. NO.

2063

Honolulu, Hawaii

FEB 08 2018

RE: S.B. No. 2199

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2199 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the State to submit a state innovation waiver proposal to the federal government and to implement the conditions of the waiver upon approval by the federal government.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Kaiser Permanente Hawaii, and Hawaii Medical Service Association. Your Committee received comments on this measure from one individual.

Your Committee finds that under section 1332 of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act), a state may apply for a state innovation waiver, which allows the state to implement innovative ways to provide access to quality health care that is at least as comprehensive and affordable as the federal requirements for insurance.

Your Committee further finds that significant uncertainties exist in the individual health insurance markets throughout the country. Recent Congressional actions have eliminated funding of cost sharing reduction payments and the penalty associated with the Affordable Care Act's individual mandate, which have resulted

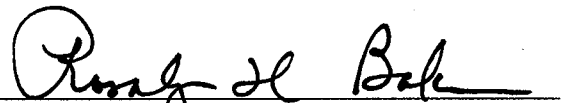


in further uncertainty about the future of individual health insurance markets.

Your Committee notes that reinsurance programs in conjunction with section 1332 innovation waivers have been established in other states as a method to help mitigate premium increases and increase stability in those states' individual health insurance markets. These waivers also provide for pass-through funding from the federal government, based on savings the states' reinsurance programs create. This measure therefore authorizes the State to submit a state innovation waiver proposal to the federal government and implement the conditions of the waiver upon its approval, which is necessary to allow the State to pursue a similar opportunity for Hawaii's individual health insurance market.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2199 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



