

STAND. COM. REP. NO.

1545

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 1274
S.D. 2
H.D. 3

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1274, S.D. 2, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to update Hawaii's Patients' Bill of Rights and Responsibilities Act under Chapter 432E, Hawaii Revised Statutes (HRS), to conform to the requirements of the federal Patient Protection and Affordable Care Act of 2010 under Public Law No. 111-148.

The Department of Commerce and Consumer Affairs and 'Ohana Health Plan supported this bill. Hawaii Medical Association and numerous concerned individuals opposed this measure. Hawaii Medical Service Association, FACE Health Care Committee, Kaiser Foundation Health Plan, Inc., and several concerned individuals commented on this measure.

Your Committee has amended this bill by:

- (1) Including reference to the application of medical necessity criteria as defined in Section 432E-1, HRS, under factors that an assigned independent review organization must consider in reaching a decision;

SB1274 HD3 HSCR FIN HMS 2011-3655

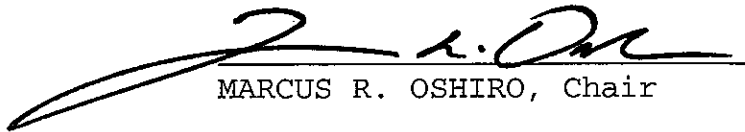


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- (2) Requiring, rather than allowing, an assigned independent review organization to consider certain factors, as specified in the bill, in reaching a decision;
- (3) Changing its effective date to June 30, 2011; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1274, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1274, S.D. 2, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



