



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 20, 2017

GOV. MSG. NO. 1143

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 20, 2017, the following bill was signed into law:

HB552 HD1 SD2 CD1

RELATING TO HEALTH INSURANCE
ACT 043 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

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

1 SECTION 1. The legislature finds that the Patient
2 Protection and Affordable Care Act of 2010 (Affordable Care Act)
3 has resulted in an estimated 20,000,000 Americans gaining health
4 insurance coverage. The provisions under the Affordable Care
5 Act that have afforded coverage to the uninsured include
6 expanded medicaid coverage and changes in insurer requirements
7 that permit young adults to remain on their parent's health
8 insurance plans, require health insurance plans to cover people
9 with preexisting health conditions, and prohibit gender-based
10 discrimination in premiums and coverage. According to a report
11 from the United States Department of Health and Human Services,
12 6,100,000 uninsured young adults ages nineteen to twenty-five
13 have gained health insurance coverage thanks to the Affordable
14 Care Act. This is especially important as young adults were
15 particularly likely to be uninsured before the law went into
16 effect.

17 The federal Department of Health and Human Services
18 recently reported that since the enactment of the Affordable



1 Care Act, 54,000 residents of Hawaii have gained health
2 insurance coverage. In addition to residents who would
3 otherwise be uninsured, hundreds of thousands of Hawaii
4 residents with employer, medicaid, individual market, or
5 medicare coverage have also benefited from new protections under
6 the Affordable Care Act. Even with the robust coverage of
7 Hawaii's Prepaid Health Care Act and med-QUEST program, the
8 benefits of the Affordable Care Act in Hawaii have been
9 widespread. The Act expanded medicaid eligibility and
10 strengthened the program for those already eligible. The State
11 has saved millions in uncompensated care costs and has been able
12 to improve behavioral health outcomes for various beneficiaries.
13 For Hawaii residents, individual market coverage is now
14 dramatically better than before the enactment of the Affordable
15 Care Act.

16 Unfortunately, the future of the Affordable Care Act is now
17 uncertain. The current presidential administration campaigned
18 on the promise to repeal the Affordable Care Act. Republicans
19 in Congress have also backed this promise. On January 12, 2017,
20 Senate Republicans took their first major step toward repealing
21 the Affordable Care Act, when they approved a budget blueprint



1 that would allow Republicans to gut the Affordable Care Act
2 without the threat of a Democratic filibuster. Although
3 Congressional Republicans failed in their initial attempt to
4 repeal and replace the Affordable Care Act with a largely
5 unspecified plan that would have decimated the reforms that are
6 critical to the Affordable Care Act's effective function, there
7 have been consistent reports of further proposals to take even
8 more extreme action. The White House has also threatened to
9 circumvent Congress and deliberately sabotage the insurance
10 market by withholding federal reimbursements due for subsidized
11 costs incurred by low-income enrollees. The legislature finds
12 that due to uncertainty over the Affordable Care Act's future,
13 it is important to preserve certain important aspects of the Act
14 for residents in Hawaii.

15 The repeal of the Affordable Care Act would have widespread
16 ramifications. According to recent data from the Urban
17 Institute, 86,000 fewer people in Hawaii would have health
18 insurance in 2019 if the Affordable Care Act is repealed.
19 States are poised to lose significant federal funds if
20 marketplace subsidies and the medicaid expansion end. For
21 Hawaii, a repeal of the Affordable Care Act would mean the loss



1 of \$47,000,000 in federal marketplace spending in 2019 and a
2 loss of \$532,000,000 between 2019 and 2028. Hawaii would also
3 lose \$306,000,000 in federal medicaid funding in 2019 and
4 \$3,700,000,000 between 2019 and 2028.

5 The Urban Institute estimates that repealing the Affordable
6 Care Act without an adequate replacement plan that ensures
7 affordable coverage would take health insurance coverage away
8 from 29,800,000 people nationwide by 2019, more than doubling
9 the total number of uninsured to 58,700,000.

