

Honolulu, Hawaii

March 23, 2012

RE: S.B. No. 2434
S.D. 1
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2434, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend Hawaii's health insurance exchange law by, among other things:

- (1) Requiring the Hawaii Health Connector to establish and administer a separate program to serve the individual market and a separate program to serve the small group market;
- (2) Establishing a Navigator Program and specifying qualifications and restrictions for navigators;
- (3) Specifying the staggered terms for the Board of Directors of the Hawaii Health Connector; and
- (4) Clarifying the role of the Department of Human Services in determining Medicaid eligibility.

The Hawaii Association of Health Plans, Hawaii Medical Service Association, Kaiser Permanente Hawaii, and Ohana Health Plan supported this bill. The American Cancer Society supported



the intent of this measure. Faith Action for Community Equity supported this bill with amendments. Americans for Democratic Action/Hawaii, Consumers for Fairness, and United Self Help opposed this measure. The Hawaii Health Connector, Common Cause Hawaii, AARP, League of Women Voters, Hawaii Primary Care Association, Hawaii Coalition for Health, Kokua Council, and a concerned individual submitted comments.

After careful consideration, your Committee has amended this bill by:

- (1) Requiring the Hawaii Health Connector to conduct an assessment to determine the quality of basic health plans offered and the financial impact upon consumers if the risk pools for the individual and the small group markets are separated or combined;
- (2) No longer restricting recipients of Navigator grants under the Navigator Program to nonprofit entities;
- (3) Establishing open-meeting requirements for the Board of Directors of the Hawaii Health Connector;
- (4) Adding a definition for "provider";
- (5) Providing that insurers and providers on the Board of Directors of the Hawaii Health Connector may serve only in an advisory capacity and cannot be voting members; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2434, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2434, S.D. 1, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,

for: 
ROBERT N. MERKES, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2404 S01 HD1	Committee Referral: HLT, CPC, FIN	Date: 3/19/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	/			/
2. YAMANE, Ryan I. (VC)	/			
3. BROWER, Tom	/			
4. CABANILLA, Rida T.R.	/			
5. CARROLL, Mele				/
6. COFFMAN, Denny	/			
7. ITO, Ken	/			
8. KEITH-AGARAN, Gilbert S.C.	/			
9. LUKE, Sylvia	/			
10. McKELVEY, Angus L.K.	/			
11. SOUKI, Joseph M.		/		
12. TSUJI, Clift	/			
13. CHING, Corinne W.L.				/
14. MARUMOTO, Barbara C.		/		
15. THIELEN, Cynthia	/			
TOTAL (15)	10	2		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____ 				
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