

STAND. COM. REP. NO.

246

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1140
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Health and Commerce and Consumer Protection, to which was referred S.B. No. 1140 entitled:

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

beg leave to report as follows:

The purpose of this measure is to ensure the viability of federally qualified health centers and critical access hospitals in the State by requiring commercial health plans to provide a minimum reimbursement level of no less than one hundred and one per cent of the costs for all services provided to plan beneficiaries by these facilities.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, Hawaii Primary Care Association, Ka'u Hospital, and Kona Community Hospital. Your Committees received testimony in opposition to this measure from Hawaii Medical Service Association. The American Family Life Assurance Company of Columbus submitted comments on the measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committees find that federally qualified health centers and critical access hospitals provide necessary care to the communities they serve. Low reimbursement rates that do not cover the costs of services provided have put these facilities in a financial crisis.

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Your Committees further find that this measure should not apply to limited benefit insurance policies. Requiring limited benefit insurance policies to pay on a cost basis will unnecessarily increase the cost of this type of insurance or cause it to become unavailable all together.

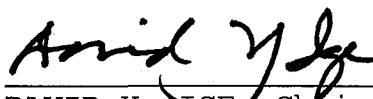
Accordingly, your Committees have amended this measure by including language that exempts limited benefit health insurance policies from the minimum reimbursement requirement.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1140, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1140, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and
Commerce and Consumer
Protection,



ROSALYN H. BAKER, Chair




DAVID Y. ICE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1140	HTH/CPN, WAM	2-12-9		
<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
IGE, David Y. (C)	✓			
GREEN, M.D., Josh (VC)	✓			
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.				✓
HEMMINGS, Fred	✓			
TOTAL	5	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

