

JAN 20 2011

S.B. NO. 41

A BILL FOR AN ACT

RELATING TO THE HAWAII PREPAID HEALTH CARE ACT.

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

1 SECTION 1. The legislature finds that for over thirty
2 years, Hawaii's prepaid health care act has made the State a
3 national leader in providing health care to all of its
4 residents. Due in large part to the prepaid health care act,
5 Hawaii has one of the healthiest populations, the highest rates
6 of insured individuals, and the lowest health insurance costs in
7 the country. While Hawaii is not immune to many of the
8 challenges in the areas of accessibility, quality, and cost of
9 health care that face the nation as a whole, the prepaid health
10 care act has assured stability in the health insurance market
11 and has made Hawaii a national leader in health care policy.

12 The legislature notes that at the time of the initial
13 passage of the prepaid health care act and at certain other
14 times, such as the Clinton administration's attempt at enacting
15 health care reform in 1993, federal legislation to reform the
16 health care system on a national level has been projected to
17 impact Hawaii's prepaid health care act. At the time of the
18 prepaid health care act's original passage in 1974, the



1 legislature included a section that triggered the termination of
2 the state law upon passage of greater federal protections. In
3 anticipation of Clinton-era reforms that never actually
4 materialized, the legislature in 1994 passed Act 99, which
5 repeals the termination provision of the prepaid health care act
6 in order to preserve a higher benefit level for the people of
7 Hawaii than that which was predicted to be included in the
8 potential federal law.

9 Current federal health care reform efforts have continued
10 to recognize the special situation created by Hawaii's prepaid
11 health care act and have preserved Hawaii's higher level of
12 consumer protections by continuing Hawaii's exemption from
13 certain federal laws. Nevertheless, while the legislature
14 wholeheartedly supports the efforts of the President and the One
15 Hundred Eleventh Congress to bring the nation closer to
16 universal health coverage, the legislature continues to believe
17 that the prepaid health care act provides superior benefits to
18 the people of Hawaii than does federal legislation on its own.
19 Further, the legislature finds that the reported agenda of the
20 One Hundred Twelfth Congress to dismantle federal health care
21 reforms may jeopardize the prepaid health care act. Therefore,
22 in order to safeguard the prepaid health care act more



1 completely, the legislature finds it necessary to immediately
2 eliminate language allowing for the automatic repeal of Hawaii's
3 prepaid health care act from the text of that act and to
4 eliminate potentially conflicting language regarding the
5 effective date of the prepaid health care act's automatic
6 repeal.

7 SECTION 2. Chapter 393, part V, Hawaii Revised Statutes,
8 is repealed.

9 ~~["PART V. TERMINATION OF CHAPTER]~~
10 ~~[\$393-51 Termination of chapter.] This chapter shall~~
11 ~~terminate upon the effective date of federal legislation that~~
12 ~~provides for voluntary prepaid health care for the people of~~
13 ~~Hawaii in a manner at least as favorable as the health care~~
14 ~~provided by this chapter, or upon the effective date of federal~~
15 ~~legislation that provides for mandatory prepaid health care for~~
16 ~~the people of Hawaii."]~~

17 SECTION 3. Act 99, Session Laws of Hawaii 1994, is
18 repealed.

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken.

21



S.B. NO. 41

1 SECTION 5. This Act shall take effect on July 1, 2011.

2

INTRODUCED BY:

Ronald H. Pak
Clarena K. Michien
John Green
Elizabeth Chun Oakland

Will Eyo

David J. ...
Mike ...
Carol ...



Report Title:

Hawaii Prepaid Health Care Act

Description:

Repeals the sunset provision of the Hawaii Prepaid Health Care Act. Repeals Act 99, Session Laws of Hawaii 1994, which repealed the sunset provision of the Hawaii Prepaid Health Care Act effective upon certain federal law.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

