

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2461
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2461, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to provide continuity in health care by requiring health insurers and related entities who issue prescription drug coverage to offer insureds at least the same prescription drug coverage they had under their previous health plan.

The American Cancer Society, Neuropathy Action Foundation, GBS/CIDP Foundation International, Mental Health America of Hawaii, and a concerned individual testified in support of this bill. Hawaii Medical Association supported the intent of this measure. The Department of Commerce and Consumer Affairs, Department of Human Services (DHS), Hawaii Medical Service Association, Hawaii Association of Health Plans, Kaiser Permanente Hawaii, and Ohana Health Plan opposed this bill.

Your Committee finds that while many individuals have an interest in retaining their prescription drug coverage when they change health plans, the broad scope of this bill may present administrative complexities involving multiple drug plans and different premium rates for employees under the same employer or labor union. There are concerns that these administrative considerations may discourage employers and unions from providing



prescription drug benefits for their employees, resulting in a reduction in drug coverage rather than assuring continued coverage as this bill originally intends. The provisions of this bill should therefore be carefully applied. In addition, it appears that the impetus behind this bill is the recent change in prescription drug coverage for state workers under the Hawaii Employee-Union Health Benefits Trust Fund (EUTF), resulting in higher drug costs for these employees and the unavailability of physician-recommended drugs under the new plan.

Accordingly, your Committee has amended this bill by limiting the scope of the prescription drug provisions to EUTF enrollees for the period they are continuously enrolled. As amended, this bill:

- (1) Requires EUTF during enrollment periods to offer to continue the same prescription drug coverage for currently enrolled employee-beneficiaries and dependent-beneficiaries; and
- (2) Retroactively applies this provision to the EUTF enrollment periods ending on:
 - (A) December 7, 2009, for active employees; and
 - (B) November 30, 2009, for retirees.

Upon further consideration, your Committee has also amended this bill by inserting a provision that prohibits DHS from requiring:

- (1) DHS approval for a Medicaid or QUEST health plan to deliver services through telehealth means; or
- (2) In-person health care visits to qualify telehealth services for coverage under these health plans.

Technical, nonsubstantive amendments were also made for clarity 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. 2461, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2461, H.D. 2.



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



ROBERT N. HERKES, Chair



