STAND. COM. REP. NO. 2324

Honolulu, Hawaii

FEB 1 7 2012

RE: S.B. No. 2085

S.D. 1

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 2085 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH INSURANCE EXCHANGE,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Hawaii Health Insurance Exchange to offer a basic health plan and, in regard to the Exchange's Board of Directors, to:

- (1) Clearly define the consumer;
- (2) Strengthen statewide consumer and business representation; and
- (3) Address conflicts of interest by prohibiting health plans from being members.

Your Committee received testimony in support of this measure from Ohana Health Plan; Waikiki Health Center; Bay Clinic, Inc.; Molokai Community Health Center; Lanai Community Health Center; AlohaCare; and three individuals. Your Committee received testimony in opposition to this measure from HMSA and Hawaii Dental Service. Your Committee received comments on this measure from the Office of the Governor, Hawaii Health Connector, and the Healthcare Association of Hawaii.

Your Committee finds that the continued membership of health insurers and dental benefit providers in the Board will provide valuable perspectives regarding health care. Your Committee also notes that the federal rules regarding the composition of the Board of Directors may be examined going forward.

Your Committee has amended this measure by:

- (1) Amending the definition of "consumer" to conform to language provided by the Office of the Governor;
- (2) Requiring the basic health plan to be offered by the Exchange to be available on or before January 1, 2015, rather than January 1, 2014;
- (3) Reinstating insurers and dental benefit providers to the Board;
- (4) Adding a consumer to the interim Board; and
- (5) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2085, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on behalf of the members of the Committee on Health,

JOSH GREEN, M.D., Chair

The Senate Twenty-Sixth Legislature State of Hawaiʻi

Record of Votes Committee on Health HTH

Bill / Resolution No.:*	Committee Referral: ,		Date:			
5B 2085	HTH, CPN		2/10/12			
The committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WR)	Nay	Excused	
GREEN, M.D., Josh (C)		/				
NISHIHARA, Clarence K. (VC)				,		
BAKER, Rosalyn H.						
CHUN OAKLAND, Suzanne						
SHIMABUKURO, Maile		/		. ,		
WAKAI, Glenn						
SLOM, Sam						
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TOTAL		6	0	\mathcal{U}	/	
Recommendation: Adopted Not Adopted						
Chair's or Designee's Signature: Clourse & Pashihara						
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency C					Goldenrod Committee File Copy	