10 Finally, the legislature notes that, because the issues
11 surrounding health insurance and the potential repeal of the
12 Affordable Care Act are far-reaching and complex, it is
13 appropriate to convene a working group to further address these
14 issues.

15 The purpose of this Act is to mitigate the potential damage
16 to the State, its residents, and its health care system that is
17 likely to occur if the Affordable Care Act is repealed by an act
18 of Congress. Specifically, this Act establishes the affordable
19 health insurance working group to address the complexities of
20 the health care system in Hawaii and the related uncertainty
21 over the future of the Affordable Care Act and to ensure that



1 certain benefits of the Affordable Care Act remain available to
2 Hawaii residents under state law.

3 SECTION 2. (a) There is established the affordable health
4 insurance working group to address the complexities of the
5 health care system in Hawaii and the related uncertainty over
6 the future of the federal Patient Protection and Affordable Care
7 Act of 2010, Public Law No. 111-148 (Affordable Care Act), in
8 light of the current Presidential administration's pledge to
9 repeal and replace the Affordable Care Act. The working group
10 shall consider and make recommendations on policy issues
11 including:

- 12 (1) Minimum standard coverage requirements for
13 individuals;
- 14 (2) Essential health care benefits;
- 15 (3) Rate setting;
- 16 (4) Medicaid expansion;
- 17 (5) Financial requirements and financing options; and
- 18 (6) Other issues that may arise, pursuant to the
19 discretion of the working group.

20 (b) The working group shall consist of the following
21 members:



- 1 (1) The chairs of the senate committee on commerce,
2 consumer protection, and health and house committee on
3 health, who shall serve as chairs of the working
4 group;
- 5 (2) The chairs of the senate and house committees on human
6 services, who shall serve as vice-chairs of the
7 working group; and
- 8 (3) Representatives from administrative departments and
9 agencies who are currently involved in discussions
10 regarding the repeal of the Affordable Care Act and
11 the effect such a repeal would have in Hawaii,
12 including but not limited to the:
- 13 (A) Director of labor and industrial relations;
14 (B) Director of human services;
15 (C) Administrator of the department of human
16 services, med-QUEST division; and
17 (D) Insurance commissioner.
- 18 (c) The working group may hold informational briefings and
19 listening sessions to gather input from the public on issues
20 related to the potential repeal of the Affordable Care Act.



1 (d) The working group may request assistance and feedback
2 from subject matter experts, as needed, to enable the working
3 group to carry out its work.

4 (e) The working group shall provide periodic updates to
5 the legislature and shall make recommendations for any
6 legislative or administrative action the working group deems
7 appropriate to address access to affordable health insurance in
8 Hawaii in the event of a repeal of the Affordable Care Act. The
9 working group shall submit a final report, including
10 recommendations for further action, to the legislature no later
11 than twenty days prior to the convening of the regular session
12 of 2018.

13 (f) The legislative reference bureau is requested to
14 provide staff, research, and drafting assistance to the working
15 group.

16 (g) The working group shall be officially convened at the
17 pleasure of the chairs and vice-chairs of the working group,
18 depending upon Congressional action related to the federal
19 Patient Protection and Affordable Care Act of 2010, Public Law
20 No. 111-148, but no later than August 1, 2017.

21 SECTION 3. This Act shall take effect on July 1, 2017.



H.B. NO.

552
H.D. 1
S.D. 2
C.D. 1

APPROVED this 20 day of JUN, 2017

A handwritten signature in black ink, appearing to read "David Ige". The signature is fluid and cursive, with a large loop under the "I".

GOVERNOR OF THE STATE OF HAWAII

HB No. 552, HD 1, SD 2, CD 1

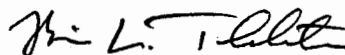
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki
Speaker
House of Representatives





Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.


President of the Senate


Clerk of the Senate