A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The cost of health care in Hawaii and the
nation is escalating exponentially, and medicaid reimbursements
are frequently less than the actual cost of care. Additionally,
health insurance premium costs and prescription drug costs are
rising rapidly.

In recent years, some of the largest hospitals in the state
reported that consumers and employers will likely pay more for
labor costs due to increased hospital fees and higher insurance
premiums, yet receive fewer services in return.

The increase in premium costs translates into increased
costs for employers. Under the state's Prepaid Health Care Act,
private-sector employers are required to pay the bulk of health
insurance premiums for their regular employees who work twenty
hours or more per week. Because the Act does not require
employers to provide health insurance coverage for employees
working fewer than twenty hours a week, increased health
insurance costs may lead to employers hiring individuals to work
fewer than twenty hours per week to avoid higher costs.
Increased health care costs can also be traced to the
demand for access to the newest technology for treatment of
illnesses. It is estimated that new technology is responsible
for almost fifty per cent of the total increase in health care
over the last thirty years. While greatly improving the quality
of life for patients, the costs involved in providing these
services place a heavy burden on the State's already struggling
health care system.

Health agencies are also concerned about the growing number
of uninsured individuals in the state. Hawaii was once known
for its low number of uninsured people, between two and five per
cent in 1994. The Healthcare Association of Hawaii estimates
that the current rate of uninsured individuals is more than ten
per cent of the state's population.

While the Prepaid Health Care Act has served its purpose
well for many years, it is now time to consider other options to
address these increased health care costs. There is a need for
new and innovative legislation that will provide affordable
health care for all of Hawaii's residents.

The legislature recognizes the accomplishments of Ah Quon
McElrath (1915-2008) toward improving the welfare of the people
of the state. As a lifelong champion of the underdog and an
eloquent, irrepressible, and forceful spokesperson for labor, human rights, and progressive causes, McElrath never hesitated to challenge the establishment to promote standard-of-living improvements for working men and women in areas such as occupational safety, ethnic equality, health care, and education. It was her dream for everyone in our state and nation to have access to affordable health care. Accordingly, the legislature dedicates this Act to Ah Quon McElrath.

The purpose of this Act is to initiate the comprehensive reformation of Hawaii's health care system with the ultimate goal of facilitating universal coverage through the provision of affordable, high-quality medical services for Hawaii's residents by establishing the Hawaii health authority to develop a comprehensive plan to provide universal health care in Hawaii.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER
HAWAII HEALTH AUTHORITY

§ 1 Hawaii health authority; establishment. (a) There is established within the department of budget and finance for administrative purposes the Hawaii health authority. The
authority shall be an autonomous public body corporate and
politic and an instrumentality of the State.

(b) The authority shall be composed of nine members
appointed by the governor as provided in section 26-34; provided
that three members shall be appointed from a list of nominees
submitted by the speaker of the house of representatives and
three members shall be appointed from a list of nominees
submitted by the president of the senate. All members shall be
appointed for terms of four years each.

(c) One member shall be selected to be the executive
director and confirmed by a majority vote of a quorum of the
members of the Hawaii health authority.

(d) Each member shall hold office until the member's
successor is appointed and qualified.

(e) Five members shall constitute a quorum, whose
affirmative vote shall be necessary for all valid actions by the
authority.

§ -2 Hawaii health authority; duties and
responsibilities. (a) The authority shall be responsible for
overall health planning for the state and shall be responsible
for determining future capacity needs for health providers,
facilities, equipment, and support services providers.
(b) The authority shall develop a comprehensive health plan that includes:

(1) Establishment of eligibility for inclusion in a health plan for all individuals;

(2) Determination of all reimbursable services to be paid by the authority;

(3) Determination of all approved providers of services in a health plan for all individuals;

(4) Evaluation of health care and cost effectiveness of all aspects of a health plan for all individuals; and

(5) Establishment of a budget for a health plan for all individuals in the state.

(c) The authority shall determine the waivers that are necessary and available by federal law, rule, or regulation necessary to implement and maintain this chapter.

(d) The authority shall adopt rules pursuant to chapter 91 necessary for the purposes of this chapter.

(e) The authority shall submit a comprehensive health plan for all individuals in the state, including its findings and recommendations, to the legislature no later than twenty days prior to the convening of the regular session of 2011."
SECTION 3. There is appropriated out of the state health planning and development special fund of the State of Hawaii the sum of $50,000 or so much thereof as may be necessary for fiscal year 2009-2010 for the purpose of operating the Hawaii health authority.

The sum appropriated shall be expended by the department of budget and finance for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2009.
Report Title:
Universal Health Care; Hawaii Health Authority

Description:
Creates the Hawaii Health Authority to develop a comprehensive plan to provide universal health care in Hawaii. (HB1504 CD1)