

ACT 224

H.B. NO. 656

A Bill for an Act Relating to Health Care Administrative Uniformity.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the State of Hawaii provides or pays for health insurance for nearly forty per cent of the population, and, therefore, is directly impacted by the escalating cost of health care services.

The legislature also finds that increases in premiums for health insurance coverage affect subscribers for such coverage, existing and new businesses, and the overall economy of the State.

The legislature further finds that the health care industry is undergoing a dramatic transformation, and that, in order to effectively harness new or improved approaches, concepts, and initiatives that have the potential to have a positive impact on the cost and quality of health care, the State must spearhead a statewide health care transformation, and strive to continuously improve the health care system.

The purpose of this Act is to establish within the office of the governor a temporary program specially targeted to initiate this transformation. It is envisioned that the program will focus on processes, measures, and other matters directed at improving the quality and cost-effectiveness of health care service; opportunities for administrative uniformity or the standardization of processes, measures, and other matters; reducing unnecessary administrative burdens faced by health care providers, health care facilities, and health plans; and supporting innovations in the delivery of care by using common definitions, criteria, and reimbursement approaches.

SECTION 2. (a) There is established and temporarily placed within the office of the governor the health care transformation program, which shall terminate on July 1, 2015. The principal mission of the program is to identify the issues that need to be addressed to achieve statewide health care transformation,

and develop a strategy, framework, and timeline, as well as proposed legislation and rules, directed at the transformation, and to thereby improve the quality and cost-effectiveness of the health care delivery system, and ensure that Hawaii residents and visitors have access to high-quality and cost effective health care. The governor shall consider a broad range of initiatives, issues, and strategies, including:

- (1) The identification of processes, measures, and goals to evaluate and improve the quality and cost-effectiveness of health care services;
- (2) Opportunities for administrative uniformity or the standardization of processes, measures, and other matters directed at improving the quality and cost-effectiveness of health care service;
- (3) Fair and efficient payment models for health care services;
- (4) Streamlined authorization procedures for health care services;
- (5) Improvement and expansion of the use of information technologies to organize, store, safeguard, exchange, and report clinical, cost, educational, technical, administrative, regulatory, and other health care-related data;
- (6) Improvement and promotion of the establishment and use of cost-effective preferred drug lists; and
- (7) Any other issue, solution, or initiative necessary or appropriate to further the principal mission of the program.

(b) To facilitate the development of the strategy, framework, and timeline, as well as legislation and rules pursuant to subsection (a), the governor may obtain information by informally consulting, individually or as a group, with any stakeholder or subject-matter expert selected by the program. The governor may informally collaborate, individually or as a group, with any stakeholder or subject-matter expert, to enable the program to plan and develop proposed strategies, including proposed legislation and rules.

SECTION 3. The governor shall submit a progress report containing the status of the health care transformation program, including findings and recommendations to the legislature, no later than twenty days prior to the convening of the regular session of 2014. The governor shall submit a final report on the health care transformation program, including findings, recommendations, and any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2015.

SECTION 4. This Act shall take effect on July 1, 2013.

(Approved June 27, 2013.)