
HOUSE RESOLUTION

ESTABLISHING A TASK FORCE TO ADDRESS THE DRIVERS OF RISING COSTS
FOR HEALTH INSURANCE PREMIUMS IN THE STATE.

1 WHEREAS, on average, Hawaii's health insurance premiums
2 double each decade and are presently between \$650-\$750 a month;
3 and
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5 WHEREAS, between 1999 and 2009, family health insurance
6 premiums increased by 131 percent while the incomes of residents
7 increased by 38.1 percent and overall inflation was 28.8
8 percent; and
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10 WHEREAS, rising health insurance premium costs also consume
11 a rising percentage of the income of Hawaii's residents, growing
12 from 2.8 percent in 1974 to 14.7 percent in 2015; and
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14 WHEREAS, health insurance premium costs far exceed the
15 costs of other forms of insurance, with health insurance priced
16 at \$6,655 in 2014 while home insurance was \$1,018 and auto
17 insurance was \$751; and
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19 WHEREAS, businesses that are required to provide employer-
20 based health insurance will be greatly burdened if health
21 insurance premium costs continue to rise at current growth
22 rates; and
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24 WHEREAS, the continual increase in health insurance premium
25 costs at a rate that outpaces the growth of household income is
26 unsustainable; and
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28 WHEREAS, the federal Affordable Care Act requires that
29 insurers planning to increase plan premiums by more than 10
30 percent submit their rates to the state or federal government
31 for review for the purpose of improving insurer accountability
32 and transparency by enabling experts to evaluate whether the



1 proposed rate increases are based on reasonable cost
2 assumptions; and

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4 WHEREAS, Hawaii is among forty-six states and the District
5 of Columbia with federally recognized effective rate review
6 programs for the individual and small group markets; and

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8 WHEREAS, the process of rate review, while important, is
9 inadequate to solve the problem of rapidly rising costs of
10 health insurance premiums; and

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12 WHEREAS, more can be done to slow the rate of increase of
13 health insurance premiums; and

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15 WHEREAS, Becker's Hospital Review concluded that there are
16 many cost drivers fueling the rapid rise in healthcare costs,
17 including:

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19 (1) Physician, facility, and pharmaceutical costs;
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21 (2) Expensive technologies and procedures;
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23 (3) Fragmented and uncoordinated care;
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25 (4) Lack of cost consideration from patients;
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27 (5) Fee-for-service;
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29 (6) High administrative cost expenses;
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31 (7) Unhealthy behavior and lifestyle choices;
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33 (8) Expensive end-of-life care;
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35 (9) Provider consolidation; and
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37 (10) Aging population; now, therefore,

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39 BE IT RESOLVED by the House of Representatives of the
40 Twenty-ninth Legislature of the State of Hawaii, Regular Session
41 of 2018, that the Department of Commerce and Consumer Affairs is



1 requested to establish a statewide Health Insurance Premium Task
2 Force that will study the issues and impacts of rising health
3 insurance premiums in the State and recommend a comprehensive
4 plan that addresses those issues; and
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6 BE IT FURTHER RESOLVED that the task force is requested to:

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8 (1) Investigate the aforementioned cost drivers; and
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10 (2) Develop recommendations for the Legislature on how to
11 slow or reverse the growing cost of health insurance
12 premiums; and
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14 BE IT FURTHER RESOLVED that the following persons or their
15 designated representatives are requested to be members of the
16 Task Force:
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- 18 (1) The Director of Human Services;
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20 (2) The Director of Commerce and Consumer Affairs;
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22 (3) The Director of Health;
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24 (4) One representative from the Employer-Union Health
25 Benefits Trust Fund;
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27 (5) One representative from the Hawaii Medical Service
28 Association;
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30 (6) One representative from the Hawaii Medical
31 Association;
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33 (7) One representative from Kaiser Permanente;
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35 (8) One representative from The Chamber of Commerce of
36 Hawaii;
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38 (9) One representative from the Hawaii Primary Care
39 Association;



- 1 (10) One representative from the Healthcare Association of
2 Hawaii;
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- 4 (11) One representative from the American Heart
5 Association;
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- 7 (12) One representative from the National Kidney Foundation
8 of Hawaii;
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- 10 (13) One representative from the American Diabetes
11 Association; and
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- 13 (14) One representative from the American Cancer Society;
14 and
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16 BE IT FURTHER RESOLVED that in developing its comprehensive
17 plan, the Task Force is requested to:


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- 19 (1) Determine cost drivers in addition to those enumerated
20 in this measure;
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- 22 (2) Propose a target health insurance premium cost growth
23 rate that is achievable and will not constitute an
24 undue burden for businesses, households, and the
25 State; and
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- 27 (3) Compare Hawaii's health insurance premiums as well as
28 the rate of premium increases in Hawaii to those of
29 other states; and
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31 BE IT FURTHER RESOLVED that certified copies of this
32 Resolution be transmitted to the Governor; Director of Human
33 Services; Director of Commerce and Consumer Affairs; Director of
34 Health; Chairperson of the Board of Trustees of the Employer-
35 Union Health Benefits Trust Fund; President of Hawaii Medical
36 Service Association; Chief Executive Officer of Kaiser
37 Permanente; President of The Chamber of Commerce of Hawaii;
38 Chair of the Board of Directors of the Hawaii Primary Care
39 Association; President of the Healthcare Association of Hawaii;
40 Chief Executive Officer of the American Heart Association;



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1 President of the National Kidney Foundation of Hawaii; Chief
2 Executive Officer of the American Diabetes Association; and
3 Chief Executive Officer of the American Cancer Society of
4 Hawaii.
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OFFERED BY: _____

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