

Honolulu, Hawaii

APR 01 2010

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

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2461, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to establish several initiatives relating to health insurance, in particular, for prescription drug plans and coverage.

Specifically, this measure:

- (1) Requires the employer-union health benefits trust fund to place a moratorium through June 30, 2012, on the reference-based pricing program that is currently in place in its prescription drug plan;
- (2) Requires the employer-union health benefits trust fund to study the feasibility and long-term effects of that reference-based pricing program and submit a report of findings to the 2012 regular session of the Legislature;
- (3) Requires the Department of Health to execute a budget neutral pilot program that uses mobile health vans equipped with telecommunication services using managed care principles; and



- (4) Requires health insurers and similar entities that provide coverage for prescription drug benefits to continue to provide coverage to an insured, except for members of the Hawaii employer-union health benefits trust fund, for any life-saving prescription medication that is covered as of July 1, 2010.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that that the long-term costs and benefits of using reference-based pricing in prescription drug plans must be thoroughly studied before allowing its use by the employer-union health benefits trust fund in its prescription drug plan. Your Committee further finds that the use of new and available health care technology that meets the health care needs of patients also needs to be explored. One of the forms of this new and available technology includes the use of mobile health vans equipped with telecommunication services. Your Committee also finds that the continuation of coverage for life-saving prescription drugs is essential to a patient's well-being and recovery, regardless of whether the patient, as an insured, changes insurers or the insurer changes its prescription drug formulary or coverage policy.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive corrections to make terminology consistent, specifically, several references each to "life-saving", and "health insurance carrier"; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2461, H.D. 2, S.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, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

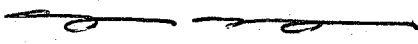


DONNA MERCADO KIM, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2461 HDZ SD1	LEBR/HMS/ATH, WAM	8/31/10		
<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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton	/			
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
TOTAL	12	0	0	0
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