H.B. NO. 25%

A BILL FOR AN ACT

RELATING TO THE HAWAII HEALTH CONNECTOR.

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

1 SECTION 1. The legislature finds that the Hawaii health 2 insurance exchange, also known as the Hawaii health connector, 3 is the State's online health insurance marketplace, created to 4 help individuals and small businesses take advantage of the 5 health insurance choices available under the federal Patient Protection and Affordable Care Act of 2010. The legislature 6 further finds that amendments relating to the board of directors 7 of the Hawaii health connector are needed to facilitate the 8 implementation phase of the Patient Protection and Affordable 9 Care Act and better position the Hawaii health connector for 10 11 long-term sustainability.

12 Therefore, the purpose of this Act is to amend the 13 composition and procedures of the board of directors of the 14 Hawaii health connector by:

15 (1) Lowering the number of members on the board of
16 directors to twelve, with a maximum of nine total
17 voting members;



1	(2)	Removing members representing insurers and dental	
2		benefit providers from the board;	
3	(3)	Requiring all but one of the state agency	
4		representatives on the board to be ex officio,	
5		nonvoting members; and	
6	(4)	Establishing procedures for filling vacancies on the	
7		board.	
8	SECTION 2. Section 435H-4, Hawaii Revised Statutes, is		
9	amended to read as follows:		
10	"§43	5H-4 Board of directors; composition; operation. (a)	
11	The Hawaii health connector shall be a nonprofit entity governed		
12	by a board of directors that shall comprise [fifteen members		
13	appointed by the governor-and-with the advice-and consent of the		
14	senate pursuant to section 26-34; provided that the governor		
15	shall submit nominations to the senate for advice and consent no		
16	later than February 1, 2012; and provided further that the		
17	senate-shall timely advise and consent to nominations-for terms		
18	to begin July 1, 2012. Members of the interim board shall be		
19	eligible for appointment to the board.] twelve members. The		
20	total number of voting members on the board shall not exceed		
21	nine members. There shall be no board members representing		
22	insurers or dental benefit providers, but the board may		
	CHARGE THE REPORT OF A DESCRIPTION OF A DESCRIPANTO OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A	HB SMA.doc	

.

H.B. NO. 2530

1	establish a subcommittee of representatives from insurers and		
2	dental benefit providers to provide technical assistance and		
3	other information to the connector on macro insurance matters.		
4	<u>(b)</u>	Appointments to fill vacancies on the board shall be	
5	as follows:		
6	(1)	The board shall recommend to the governor the skill	
7		sets that are needed on the board to facilitate	
8		implementation of the connector;	
9	(2)	The board shall submit to the governor a list of	
10		qualified nominees that meet the required skill sets;	
11		and	
12	(3)	The governor shall appoint members of the board,	
13		subject to the advice and consent of the senate and	
14		pursuant to section 26-34, from this list of qualified	
15		nominees provided by the board.	
16	[.(b)] <u>(c)</u> The membership of the board shall reflect	
17	geographic diversity and the diverse interests of stakeholders		
18	including consumers[-] and employers[insurers, and dental		
19	benefit providers].		
20	<u>(d)</u>	The governor shall designate one representative to	
21	serve_as	the state's official representative on the board from	
22	among the	following state representatives currently sitting on	
	2014-0531 HB SMA.doc		

Page 3

Page 4

H.B. NO. 2530

the board: the director of commerce and consumer affairs or the 1 director's designee, the director of health or the director's 2 3 designee, the director of human services or the director's 4 designee, [and] or the director of labor and industrial relations or the director's designee. The remaining three state 5 representatives shall be ex officio, [voting] nonvoting members 6 7 of the board. 8 The director of commerce and consumer affairs, the director of health, the director of human services, and the director of 9 labor and industrial relations may select a designee for a 10 specified meeting or meetings. Such selection of the designee 11 12 shall be submitted in writing to the board of directors prior to or at the meeting in which the designee will serve. 13 No state agency shall impede the efficient operation of the 14 15 connector. $\left[\frac{(c)}{(c)}\right]$ (e) Board members shall serve staggered terms and 16 the interim board shall recommend an appropriate schedule for 17 staggered terms; provided that this subsection shall not apply 18 to ex officio members, who shall serve during their entire term 19 20 of office.

21 [(d)] (f) The board shall adopt policies prohibiting
22 conflicts of interest and procedures for recusal of a member in



1 the case of an actual or potential conflict of interest, 2 including policies prohibiting a member from taking part in official action on any matter in which the member had any 3 4 financial involvement or interest prior to the commencement of 5 service on the board. Members of the board may retain private counsel for matters relating to service on the board according 6 7 to rules recommended by the board. 8 [(e)] (g) The board shall manage the budget of the 9 connector according to generally accepted accounting principles and a plan for financial organization adopted by the legislature 10

based on recommendations of the interim board. 11

12 [(f)] (h) The board shall maintain transparency of board actions, including public disclosure and posting of board 13 minutes on the connector's website according to provisions 14 adopted by the legislature based on recommendations of the 15 16 interim board."

SECTION 3. Statutory material to be repealed is bracketed 17 and stricken. New statutory material is underscored. 18

SECTION 4. This Act shall take effect on July 1, 2014.

19

 $\mathbf{20}$

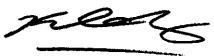
INTRODUCED BY:

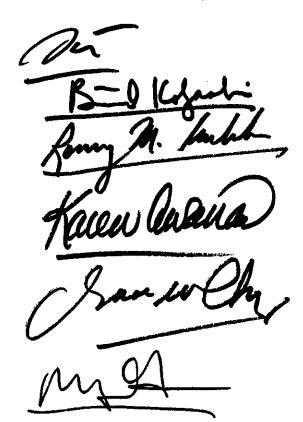
2014-0531 HB SMA.doc

Selle a Kelotti

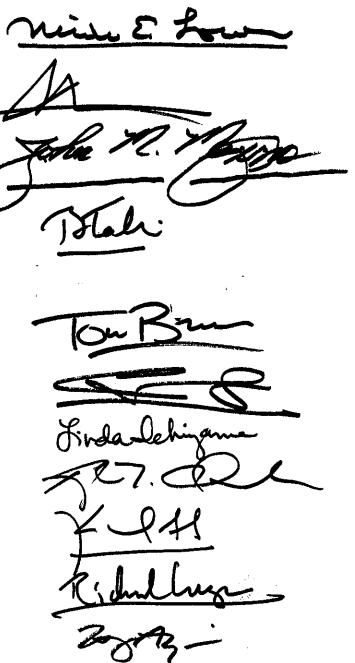
harbank

Hakalime Jakuli Dr









JAN 2 3 2014

Report Title:

Hawaii Health Connector; Hawaii Health Insurance Exchange; Board of Directors

Description:

Effective July 1, 2014, lowers the number of members on the board of directors of the Hawaii health connector to twelve, with a maximum of nine total voting members. Removes members representing insurers and dental benefit providers from the board and requires all but one of the state agency representatives on the board to be ex officio, nonvoting members. Establishes procedures for filling vacancies on the board.

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

