

Honolulu, Hawaii

Feb 8, 2008

RE: H.B. No. 2796
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2796
entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is ensure that insurers that hold a
significant portion of the health insurance market contribute more
to support Hawaii's health care system by:

- (1) Providing that health insurers with at least 50 percent
of the market share provide increased insurance
reimbursements; and
- (2) Exempting health insurers with less than 50 percent of
the market share from taxes on premiums if they work
toward decreasing the number of uninsured in Hawaii.

The Healthcare Association of Hawaii and Hawaii Psychiatric
Medical Association supported this bill. The Department of
Commerce and Consumer Affairs, Hawaii Medical Service Association,
and AlohaCare opposed this measure. The American Council of Life
Insurers submitted comments.

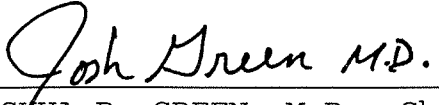


Your Committee has amended this bill by:

- (1) Clarifying that this measure applies only to insurers providing health insurance in accordance with Hawaii's Prepaid Health Care Act;
- (2) Providing that health insurers with at least ten percent of the market share provide reimbursement rates of at least 135 percent of the current Medicare fee schedule;
- (3) Exempting health insurers with less than ten percent of the market share from taxes on premiums if they work toward decreasing the number of uninsured in Hawaii; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2796, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Health,



JOSHUA B. GREEN, M.D., Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSCR 252-08

Record of Votes of the Committee on Health

Bill/Resolution No.: HB 2796	Committee Referral: HLT, CPC, FIN	Date: 2-6-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. GREEN, Josh, M.D. (C)	✓			
2. MIZUNO, John (VC)	✓			
3. AWANA, Karen Leinani	✓			
4. BELATTI, Della Au	✓			
5. BERTRAM, Joe, III	✓			
6. CABANILLA, Rida T.R.				✓
7. RHOADS, Karl		✓		
8. SHIMABUKURO, Maile S. L.				✓
9. TOKIOKA, James Kunane		✓		
10. WARD, Gene, Ph.D.	✓			
TOTAL (10)	6	2		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				