

STAND. COM. REP. NO. 607

Honolulu, Hawaii

Feb 20, 2009

RE: H.B. No. 700

H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 700, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NONGOVERNMENT HEALTH PLAN PAYMENTS TO CRITICAL ACCESS HOSPITALS AND FEDERALLY QUALIFIED HEALTH CENTERS,"

begs leave to report as follows:

The purpose of this bill is to require mutual and fraternal benefit societies, health maintenance organizations, and health plans other than government payers to pay:

- (1) Critical access hospitals no less than 101 percent of cost for services; and
- (2) Federally qualified health centers no less than their respective prospective payment system rates.

The Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation Corporate Board of Directors, Hawaii Primary Care Association, and Lanai Women's Center dba Lanai Community Health Center testified in support of this bill. Summerlin Life & Health Insurance Company and the Hawaii Association of Health Plans opposed this measure. The Hawaii Medical Service Association offered comments.

HB700 HD2 HSCR CPC HMS 2009-2363




Your committee notes that there is disagreement among the stakeholders on the definition of "cost." Your Committee respectfully encourages your Committee on Finance to do a critical analysis of how costs will be determined.

Accordingly, your Committee has amended this bill by blanking out the percentage amounts of costs for all services provided that will be paid to critical access hospitals and federally qualified health centers.

Your Committee has also made technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 700, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 700, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



