

STAND. COM. REP. NO.

181

Honolulu, Hawaii

Feb 11, 2009

RE: H.B. No. 708
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 Health and Human Services, to which was referred H.B. No. 708 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

beg leave to report as follows:

The purpose of this bill is to ensure that Hawaii's safety net, which primarily consists of critical access hospitals (CAHs) and federally qualified health centers (FQHCs), remains financially solvent, by requiring that private health plans reimburse these facilities at rates consistent with Medicare and Medicaid reimbursement rates.

The Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation (HHSC), Kauai Region of HHSC, Hawaii Primary Care Association, Community Clinic of Maui, Lana'i Women's Center dba Lana'i Community Health Center, Waikiki Health Center, and West Hawaii Region of HHSC submitted testimony in support of this measure. The American Family Life Assurance Company of Columbus and Hawaii Medical Service Association commented on this bill.

Your Committees find that the federal government recognizes the difficult circumstances under which CAHs and FQHCs provide essential health services, by guaranteeing these facilities enhanced reimbursement rates under Medicare and Medicaid. This bill would ensure that private health plans provide the same level

HB708 HD1 HSCR HLT-HUS HMS 2009-1916



of reimbursement to these facilities that the government provides under federal and state law.

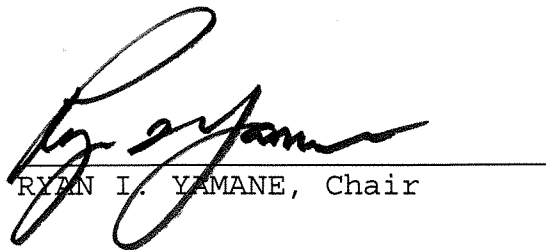
There was testimony that the reimbursement requirement under this bill would be inappropriate for limited benefit health insurance policies, which pay a fixed amount to policy holders for specific occurrences of treatment or disease regardless of the costs incurred. This bill would harm the consumer by either unnecessarily increasing the cost of this insurance or causing this insurance to become unavailable altogether.

Upon consideration, your Committees have amended this bill by exempting limited benefit health insurance from its reimbursement requirements. To encourage further discussion of this measure, the effective date has been changed to July 1, 2020. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 708, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 708, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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


JOHN M. MIZUNO, Chair


RYAN I. YAMANE, Chair



