

Honolulu, Hawaii

FEB 17 2011

RE: S.B. No. 1348
S.D. 1

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

Sir:

Your Committees on Commerce and Consumer Protection and Health, to which was referred S.B. No. 1348 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to establish the initial structural and regulatory framework for a health insurance exchange, known as the Hawaii Health Connector, to comply with the requirements of the federal Patient Protection and Affordable Care Act.

Your Committees received testimony in support of this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs, the Department of Human Services, the Hawaii Medical Service Association, the Hawaii Association of Health Plans, the Healthcare Association of Hawaii, American Cancer Society Hawai'i Pacific, Inc., the National Multiple Sclerosis Society, Puna Community Medical Center, and Hawaii Medical Association. Your Committees received comments on this measure from the American Family Life Insurance Company of Columbus, the Legislative Research Bureau, and one individual.

Your Committees find 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 standards, the federal government will take over that function,



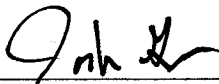
thus removing the state's regulatory authority. Your Committees find that it is in the best interest of the State to retain regulatory control over all aspects of its domestic insurance industry. Your Committees further find that the establishment and implementation of the Hawaii Health Connector will be an ongoing process requiring continuing dialogue among stakeholders and consideration of a variety of issues. Therefore, your Committees have empowered 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. Finally, your Committees find that it is prudent 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 Committees have amended this measure by:

- (1) Amending the definition of "insurer" to ensure that all relevant entities are included;
- (2) Amending funding provisions to reflect the requirements of federal law; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1348, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1348, S.D. 1, and be referred to the Committee on Ways and Means.

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



JOSH GREEN, M.D., Chair

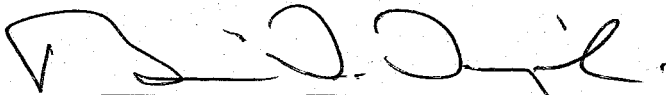


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

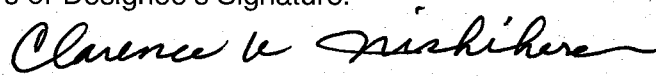
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 1348	Committee Referral: CPN/HTH, WAM	Date: 2/10/2011		
<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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood				✓
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama				✓
SLOM, Sam				✓
TOTAL	4	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB1348	Committee Referral: CPH/HTH, WAM	Date: 2/10/11		
<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
GREEN, M.D., Josh (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
BAKER, Rosalyn H.	✓			
CHUN OAKLAND, Suzanne	✓			
SHIMABUKURO, Maile				✓
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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