July 1, 2014

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 1, 2014, the following bill was signed into law:

SB2054 SD3 HD3 CD1 RELATING TO HEALTH
ACT 185 (14)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii
A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this Act is to ensure the provision of quality health care for Hawaii residents and support early intervention of autism spectrum disorders by requiring the contracting of an actuarial analysis of the projected costs of providing insurance coverage for the screening, diagnosis, and treatment of autism spectrum disorders.

SECTION 2. (a) The insurance commissioner shall contract for the performance of an actuarial analysis by a licensed actuary who is a member in good standing with the American Academy of Actuaries of the projected costs of providing insurance coverage for screening, diagnosis, and treatment of autism spectrum disorders.

(b) The actuarial analysis shall:

(1) Include a statement by the actuary certifying that the techniques and methods used are generally accepted within the actuarial profession and that the assumptions and cost estimates used are reasonable;
(2) Provide a financial analysis of the cost of providing insurance coverage for screening, diagnosis, and treatment of autism spectrum disorders, including an estimate of the cost benefits and the cost impact to the Hawaii Medicaid market; and

(3) Specifically consider the following factors and their impact on the cost of providing insurance coverage or Medicaid coverage:

(A) The prevalence of autism spectrum disorders compared to the prevalence of treated autism spectrum disorders;

(B) The intensity and frequency of treatment provided depending on the severity of the diagnosis of autism spectrum disorders; and

(C) The tiered service delivery model of applied behavior analysis as a treatment for autism spectrum disorders.

(c) The actuarial analysis shall be completed and submitted to the insurance commissioner in sufficient time for the insurance commissioner to submit a report to the legislature, including findings, recommendations, and proposed legislation, if any, based on the results of the actuarial analysis.
analysis no later than twenty days prior to the convening of the regular session of 2015.

(d) For the purpose of contracting for the actuarial analysis, the insurance commissioner shall be exempt from compliance with chapter 103D, Hawaii Revised Statutes.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of $50,000 or so much thereof as may be necessary for fiscal year 2014-2015 to contract for the performance of the actuarial analysis required under this Act.

The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 4. This Act shall take effect upon its approval; provided that section 3 shall take effect on July 1, 2014.

APPROVED this 1 day of JUL 2014

[Signature]
GOVERNOR OF THE STATE OF HAWAII