

STAND. COM. REP. NO.

1654

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 1028
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1028, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to ensure that the group health plans offered through the Hawaii Health Connector (Connector) are in compliance with federal network adequacy requirements and to assist in the Connector's ability to achieve financial self-sustainability by:

- (1) Requiring all group health issuers to offer to contract with any federally-qualified health centers in the relevant service area to provide all covered ambulatory services offered by the federally-qualified health centers in accordance with network adequacy standards of the Connector;
- (2) Authorizing the Connector to generate revenue through the provision of benefit administration services for employer-based health plans not offered through the Connector or other ancillary products and services; and
- (3) Requiring that the network adequacy standards of the Connector adhere to the requirements for contracts with



federally-qualified health centers in conformance with the requirements of federal implementing regulations.

The Hawaii Primary Care Association supported this measure. The Chamber of Commerce of Hawaii and Kaiser Permanente opposed this measure. The Department of Commerce and Consumer Affairs, Department of the Attorney General, and Hawaii Medical Service Association commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1028, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



