STAND. COM. REP. NO. 2494

Honolulu, Hawaii

FEB 2 4 2016

RE: S.B. No. 2775

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2775 entitled:

"A BILL FOR AN ACT RELATING TO THE AFFORDABLE CARE ACT SECTION 1332 STATE INNOVATION WAIVER,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the State to submit and implement a waiver from certain provisions of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act).

Your Committee received written comments in support of this measure from the Office of the Governor, Department of Labor and Industrial Relations, Office of Enterprise Technology Services, Hawaii Primary Care Association, Healthcare Association of Hawaii, and the Queen's Health Systems.

Your Committee finds that section 1332 of the Affordable Care Act authorizes states to apply for a state innovation waiver, which will allow a state to implement innovative ways to provide access to quality health care. However, the benefits and coverage under Prepaid Health Care do not mirror the employer-sponsored benefits available under the Affordable Care Act. Your Committee further finds that this misalignment between the Affordable Care Act and Prepaid Health Care jeopardizes the robust insurance coverage that thousands of employees across the State have depended on for over forty years. As such, a waiver from certain provisions of the Affordable Care Act, to align Affordable Care



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Act provisions with Prepaid Health Care's long-standing insurance requirements and processes, is necessary.

Furthermore, your Committee finds that section 1332 of the Affordable Care Act requires state legislatures to sanction the application and implementation of a state innovation waiver. Accordingly, this measure authorizes the State to submit a state innovation waiver proposal to the United States Secretaries of Health and Human Services and the Treasury and implement the waiver upon approval by the Secretaries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775 and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Ways and Means,



The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee		Dat	Prof /1	
5B 2775	СРН,	WAM_	/	· []]	<i>\</i> 0
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
TOKUDA, JIII N. (C)					
DELA CRUZ, Donovan M. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani					
GALUTERIA, Brickwood					
HARIMOTO, Breene					
INOUYE, Lorraine R.					
RIVIERE, Gil					
TANIGUCHI, Brian T.					
WAKAI, Glenn					
SLOM, Sam					
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TOTAL					\mathbf{b}
Recommendation:					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes