

JAN 19 2012

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# A BILL FOR AN ACT

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RELATING TO HEALTH CARE.

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

1       SECTION 1. The legislature finds that Hawaii has enjoyed  
2 one of the highest rates of health care insurance coverage in  
3 the nation for more than thirty years, largely due to the Hawaii  
4 prepaid health care act. The prevalence of health care  
5 insurance coverage is a good predictor of community health, so  
6 it is no surprise that the people of Hawaii enjoy a higher level  
7 of health than most of the rest of the nation.

8       The Hawaii prepaid health care act requires employers to  
9 provide health care insurance to employees who work at least  
10 twenty hours a week, and provides for minimum requirements for  
11 the benefits package of each health care insurance plan. The  
12 director of labor and industrial relations administers the  
13 Hawaii prepaid health care act and has the authority to  
14 determine which health plans may operate in Hawaii. The  
15 director of labor and industrial relations is advised by the  
16 prepaid health care advisory council.

17       The prepaid health care advisory council currently consists  
18 of a maximum of seven members appointed by the director of labor



1 and industrial relations, with the required representation of  
2 medical and public health professions, representatives of  
3 consumer interests, and persons experienced in prepaid health  
4 care protection. Health care provider organizations, such as  
5 hospitals, are not currently represented on the prepaid health  
6 care advisory council. The legislature also finds that  
7 including representation from health care organizations would  
8 give the council valuable perspectives on the design of health  
9 plan benefits. For example, the representation of health care  
10 organizations on the prepaid health care advisory council would  
11 add the expertise needed to create value-based insurance  
12 benefits that could improve the prevention and treatment of  
13 chronic diseases and ultimately reduce Hawaii's health care  
14 costs.

15 The purpose of this Act is to include representation from  
16 health care organizations on the prepaid health care advisory  
17 council and to increase the maximum membership of the prepaid  
18 health care advisory council from seven to nine.

19 SECTION 2. Section 393-7, Hawaii Revised Statutes, is  
20 amended by amending subsection (d) to read as follows:

21 "(d) The prepaid health care advisory council shall be  
22 appointed by the director and shall include representatives of



1 the medical and public health professions, representatives of  
2 health care provider organizations, representatives of consumer  
3 interests, and persons experienced in prepaid health care  
4 protection; provided that a person representing a health  
5 maintenance organization under chapter 432D, a mutual benefit  
6 society issuing individual and group hospital or medical service  
7 plans under chapter 432, or any other health care organization  
8 shall not be a member. The membership of the council shall not  
9 exceed [~~seven~~] nine individuals."

10 SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2012.

13 INTRODUCED BY: \_\_\_\_\_

*JLM*



# S.B. NO. 2091

**Report Title:**

Health Care; Advisory Council

**Description:**

Includes representatives of health care organizations on the prepaid health care advisory council to provide their perspectives regarding health plan benefits. Increases the maximum membership of the prepaid health care advisory council to 9 members.

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

