

CONFERENCE COMMITTEE REP. NO.

108

Honolulu, Hawaii

APR 29 2011

, 2011

RE: S.B. No. 1348
S.D. 2
H.D. 3
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1348, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to establish a nonprofit health insurance exchange, to be known as the Hawaii Health Connector, to facilitate the purchase and sale of qualified health plans and to facilitate the regulation of health plans in compliance with the federal Patient Protection and Affordable Care Act of 2010.

Your Committee on Conference finds that the federal Patient Protection and Affordable Care Act requires each state to establish a health insurance exchange to regulate health insurance plans and distribute information to consumers. Under the federal law, if a state does not establish an exchange that complies with minimum

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standards, the federal government will take over that function, thus removing the state's regulatory authority. Because of Hawaii's unique health care market and in deference to the State's local culture, it is in the best interest of the State to retain regulatory control over all aspects of its domestic health insurance industry.

The establishment and implementation of the Hawaii Health Connector will be an ongoing process requiring continuing dialogue among stakeholders and consideration of a variety of issues. Therefore, this measure empowers the State Health Insurance Exchange Task Force initially convened by the Insurance Commissioner to thoroughly investigate the issues and make recommendations for the management of the Hawaii Health Connector. It is the prudent course of action to take concrete steps now to ensure that the State is able to timely implement the Hawaii Health Connector in accordance with federal law in order to preserve the State's continuing eligibility for federal grants and technical assistance.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that qualified dental plans are included in all applicable provisions of the measure;
- (2) Specifying a \$750,000 amount for the appropriation from the federal funds received pursuant to the Catalog of Federal Domestic Assistance number 93.525;
- (3) Inserting an effective date of upon approval; and
- (4) Specifying that the appropriation made from Catalog of Federal Domestic Assistance number 93.525 shall be effective July 1, 2011.

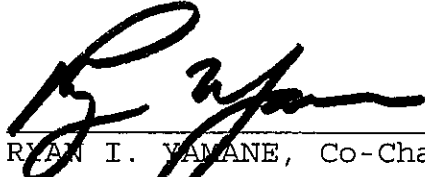
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1348, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1348, S.D. 2, H.D. 3, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



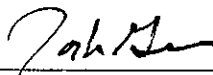
RYAN I. YAMANE, Co-Chair



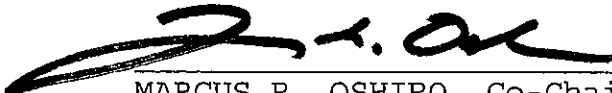
ROSALYN H. BAKER, Chair



ROBERT N. HERKES, Co-Chair



JOSH GREEN, M.D., Co-Chair



MARCUS R. OSHIRO, Co-Chair



DAVID Y. IGE, Co-Chair



