

STAND. COM. REP. NO.

149

Honolulu, Hawaii

Feb 10, 2009

RE: H.B. No. 1525

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred H.B. No. 1525 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

beg leave to report as follows:

The purpose of this bill is to require the Department of Human Services (DHS) to restrict medicaid contract awards solely to nonprofit insurance entities.

The Waianae Coast Comprehensive Health Center, Hawaii Primary Care Association, Kokua Kalihi Valley, Community Clinic of Maui, and Faith Action for Community Equity testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA), State Procurement Office, DHS, Summerlin Life and Health, Evercare, MDX Hawaii, and the 'Ohana Health Plan testified in opposition to this measure. The State Council on Developmental Disabilities (Council) provided comments.

Your Committees note that DCCA testified that it would be concerned with any measure that creates a special franchise of some insurers over others because it interferes with the kind of free and open competition that can benefit consumers.

Similarly, the Council testified that the proposed language in this measure appears to be too broad and could be interpreted to include contracts between DHS and service providers for the Medicaid Home and Community Based Services waiver programs.

HB1525 HD1 HSCR HUS-HLT HMS 2009-1843



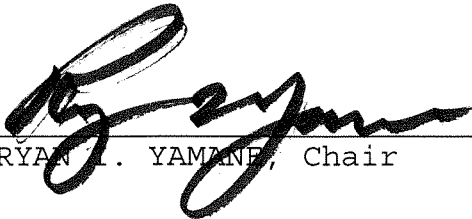
Your Committees on Human Services and Health are concerned that this may prohibit for-profit health insurance companies in good standing currently doing business in Hawaii from continuing their existing medicaid contracts or competing for such contracts in the future.

For these reasons, your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2050 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1525, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1525, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Human Services
and Health,



RYAN I. YAMANE, Chair



JOHN M. MIZUNO, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 149

Record of Votes of the Committee on Health

Bill/Resolution No.: HB 1525	Committee Referral: HUS/HLT, JUD, FIN	Date: 2-05-09		
<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. YAMANE, Ryan I. (C)	/			
2. NISHIMOTO, Scott Y. (VC)		/		
3. BELATTI, Della Au				/
4. BERTRAM, Joe, III	/			
5. BROWER, Tom		/		
6. CARROLL, Mele				/
7. MIZUNO, John M.	/			
8. SHIMABUKURO, Maile S.L.	/			
9. FINNEGAN, Lynn				/
TOTAL (9)	4	2		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted <input checked="" type="checkbox"/> If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				