WHEREAS, on average, Hawaii's health insurance premiums double each decade and are presently between $650-$750 a month; and

WHEREAS, between 1999 and 2009, family health insurance premiums increased by 131 percent while the incomes of residents increased by 38.1 percent and overall inflation was 28.8 percent; and

WHEREAS, rising health insurance premium costs also consume a rising percentage of the income of Hawaii's residents, growing from 2.8 percent in 1974 to 14.7 percent in 2015; and

WHEREAS, health insurance premium costs far exceed the costs of other forms of insurance, with health insurance priced at $6,655 in 2014 while home insurance was $1,018 and auto insurance was $751; and

WHEREAS, businesses that are required to provide employer-based health insurance will be greatly burdened if health insurance premium costs continue to rise at current growth rates; and

WHEREAS, the continual increase in health insurance premium costs at a rate that outpaces the growth of household income is unsustainable; and

WHEREAS, the federal Affordable Care Act requires that insurers planning to increase plan premiums by more than 10 percent submit their rates to the state or federal government for review for the purpose of improving insurer accountability and transparency by enabling experts to evaluate whether the
proposed rate increases are based on reasonable cost assumptions; and

WHEREAS, Hawaii is among forty-six states and the District of Columbia with federally recognized effective rate review programs for the individual and small group markets; and

WHEREAS, the process of rate review, while important, is inadequate to solve the problem of rapidly rising costs of health insurance premiums; and

WHEREAS, more can be done to slow the rate of increase of health insurance premiums; and

WHEREAS, Becker's Hospital Review concluded that there are many cost drivers fueling the rapid rise in healthcare costs, including:

(1) Physician, facility, and pharmaceutical costs;
(2) Expensive technologies and procedures;
(3) Fragmented and uncoordinated care;
(4) Lack of cost consideration from patients;
(5) Fee-for-service;
(6) High administrative cost expenses;
(7) Unhealthy behavior and lifestyle choices;
(8) Expensive end-of-life care;
(9) Provider consolidation; and
(10) Aging population; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2018, that the Department of Commerce and Consumer Affairs is
requested to establish a statewide Health Insurance Premium Task
Force that will study the issues and impacts of rising health
insurance premiums in the State and recommend a comprehensive
plan that addresses those issues; and

BE IT FURTHER RESOLVED that the task force is requested to:

(1) Investigate the aforementioned cost drivers; and

(2) Develop recommendations for the Legislature on how to
slow or reverse the growing cost of health insurance
premiums; and

BE IT FURTHER RESOLVED that the following persons or their
designated representatives are requested to be members of the
Task Force:

(1) The Director of Human Services;

(2) The Director of Commerce and Consumer Affairs;

(3) The Director of Health;

(4) One representative from the Employer-Union Health
Benefits Trust Fund;

(5) One representative from the Hawaii Medical Service
Association;

(6) One representative from the Hawaii Medical
Association;

(7) One representative from Kaiser Permanente;

(8) One representative from The Chamber of Commerce of
Hawaii;

(9) One representative from the Hawaii Primary Care
Association;
(10) One representative from the Healthcare Association of Hawaii;

(11) One representative from the American Heart Association;

(12) One representative from the National Kidney Foundation of Hawaii;

(13) One representative from the American Diabetes Association; and

(14) One representative from the American Cancer Society; and

BE IT FURTHER RESOLVED that in developing its comprehensive plan, the Task Force is requested to:

(1) Determine cost drivers in addition to those enumerated in this measure;

(2) Propose a target health insurance premium cost growth rate that is achievable and will not constitute an undue burden for businesses, households, and the State; and

(3) Compare Hawaii's health insurance premiums as well as the rate of premium increases in Hawaii to those of other states; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor; Director of Human Services; Director of Commerce and Consumer Affairs; Director of Health; Chairperson of the Board of Trustees of the Employer-Union Health Benefits Trust Fund; President of Hawaii Medical Service Association; Chief Executive Officer of Kaiser Permanente; President of The Chamber of Commerce of Hawaii; Chair of the Board of Directors of the Hawaii Primary Care Association; President of the Healthcare Association of Hawaii; Chief Executive Officer of the American Heart Association;
President of the National Kidney Foundation of Hawaii; Chief Executive Officer of the American Diabetes Association; and Chief Executive Officer of the American Cancer Society of Hawaii.

OFFERED BY: [Signature]

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