

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2864
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2864, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to ensure that health plan reimbursements to physicians and hospitals in Hawaii are adequate.

Specifically, this measure requires the Insurance Commissioner to prepare a written report surveying:

- (1) The amount of compensation or salary of the active, practicing doctors in Hawaii in various areas of specialty;
- (2) A comparison of Hawaii physician compensation or salary information to national physician salary information;
- (3) The patient co-share payments in Hawaii compared to patient co-share payments in other states;
- (4) The Hawaii Medical Service Association, Hawaii Management Alliance Association, Kaiser Foundation Health Plan, Summerlin Life and Health Insurance Company, and University Health Alliance to determine various facts relating to reimbursements;



- (5) A comparison of the reimbursements in paragraph (4) with the reimbursements in other states;
- (6) Selected providers, including physicians and hospitals, to provide examples of the actual costs of providing health care services in Hawaii;
- (7) Students at the John A. Burns School of Medicine to determine whether low reimbursements create a disincentive to practice in Hawaii;
- (8) The shortfalls in payments by medicare, medicaid, and private insurance to cover costs incurred by hospitals and physicians;
- (9) A comparison of insurance premiums paid by individuals and employers for health plan coverage in Hawaii with insurance premiums paid in other states; and
- (10) A comparison of the average costs of malpractice insurance premiums incurred by physicians and by specialties in Hawaii with other states.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Healthcare Association of Hawaii.

Upon further consideration, your Committee has amended this measure to identify the compliance resolution fund as being established pursuant to section 26-9(o), Hawaii Revised Statutes, in the appropriation and to change the appropriated amount to an unspecified sum. Your Committee has also made technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2864, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2864, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB2864, SD1</i>	Committee Referral: <i>CPH/HTH, WAM</i>	Date: <i>2/22/08</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.				/
INOUYE, Lorraine R.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
TOTAL	<i>11</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes