

Honolulu, Hawaii
February 14, 2014

RE: H.B. No. 2581
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2581, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to establish the State Innovation Waiver Task Force to develop a health care reform plan that meets requirements for obtaining a state innovation waiver.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Chamber of Commerce Hawaii testified in support of this measure with amendments. The Hawaii Medical Service Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Requiring the Task Force to examine the feasibility of options for providing affordable insurance coverage for uninsured and underinsured individuals in Hawaii through brokers and professional employer organizations that include innovations to the State's existing Medicaid program; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



Your Committee notes that the creation of the Task Force is crucial in enabling the State to apply for much needed exceptions to Patient Protection and Affordable Care Act provisions that conflict with Hawaii's Prepaid Health Care Act. Your Committee further notes that the Task Force is required to examine the feasibility of options for providing affordable insurance coverage for uninsured, underinsured individuals, and small businesses in Hawaii that include innovations to the State's existing Medicaid program.

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 H.B. No. 2581, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2581, H.D. 2, and be referred to the Committee on Finance.

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



ANGUS L.K. MCKELVEY, Chair



