STAND. COM. REP. NO. 1230

Honolulu, Hawaii March 27, 2015 RE: S.B. No. 1338 S.D. 2 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committees on Health and Consumer Protection & Commerce, to which was referred S.B. No. 1338, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to improve the operations of the Hawaii Health Connector and assist its achievement of full financial self-sustainability by authorizing the sale of fullyinsured large group health plans through the Connector and instituting certain coverage and notice requirements in conformity with controlling federal law. Specifically, this measure ends the authorization to issue or renew transitional renewal policies effective January 1, 2016, authorizes the sale through the Connector of small employer group health plans for employers with up to the maximum number of employees permitted under federal law, and requires health insurers to provide notice to group health plans of the availability through the Connector of continuing coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

The Maui Chamber of Commerce, Chamber of Commerce of Hawaii, and Hawai'i Lodging and Tourism Association submitted testimony in opposition to this measure. The Department of Commerce and Consumer Affairs, Hawaii Primary Care Association, ProService Hawaii, and Hawaii Medical Service Association submitted comments.



Your Committees have amended this measure by:

- Ending the authorization to issue or renew transitional renewal policies on October 1, 2016, the latest day permissible under federal law;
- (2) Deleting provisions relating to the sale of small employer group health plans through the Connector;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1338, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1338, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Health and Consumer Protection & Commerce,

ANGUS L.K. MCKELVEY, Chair

DELLA AU BELATTI, Chair



State of Hawaii House of Representatives The Twenty-eighth Legislature

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## Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 1338, SD2 H	mmittee Referral: $ILT/CPC$ , FI		Date: 03 23 2015		
□ The committee is reconsidering its previous of	lecision on the measure.				
The recommendation is to:	ended (as is) Pa form bill with HD to reco	ss, with amendments			
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. McKELVEY, Angus L.K. (C)					
2. WOODSON, Justin H. (VC)					
3. BELATTI, Della Au					
4. BROWER, Tom					
5. CREAGAN, Richard P.		× ·			
6. HAR, Sharon E.					
7. HASHEM, Mark J.				1	
8. KAWAKAMI, Derek S.K.					
9. LEE, Chris					
10. NAKASHIMA, Mark M.					
11. OSHIRO, Marcus R.					
12. SAN BUENAVENTURA, Joy A.		my			
13. TAKAYAMA, Gregg					
14. YAMANE, Ryan I.		\			
15. FUKUMOTO CHANG, Beth					
16. MCDERMOTT, Bob					
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TOTAL (16)	١١	3	١	)	
The recommendation is: Adopted If joint referra	Not Adop	did not suppo	rt recommendation	n.	
Vice Chair's or designee's signature:				· · · · ·	
Distribution: Original (White) – Committee	Dufficate (Yellow) -	- Chief Clerk's Office	Duplicate (I	ink) – HMSO	

State of Hawaii House of Representatives The Twenty-eighth Legislature



## Record of Votes of the Committee on Health

Bill/Resolution No.: (SB1338 SD2	Committee Referral: HLT/CPC, FI	N Date	03 25	2015
□ The committee is reconsidering its previo	ous decision on the measure.			
	namended (as is) Z Pas	s, with amendments nmit for future publi		
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)				
2. CREAGAN, Richard P. (VC)				
3. HASHEM, Mark J.	/			
4. JORDAN, Jo				
5. KOBAYASHI, Bertrand				
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6. MORIKAWA, Dee				
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7. OSHIRO, Marcus R.				
8. FUKUMOTO CHANG, Beth				
n an				
9. TUPOLA, Andria P.L.				
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TOTAL (9)	6	3		1
The recommendation is: Adop If joint re		did not suppo	ort recommendation	n.
Vice Chair's or designee's signature:	Kal	hy		
Distribution: Original (White) – Committee	ee Duplicate (Yellow) –	Chief Clerk's Office	e Duplicate (I	Pink) – HMSO