

EXECUTIVE ORDER NO. 16- 01

WHEREAS, the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) (hereafter the "Affordable Care Act"), requires each state to establish an American health benefits exchange ("Exchange") to perform certain functions to facilitate, provide information about, and assist with the provision of affordable health care coverage for Americans in individual and small group markets; and

WHEREAS, pursuant to section 1321(c) of the Affordable Care Act, if a state does not elect to establish an Exchange, the federal Department of Health and Human Services ("HHS") shall establish and operate such Exchange within the state; and

WHEREAS, since 1974, a vast majority of Hawaii's citizens have enjoyed health care insurance coverage by virtue of the Hawai'i Prepaid Health Care Act, resulting in one of the highest rates of insured residents in the nation; and

WHEREAS, in order to ensure the continued benefits of the Hawai'i Prepaid Health Care Act, Hawai'i elected to establish an Exchange in compliance with the Affordable Care Act; and

WHEREAS, the Legislature created the Hawai'i Health Connector to serve as the Exchange in 2011 by Act 205, Session Laws of Hawaii 2011, and amended by Act 233, Session Laws of Hawaii 2014, and codified in chapter 435H,

Hawaii Revised Statutes; and

WHEREAS, in June 2015, the HHS determined that the Hawai'i Health Connector was not in compliance with certain provisions of the Affordable Care Act, including self-sustainability; and

WHEREAS, plans were therefore put in motion to transition the functions of the Hawai'i Health Connector to the State; and

WHEREAS, the Hawai'i Health Connector ceased operations in December 2015 and, by Court order filed April 8, 2016, the Hawai'i Health Connector was dissolved, and by Act 44, Session Laws of Hawaii 2016, chapter 435H, Hawaii Revised Statutes, was repealed; and

WHEREAS, prior to the Hawai'i Health Connector ceasing its operations, the State began transitioning to an Exchange that utilizes the federal platform for eligibility and enrollment of individual and families and a state-maintained small business health options program; and

WHEREAS, prior to the dissolution and repeal of the Hawai'i Health Connector, the State had been and currently continues to work cooperatively and in conjunction with the federal Centers for Medicare & Medicaid Services ("CMS"), in transitioning the Hawai'i Health Connector's functions over to the State; and

WHEREAS, now that the Hawai'i Health Connector is dissolved, it is necessary to formally designate a new state Exchange in order to continue to maintain the health care benefits of the Hawai'i Prepaid Health Care Act, support access to affordable health care insurance for individuals and families, and

otherwise remain in compliance with the Affordable Care Act.

NOW, THEREFORE, I, David Y. Ige, Governor of Hawai'i, pursuant to my executive authority under Article V of the constitution of the State of Hawai'i and section 26-23, Hawaii Revised Statutes, do hereby order, effective immediately and through December 31, 2016 only, the following:

1. The Hawai'i Department of Labor and Industrial Relations is established as the Hawai'i Exchange and is authorized to carry out any and all duties and functions of a state-based Exchange in conformity with the Affordable Care Act.

2. The Exchange shall continue to operate as a state-based Exchange that utilizes the federal platform for eligibility and enrollment of individuals and families.

3. The Exchange shall implement the small business health options program (SHOP) utilizing direct enrollment pursuant to the Affordable Care Act.

4. The Insurance Commissioner shall qualify all health and dental plans and the Exchange shall certify health care plans for inclusion in the Exchange.

5. The Exchange shall, among other things, enter into agreements with appropriate entities, including the Hawai'i Department of Human Services (for outreach activities for individuals and families) and Issuers, to the extent necessary to carry out its duties and responsibilities under the Affordable Care Act.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to
be applied the Great Seal of the State of Hawai'i.

Done at the State Capitol, Honolulu,
State of Hawai'i, this 10th day of
May, 2016.



DAVID Y. IGE
Governor of Hawai'i

APPROVED AS TO FORM:



DOUGLAS S. CHIN
Attorney General
State of Hawai'i