STAND. COM. REP. NO. 523

Honolulu, Hawaii February 17, 2017

H.B. No. 552 RE: H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committees on Health and Consumer Protection & Commerce, to which was referred H.B. No. 552 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INSURANCE,"

beg leave to report as follows:

The purpose of this measure is to preserve certain benefits of the federal Patient Protection and Affordable Care Act in the face of the threatened repeal of that Act by Congress.

Specifically, this measure preserves:

- (1)The individual mandate that requires all persons to acquire health insurance coverage and corresponding tax penalties for noncompliance;
- (2) Minimum requirements for health insurance policies issued in the State, including requirements for contraceptive and breastfeeding counseling and supplies;
- (3) Extension of dependents' eligibility for coverage through age 26; and
- (4)Prohibitions on exclusion from coverage based on a preexisting condition and on gender-based discrimination in premium and other cost amounts.



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Your Committees received testimony in support of this measure from Hawaii State Commission on the Status of Women; IMUAlliance; Hawai'i Public Health Institute; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Children's Action Network; Planned Parenthood Votes Northwest and Hawaii; International Longshore and Warehouse Union Local 142; Hawaii Women's Coalition; March of Dimes Hawaii; Hawaii Association for Behavior Analysis; Action with Aloha, Early Childhood Action Strategy; The Sex Abuse Treatment Center; LGBT Caucus of the Democratic Party of Hawaii; Americans for Democratic Action; The CHOW Project; Hawaii Substance Abuse Coalition; American Diabetes Association; Lanai Community Health Center; League of Women Voters of Hawaii; Hawai'i Psychological Association; Healthcare Association of Hawaii; Hawaii Medical Association; and many individuals. Your Committees received testimony in opposition to this measure from one individual. The Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees, Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, Department of Human Services, Department of Health, Department of Taxation, Tax Foundation of Hawaii, Kaiser Permanente Hawaii, Hawaii Section of the American Congress of Obstetricians and Gynecologists, Hawaii Association of Health Plans, Hawaii Medical Service Association, AARP Hawaii, and Community Coalition for Hawaii Universal Healthcare Through Comprehensive Planning submitted comments.

Your Committees have amended this measure by:

- Adding an exemption from the individual mandate to acquire insurance coverage for individuals who are exempt from coverage requirements or penalties for noncompliance under the current federal Patient Protection and Affordable Care Act;
- (2) Adding a new provision to require all insurers that issue any health insurance policies, plans, contracts, or agreements in the State that satisfy minimal essential coverage requirements to provide confirmation of that coverage to the individuals covered and to the Department of Taxation;
- (3) Establishing a Minimum Essential Coverage Premium Supplementation Trust Fund and related procedures to provide premium supplementations to insurers that issue minimal essential coverage at a net financial loss;



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- (4) Deleting prescription drug, habilitative service, and pediatric oral and vision coverage from the list of essential health care benefits that must be provided by every health insurance policy, plan, contract, or agreement issued in the State;
- (5) Changing its effective date to July 1, 2090; provided that the substantive requirements for acquisition and content of health insurance coverage shall become effective upon the repeal of the Patient Protection and Affordable Care Act by Congress; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity and consistency, including by amending terminology used throughout this measure for the purpose of maintaining consistency with current law under the Patient Protection and Affordable Care Act.

Your Committees note that the practice of age banding, in which different health insurance premium amounts may be charged to different groups of enrollees based on age, has been the subject of extensive discussion, especially as it relates to cost-control and incentives to encourage younger, healthier enrollees to join insurance pools. Your Committees respectfully request that discussions on the appropriate use and regulation of age banding practices continue to be held as this measure continues through the legislative process.

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 H.B. No. 552, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 552, H.D. 1, and be referred to your 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



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Record of Votes of the Committee on Health

Bill/Resolution No.: HB 552 HLT		Date	2-13	-17				
θ The committee is reconsidering its previous decision on the measure.								
The recommendation is to: θ Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)								
HLT Members	Ayes	Ayes (WR)	Nays	Excused				
1. BELATTI, Della Au (C)								
2. KOBAYASHI, Bertrand (VC)			ine i trati i trati di	a a na ang karana ang ang ara a s				
	al francisco de la composición de la co La composición de la c							
3. HAR, Sharon E.								
4. MORIKAWA, Dee								
5 OSUBO Menere P								
5. OSHIRO, Marcus R.								
6. TODD, Chris								
7. TUPOLA, Andria P.L.	inal and the star in the Children Control							
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TOTAL (7)	· · · ·	-	Δ_	2				
		_	-0-	2				
The recommendation is: θ Adopted θ Not Adopted If joint referral, did not support recommendation. committee acronym(s)								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO								

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Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 552		ee Referral:	FIN Date:	2/13/	'17
θ The committee is reconsider	ing its previous decisio	on on the measure.			
The recommendation is to:	θ Pass, unamendedθ Pass short form b		ss, with amendments ommit for future public		
CPC Mem	bers	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L	.K. (C)			- · · ·	
2. ICHIYAMA, Linda (V	C)				
3. AQUINO, Henry J.C.					
4. ITO, Ken					
5. SAY, Calvin K.Y.		\vee			
6. TAKAYAMA, Gregg				· ····································	
7. TODD, Chris	:				
8. YAMANE, Ryan I.					
9. FUKUMOTO, Beth					
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TOTAL (9)	9	0	0	0
The recommendation is:	Adopted If joint referral,	θ Not Adop	did not suppo	rt recommendatio	n.
Vice Chair's or designee's sig	nature: Ar	dell	hizame		· · · · ·
Distribution: Original (White	e) – Committee D	Duplicate (Yellow)	- Chief-Clerk's Office	Duplicate (Pink) – HMSO