

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 576

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 Consumer Protection & Commerce, to which was referred H.B. No. 576, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE AFFORDABLE CARE ACT INNOVATION WAIVER,"

begs leave to report as follows:

The purpose of this measure is to assist the State in developing a state innovation waiver in compliance with the federal Patient Protection and Affordable Care Act.

Specifically, this measure:

- (1) Focuses the scope of work of the state innovation waiver task force, established pursuant to Act 158, Session Laws of Hawaii 2014, in developing a health care reform plan that meets the requirements for obtaining a state innovation waiver by deleting the requirements that the task force:
 - (A) Examine alternatives, exemptions, or waivers from allowable premium rate variations based on age;
 - (B) Examine the feasibility of providing affordable insurance coverage for uninsured and underinsured persons through brokers and professional employer organizations that include innovations to the State's Medicaid program; and



- (C) Provide a second interim report on a recommendation on the allocation of existing moneys available for health reform and innovation; and
- (2) Appropriates an unspecified amount to support development of a waiver to the federal Patient Protection and Affordable Care Act.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Primary Care Association, Healthcare Association of Hawaii, The Queen's Health Systems, and The Chamber of Commerce of Hawaii. The Hawaii Association of Health Plans, Hawaii Substance Abuse Coalition, and Hawaii Medical Service Association submitted comments on the measure.

Your Committee finds that appropriating funds for, and focusing the tasks of, the state innovation waiver task force will help to develop a state innovation waiver in compliance with the federal Patient Protection and Affordable Care Act that will best fit the needs of Hawaii residents.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 576, H.D. 1, and recommends that it be referred to the Committee on Finance.

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



ANGUS L.K. MCKELVEY, Chair



