

JAN 17 2014

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
6 Protection and Affordable Care Act of 2010. The legislature
7 further finds that amendments relating to the board of directors
8 of the Hawaii health connector are needed to facilitate the
9 implementation phase of the Patient Protection and Affordable
10 Care Act and better position the Hawaii health connector for
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 **"§435H-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~~



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 (b) 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)]~~ (c) 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 (d) 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



1 the board: the director of commerce and consumer affairs or the
2 director's designee, the director of health or the director's
3 designee, the director of human services or the director's
4 designee, ~~[and]~~ or the director of labor and industrial
5 relations or the director's designee. The remaining three state
6 representatives shall be ex officio, ~~[voting]~~ nonvoting members
7 of the board.

8 The director of commerce and consumer affairs, the director
9 of health, the director of human services, and the director of
10 labor and industrial relations may select a designee for a
11 specified meeting or meetings. Such selection of the designee
12 shall be submitted in writing to the board of directors prior to
13 or at the meeting in which the designee will serve.

14 No state agency shall impede the efficient operation of the
15 connector.

16 ~~[(e)]~~ (e) Board members shall serve staggered terms and
17 the interim board shall recommend an appropriate schedule for
18 staggered terms; provided that this subsection shall not apply
19 to ex officio members, who shall serve during their entire term
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
3 official action on any matter in which the member had any
4 financial involvement or interest prior to the commencement of
5 service on the board. Members of the board may retain private
6 counsel for matters relating to service on the board according
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
10 and a plan for financial organization adopted by the legislature
11 based on recommendations of the interim board.

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

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

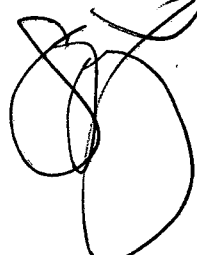
19 SECTION 4. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:

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S.B. NO. **2470**

David Y. Lee
A stylized handwritten signature consisting of a large, loopy 'D' followed by a vertical line and a small flourish.



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.

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