
HOUSE CONCURRENT RESOLUTION

SUGGESTING THE DEFERRAL OF H.B. NO. 2529 AND REQUESTING A
PROPOSAL FROM THE HAWAII HEALTH CONNECTOR AND INSURANCE
DIVISION FOR THE ORDERLY WINDING DOWN OF THE STATE EXCHANGE
AND IMPLEMENTATION OF THE FEDERAL EXCHANGE.

1 WHEREAS, the Patient Protection and Affordable Care Act
2 (PPACA) authorized states to create health insurance exchanges
3 to implement certain health insurance reforms within PPACA; and
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5 WHEREAS, in 2011, in response to PPACA's authorization,
6 Hawaii established the Hawaii Health Connector as a private
7 nonprofit entity to serve as Hawaii's health insurance exchange
8 and implement certain health insurance reforms within PPACA; and
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10 WHEREAS, PPACA requires state health insurance exchanges,
11 including the Hawaii Health Connector, to be self-sustaining by
12 January 1, 2015; and
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14 WHEREAS, the Hawaii Health Connector, like most state and
15 federal exchanges nationwide, has faced considerable
16 implementation challenges and obstacles to marketplace adoption;
17 and
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19 WHEREAS, the Interim Director of the Hawaii Health
20 Connector has testified to the Legislature that due to the
21 longstanding success of Hawaii's Prepaid Health Care Act, Hawaii
22 does not have a sufficient number of uninsured to keep the
23 Connector sustainable either as a private nonprofit or state-run
24 entity; and
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26 WHEREAS, spending substantial State funds to bail out the
27 Connector and bring it under the State's control is not fiscally
28 prudent, as additional money will not change the core market
29 dynamics working against the Connector; and



1 WHEREAS, Hawaii's insurers cannot absorb the surcharges
2 being proposed, with the result that those costs will ultimately
3 be passed on to the consumer in the way of higher rates; and
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5 WHEREAS, the House Committees on Health, Consumer
6 Protection & Commerce, and Finance are commended for their
7 leadership, diligence, and innovation in working to address the
8 obstacles the Hawaii Health Connector is presently encountering;
9 and
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11 WHEREAS, the Hawaii Health Connector's narrow but valuable
12 role should be as its name suggests: educating consumers and
13 *connecting* them with the best available health insurance
14 options; and
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16 WHEREAS, the Hawaii Health Connector is already acting as
17 an information gateway, and it can continue doing so at a
18 fraction of the current expense if the State Exchange is
19 eliminated in favor of participation in the Federal Exchange;
20 now, therefore,
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22 BE IT RESOLVED by the House of Representatives of the
23 Twenty-seventh Legislature of the State of Hawaii, Regular
24 Session of 2014, the Senate concurring, that H.B. No. 2529 be
25 deferred; and
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27 BE IT FURTHER RESOLVED that the Hawaii Health Connector and
28 Insurance Division are requested to propose a plan for:
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- 30 (1) An orderly winding down of the State Exchange and
31 implementation of the Federal Exchange while
32 preserving the Prepaid Health Care Act; and
33
34 (2) Future functioning of the Hawaii Health Connector
35 strictly as an informational resource to Hawaii
36 consumers; and
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38 BE IT FURTHER RESOLVED that the Hawaii Health Connector and
39 the Insurance Division are requested to submit their proposal to
40 the Legislature within 90 days of the adoption of this
41 Concurrent Resolution; and
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1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Interim Executive
3 Director of the Hawaii Health Connector and Insurance
4 Commissioner.

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OFFERED BY:

[Handwritten Signature]
B.R.

MAR 07 2014

