

STAND. COM. REP. NO.

2921

Honolulu, Hawaii

MAR 19 2014

RE: H.B. No. 2581  
H.D. 3  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2581, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the State Innovation Waiver Task Force to develop a plan for applying for a state innovation waiver under the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act);
- (2) Require the State Innovation Waiver Task Force to submit an interim report to the Legislature prior to the convening of the Regular Session of 2015 and a final report prior to the convening of the Regular Session of 2016; and
- (3) Appropriate funds for the operations of the State Innovation Waiver Task Force.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Commerce and Consumer Affairs, Hawaii Medical Association, Chamber of Commerce Hawaii, Kaiser Permanente Hawaii, Hawaii Medical Service Association, and League of Women Voters of Hawaii.



Your Committee finds that the Affordable Care Act encourages states to develop innovative approaches to insuring their populations by authorizing states to apply for waivers from certain requirements of the Affordable Care Act. Your Committee further finds that Hawaii has long been at the forefront of the nation in health care and health insurance and a waiver may be in the best interests of the public. This measure convenes the State Innovation Waiver Task Force to consider strategies that will result in a universal health insurance coverage system that meets consumer and provider needs, adds value and convenience to employers, and is economically sustainable.

Your Committee additionally finds that for the State Innovation Waiver Task Force to successfully represent the interests of all persons and entities affected by the Affordable Care Act, a wide range of interested stakeholders must be included on the Task Force, such as representatives from small and large businesses, as these employers face different requirements under the Affordable Care Act, persons with expertise in health care delivery, and persons with expertise in health insurance.

Your Committee also notes that because the operations of the State Innovation Waiver Task Force will be a multi-year endeavor, it is appropriate to require a second interim report to be submitted to the Legislature prior to the convening of the Regular Session of 2016 and a final report to be submitted to the Legislature prior to the convening of the Regular Session of 2017.

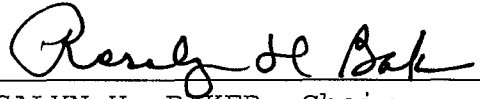
Accordingly, your Committee has amended this measure by:

- (1) Clarifying the membership on the task force, including adding a representative from the Healthcare Association of Hawaii and clarifying the necessary attributes for the members to be designated by the President of the Senate and the Speaker of the House of Representatives;
- (2) Requiring the State Innovation Waiver Task Force to submit two interim reports to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2015 and 2016 and a final report no later than twenty days prior to the convening of the Regular Session of 2017; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2581, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2581, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

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




ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2581 HD3	CPN, WAM	3/13/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn				✓
SLOM, Sam			✓	
<b>TOTAL</b>	3	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes