

STAND. COM. REP. NO.

1029

Honolulu, Hawaii

MAR 27 2009

RE: H.B. No. 690
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Health and Labor, to which was referred
H.B. No. 690, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this measure is to expand access to health insurance by requiring insurers to offer certain part-time employees the same group health care coverage offered to their co-workers who are regular employees, without the employer having to pay any portion of the premium.

Your Committees received testimony in support of this measure with amendments from the Hawaii Medical Service Association. Testimony in support of this measure with reservations was submitted by the Department of Commerce and Consumer Affairs and Kaiser Permanente. Comments on this measure were submitted by the Health Association of Health Plans and The Chamber of Commerce of Hawaii.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that it is important to reduce the number of uninsured workers in Hawaii while minimizing the impact on employers. However, there are concerns that allowing part-time employees the option of purchasing coverage will produce adverse selection in which the covered group of voluntary participants

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will mostly include those who use more health care. This is because many voluntary participants may choose not to purchase health coverage unless they actually need health care services. The premiums for this pool of voluntary participants are therefore likely to be higher than for mandatory pools with a more balanced mix of both healthy participants who use fewer health services and the less healthy who use more services.

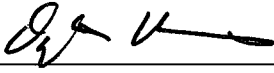
Your Committees have amended this measure by:

- (1) Authorizing group health insurers to limit periods of enrollment for part-time employees to a minimum of thirty calendar days; provided that:
 - (A) Part-time employees who experience a qualifying event shall enroll with a group health insurer within thirty days of the qualifying event; and
 - (B) Group health insurers shall be allowed to impose a one-year waiting period against part-time employees who terminate coverage for any reason. If a part-time employee terminates coverage and a one-year waiting period is imposed against the employee, a group health insurer need not reenroll the employee until the period of enrollment following the one-year waiting period; and
- (2) Inserting the definition of "qualifying event" to mean the date on which the part-time employee has been continuously employed by a single employer for a period of eighteen months.

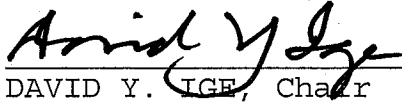
As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 690, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 690, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.



Respectfully submitted on
behalf of the members of the
Committees on Health and Labor,



DWIGHT Y. TAKAMINE, Chair

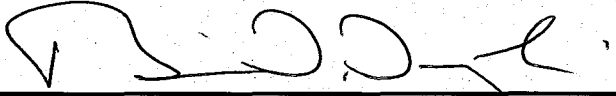


DAVID Y. IGE, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:*	Committee Referral:	Date:		
HB090 HD2	HTH/LOR, CON	3-24-09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TAKAMINE, Dwight Y. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BUNDA, Robert				✓
HEE, Clayton				✓
SLOM, Sam		✓		
TOTAL	2	1	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes