

Honolulu, Hawaii

**Feb 9**, 2012

RE: H.B. No. 2536  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 2536 entitled:

"A BILL FOR AN ACT RELATING TO INSURER REQUIREMENTS,"

begs leave to report as follows:

The purpose of this measure is to require all commercial health care insurers operating in Hawaii to share with the Department of Human Services, on a timely basis, a listing of their members for medicaid eligibility determination.

The Department of Human Services and a concerned individual supported the measure. Papa Ola Lokahi supported the measure with amendments. The Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and Hawaii Association of Health Plans offered comments on the measure.

Your Committee notes that the Hawaii Association of Health Plans testified the transfer of information on enrolled commercial health care members would best be handled if the information was sent to the Hawaii Health Information Exchange and then made available through the Hawaii Health Information Exchange to the Department of Human Services. In this scenario, the Department of Human Services would need to interface with just one entity, and the Hawaii Health Information Exchange could be used by the plans as a central repository to obtain "coordination of benefits"



information, a function that is not currently available in Hawaii, that would lower both payer and provider administrative costs.

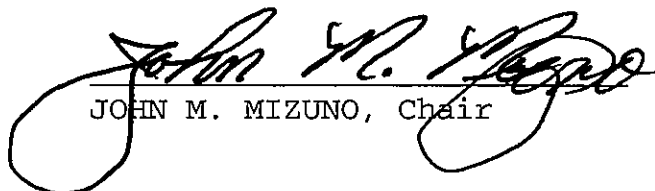
Your Committee notes that the Hawaii Medical Service Association and the Hawaii Association of Health Plans testified that the eligibility determinations in dual coverage situations are made by the Med-QUEST and not the contracted plans. The Hawaii Medical Service Association added it currently provides to the Department of Human Services information on claims data for members who receive coverage under both QUEST and through private coverage. Finally, the Hawaii Medical Service Association and the Hawaii Association of Health Plans testified that updating Med-QUEST's antiquated eligibility system would help in the transfer of information, and added the Department of Human Services is able to use federal funds to update the system.

Your Committee notes that the Insurance Division of the Department of Commerce and Consumer Affairs took no position on the measure and deferred to the Department of Human Services.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2536, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services,

  
JOHN M. MIZUNO, Chair



