

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 2461
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Labor and Human Services and Health, to which was referred H.B. No. 2461, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Require Hawaii Employer-Union Health Benefits Trust Fund plans to allow enrollees to continue the same prescription drug coverage for current enrollees and retroactively to the 2009 Hawaii Employer-Union Health Benefits Trust Fund open enrollment period; and
- (2) Prohibit the Department of Human Services from requiring its approval for a Medicaid or QUEST health plan to deliver services through telehealth, and from requiring in-person health care visits to qualify telehealth services for coverage under the Medicaid and QUEST health plans.

Testimony in support of this measure was submitted by four private organizations. Testimony in opposition of this measure was submitted by two state agencies and four private organizations. Comments on this measure were submitted by two private organizations and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.



Your Committees find that utilization of reference-based pricing programs, the practice of utilizing a reimbursement process in which a ceiling price is set for medications that exhibit similar therapeutic benefits, is still in its infancy and the long-term costs and benefits associated with using the programs are yet to be accurately determined. Your Committees also find that the impact of reference-based pricing programs on health plan members needs to be closely examined and analyzed in order to make an informed decision about what health care alternatives provide the best value for Hawaii Employer-Union Health Benefits Trust Fund members enrolled in its Prescription Plan. Your Committees further find that use of new and available health care technology and alternatives that would meet the health care needs of patients should be explored, which includes the use of mobile health vans equipped with telecommunication services.

Your Committees have amended this measure by:

- (1) Deleting its contents;
- (2) Adding a purpose section that provides background on reference-based pricing programs;
- (3) Requiring a moratorium on the use of the Hawaii Employer-Union Health Benefits Trust Fund's Reference-Based Pricing Program in this State through June 30, 2012;
- (4) Requiring the Hawaii Employer-Union Health Benefits Trust Fund to conduct a comprehensive study on the feasibility and long-term effects of the Reference-Based Pricing Program and to submit a report of their findings to the Legislature no later than twenty days prior to the convening of the 2012 Regular Session;
- (5) Requiring the Department of Health to execute a budget neutral pilot program to explore the use of mobile health vans that are equipped with telecommunication services that utilize managed health care principles; and
- (6) Adding the contents of S.B. No. 2494, S.D. 2, to Part III, to provide for continuing coverage of prescription



medication under any policy entered into by an insured or insurer on or after July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2461, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2461, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair

Dwight Y. Takamine

DWIGHT Y. TAKAMINE, Chair

David Y. Ige

DAVID Y. IGE, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

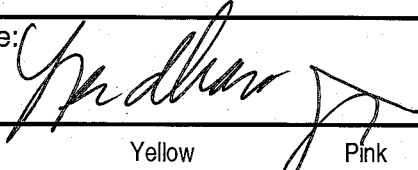
Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* HB2401 HD2	Committee Referral: LBR/HMS/HTH, WAM	Date: 3-16-10		
<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
TAKAMINE, Dwight Y. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BUNDA, Robert				✓
HEE, Clayton		WR ✓		✓
SLOM, Sam				
TOTAL	2	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
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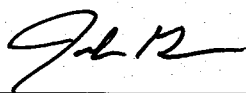
Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* HB 2461 HDZ	Committee Referral: LBR /HMS/HTH, WAM	Date: 3-16-10		
<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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
HEMMINGS, Fred				✓
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2461, HD2	LCR / HMS / HTH, WAM	3/16/10		
<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	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

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