STAND. COM. REP. NO. 220 -26

Honolulu, Hawaii
FEB 12 , 2026

RE: H.B. No. 1546
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 1546 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

(1) Establish a three-year Health Coverage Continuity Pilot Program within the Department of Human Services, in consultation with the Department of Commerce and Consumer Affairs, to assist individuals who have lost Medicaid health insurance coverage and are not eligible for employer-sponsored coverage under the Hawaii Prepaid Health Care Act; and

(2) Authorize the Department of Human Services to contract with a nonprofit health insurer or community-based organization to operate the pilot program, under certain circumstances.

Your Committee received testimony in support of this measure from the University of Hawai'i System; Hawaii Academy of Family Physicians Legislative Committee; Catholic Charities Hawai'i; Hawai'i Alliance of Nonprofit Organizations; Hawai'i Primary Care Association; Indivisible Hawai'i; and numerous individuals. Your

Committee received comments on this measure from the Department of Labor and Industrial Relations; Department of Commerce and Consumer Affairs; Department of Human Services; and Department of the Attorney General.

Your Committee finds that recent federal changes to Medicaid eligibility and redetermination processes will result in many residents losing health coverage, leaving individuals without access to affordable insurance during periods of transition. The need for an alternative health insurance vehicle is driven by the expiration of the enhanced premium tax credits on the federally facilitated marketplace, which has made insurance for nearly twenty-four thousand Hawaii residents far less affordable, and in some cases, unaffordable. This has resulted in a yet-to-be determined number of residents being forced to forego coverage and become insured this year, with the uninsured population pool expected to grow in 2027.

Your Committee further finds that it is important to provide insurance coverage to those who lose Medicaid coverage to ensure these individuals can still access health care and reduce the financial strain on health care providers who might otherwise provide unpaid emergency services. Your Committee notes that providing this coverage while also maximizing the health services available to Hawaii residents and minimizing state expenditures will require a multi-pronged approach that is capable of helping different groups of individuals, based on what sort of assistance they qualify for.

Your Committee has amended this measure by:

(1) Removing language that would have subsidized high-deductible health plans;

(2) Clarifying that the two options in the pilot program will be:

(A) For individuals who have lost their Medicaid insurance but qualify for federal advanced premium tax credits, the ability to enroll in Federally Facilitated Marketplace silver level plans, with assistance to cover the difference between the cost of the plans and what the individuals are able to afford; and

(B) An annual state subsidy of up to $1,000 for preventive care for individuals who have lost their Medicaid coverage, do not qualify for federal advanced premium tax credits, are not eligible for coverage under the Hawaii Prepaid Health Care Act, and have acquired a high-deductible health plan;

(3) Changing the effective date to July 1, 3000, to encourage further discussion; and

(4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1546, H.D. 1, and be referred to your Committee on Consumer Prctection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Human Services & Homelessness,

Lisa Marten

LISA MARTEN, Chair

State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCR 220-26

Record of Votes of the Committee on Human Services & Homelessness

Bill/Resolution No.:	Committee Referral:	Date:
HB 1540	HSH, CPC, FIN	2/10/2026

☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☐ Pass, unamended (as is) ■ Pass, with amendments (HD) ☐ Hold
☐ Pass short form bill with HD to recommit for future public hearing (recommit)

HSH Members	Ayes	Ayes (WR)	Nays	Excused
1. MARTEN, Lisa (C)	X			
2. OLDS, Ikaika (VC)	X			
3. AMATO, Terez	X			
4. HARTSFIELD, Daisy	X			
5. KEOHOKAPU-LEE LOY, Sue L.	X			
6. TAKAYAMA, Gregg	X			
7. TAKENOUCHI, Jenna	X			
8. ALCOS III, David		X		
9. GARCIA, Diamond		X		
TOTAL (9)	7	2		

The recommendation is: ■ Adopted ☐ Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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