

---

---

# A BILL FOR AN ACT

RELATING TO THE STATE AFFORDABLE CARE ACT INNOVATION WAIVER.

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

1           SECTION 1. Act 158, Session Laws of Hawaii 2014,  
2 established a state innovation waiver task force to develop a  
3 health care reform plan that meets the requirements for  
4 obtaining a state innovation waiver that complies with the  
5 federal Patient Protection and Affordable Care Act, Public Law  
6 111-148 (ACA). The plan to be developed by the task force for  
7 the waiver is expected to build on the success of chapter 393,  
8 Hawaii Revised Statutes, the Prepaid Health Care Act. The task  
9 force, which is to be dissolved on June 30, 2017, is temporarily  
10 attached to the office of the governor for administrative  
11 purposes.

12           In accordance with the terms of the ACA, an approvable  
13 waiver must include:

14           (1) Coverage that is at least as comprehensive as the  
15 coverage defined in section 1302(b) of the ACA and  
16 offered through exchanges;



- 1           (2) Coverage and cost-sharing protections against
- 2           excessive out-of-pocket spending that are at least as
- 3           affordable;
- 4           (3) Coverage for at least as many residents; and
- 5           (4) Terms that will not increase the federal deficit.

6           The major tasks for waiver development include:

- 7           (1) Identification of specific ACA provisions that Hawaii
- 8           seeks to waive;
- 9           (2) Actuarial analysis and actuarial certifications of
- 10           required comparability;
- 11           (3) An economic analysis of the costs and effect on the
- 12           federal deficit;
- 13           (4) Development of a ten-year budget;
- 14           (5) Analysis of the impact on health insurance coverage;
- 15           (6) Public hearings; and
- 16           (7) Explicit legislative approval.

17           The purpose of this Act is to, among other things:

- 18           (1) Amend the scope of the work of the task force in
- 19           developing a health care reform plan; and
- 20           (2) Provide the resources needed to develop an ACA waiver
- 21           in a timely manner.



1 SECTION 2. Act 158, Session Laws of Hawaii 2014, is  
2 amended by amending section 2 as follows:

3 1. By amending subsection (c) to read:

4 "(c) The task force shall:

5 (1) Examine the feasibility of alternative approaches to  
6 the health reform requirements described under Section  
7 1332(a)(2) of the federal act;

8 ~~[-(2) Examine alternatives to and possible exemptions or~~  
9 ~~waivers from requirements relating to allowable~~  
10 ~~premium rate variations based upon age, as described~~  
11 ~~in Section 1201 of the federal act;~~

12 ~~-(3) Examine the feasibility of options for providing~~  
13 ~~affordable insurance coverage for uninsured and~~  
14 ~~underinsured individuals in Hawaii through brokers and~~  
15 ~~professional employer organizations that include~~  
16 ~~innovations to the State's existing medicaid program;]~~  
17 and

18 ~~[-(4)]~~ (2) Develop a plan for applying for a state  
19 innovation waiver that meets the requirements of  
20 Section 1332 of the federal act, including:



- 1 (A) Developing a strategy for health care reform
- 2 that:
- 3 (i) Provides coverage that is at least as
- 4 comprehensive as required by the federal
- 5 act;
- 6 (ii) Provides coverage and cost-sharing
- 7 protections that are at least as affordable
- 8 as under the federal act;
- 9 (iii) Makes health insurance coverage available to
- 10 as many residents of Hawaii as under the
- 11 federal act; and
- 12 (iv) Is budget neutral for the federal
- 13 government;
- 14 (B) Examining the feasibility of options for
- 15 providing affordable insurance coverage for
- 16 uninsured and underinsured individuals in Hawaii
- 17 that include innovations to the State's existing
- 18 medicaid program; and
- 19 (C) Ensuring compliance with all applicable public
- 20 notice requirements of title 31 Code of Federal



1 Regulations part 33 and title 45 Code of Federal  
2 Regulations part 155, as amended."

3 2. By amending subsection (f) to read:

4 "(f) The task force shall submit an initial interim report  
5 to the legislature no later than twenty days prior to the  
6 convening of the regular session of 2015. The task force shall  
7 submit a second interim report to the legislature no later than  
8 twenty days prior to the convening of the regular session of  
9 2016. The interim reports shall include[+]

10 ~~(1) Identification]~~ identification of opportunities for  
11 state agencies to collaborate on new information  
12 technology that will advance the goals of the federal  
13 act and state innovation[; and

14 ~~(2) Recommendations on the allocation of existing moneys~~  
15 ~~available for health reform and innovation, including~~  
16 ~~any proposed legislation]."~~

17 SECTION 3. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$ or so much  
19 thereof as may be necessary for fiscal year 2015-2016 and the  
20 sum of \$ or so much thereof as may be necessary for



1 fiscal year 2016-2017 for expenses related to developing a  
2 federal Patient Protection and Affordable Care Act waiver.

3 The sums appropriated shall be expended by the office of  
4 the governor for the purposes of this Act.

5 SECTION 4. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Patient Protection and Affordable Care Act Waiver; Appropriation

**Description:**

Amends scope of the State Innovation Waiver Task Force consideration. Provides resources to develop a waiver from certain provisions of the Patient Protection and Affordable Care Act. Appropriates funds. (HB576 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

