
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. (a) The insurance commissioner shall prepare a
2 written report on the adequacy of health plan reimbursements to
3 physicians and hospitals in Hawaii. This report shall include,
4 to the extent practicable:

5 (1) A survey of the amount of compensation or salary of
6 the active, practicing doctors in Hawaii in the
7 following areas of specialty:

8 (A) Internal medicine;

9 (B) Obstetrics and gynecology;

10 (C) Pediatrics;

11 (D) Neurology;

12 (E) Anesthesiology; and

13 (F) Orthopedics;

14 (2) A comparison of Hawaii physician compensation or
15 salary information to national physician salary
16 information;



- 1 (3) A survey of the patient co-share payments in Hawaii
2 compared to patient co-share payments in other states;
- 3 (4) A survey of the Hawaii Medical Service Association,
4 Hawaii Management Alliance Association, Kaiser
5 Foundation Health Plan, Summerlin Life and Health
6 Insurance Company, and University Health Alliance to
7 determine:
- 8 (A) The reimbursements given to physicians for the
9 top twenty-five most utilized medical procedures
10 in each area of specialty listed under paragraph
11 (1);
- 12 (B) The reimbursements from the twenty-five most
13 utilized office codes;
- 14 (C) The reimbursements from the twenty-five most
15 utilized hospital based codes;
- 16 (D) A comparison of the reimbursements surveyed in
17 subparagraphs (A), (B), and (C) with the Medicare
18 and Medicaid rate for the same service; and
- 19 (E) The identification of the current procedural
20 terminology (CPT) codes for the reimbursements,
21 if applicable;



- 1 provided that the reimbursements studied should be the
2 maximum eligible amount that is both the plan payment
3 and any co-payment or co-share due from the member;
- 4 (5) A comparison of the reimbursements in paragraph (4)
5 with the reimbursements in other states;
- 6 (6) A survey of selected providers, including physicians
7 and hospitals, to provide examples of the actual costs
8 of providing healthcare services in Hawaii;
- 9 (7) A survey of students at the John A. Burns School of
10 Medicine to determine whether low reimbursements
11 create a disincentive to practice in Hawaii;
- 12 (8) A survey reflecting the shortfalls in payments by
13 Medicare, medicaid, and private insurance to cover
14 costs incurred by hospitals and physicians;
- 15 (9) A survey to compare insurance premiums paid by
16 individuals and employers for health plan coverage in
17 Hawaii with insurance premiums paid in other states;
18 and
- 19 (10) A survey to compare the average costs of malpractice
20 insurance premiums incurred by physicians and by
21 specialties in Hawaii with other states.



1 (b) Each health plan listed in subsection (a)(4) shall
2 submit, at the time and in the form prescribed by the insurance
3 commissioner, the information deemed necessary by the insurance
4 commissioner to complete the report required under this section.
5 Proprietary or trade secret information submitted in compliance
6 with this section shall remain confidential and protected from
7 discovery, production, and disclosure for as long as the
8 insurance commissioner deems necessary.

9 In the final report submitted to the legislature, the
10 insurance commissioner shall report confidential data without
11 disclosing the identity of the source of the data.

12 (c) The insurance commissioner shall report the insurance
13 commission's findings and recommendations to the legislature not
14 later than twenty days prior to the convening of the regular
15 session of 2010.

16 SECTION 2. There is appropriated out of the compliance
17 resolution fund the sum of \$250,000 or so much thereof as may be
18 necessary for fiscal year 2008-2009 for the hiring of a
19 consultant to assist the insurance commissioner in preparing
20 this report and for the purchase of information.



1 The sum appropriated shall be expended by the department of
2 commerce and consumer affairs for the purposes of this Act.

3 SECTION 3. This Act shall take effect on July 1, 2008.



Report Title:

Health Insurance Reimbursements

Description:

Requires the insurance commissioner to conduct a study of the adequacy of health plan reimbursements to providers. (SD1)

