

STAND. COM. REP. NO.

2968

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 2776
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Health and Human Services, to which was referred H.B. No. 2776, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to require certain care home operators to obtain and maintain liability insurance in an amount determined by the Director of Health to cover the operations of the care home unless the care home is operating under a contract with the Department of Health or Department of Human Services and is in compliance with the liability insurance coverage requirements of the contract.

Your Committees received testimony in opposition to this measure from the Department of Health and Department of Human Services.

Your Committees find that the Department of Health does not possess the actuarial or underwriting expertise to determine the coverage amounts for the various home care facilities. Furthermore, the cost to acquire such expertise is currently beyond the financial means of the Department of Health. Your Committees also find that section 2, which requires that operators of assisted living facilities, community care foster family homes, and expanded adult residential care homes as defined in section 346-331, Hawaii Revised Statutes, obtain and maintain liability coverage, is unnecessary. Community care foster homes are



required to have at least one Medicaid client at all times, and per contractual agreements, liability insurance is required in order to be paid for services that are rendered to Medicaid clients. Therefore, all community care foster family homes must have liability insurance. Should an assisted living facility or an expanded adult residential care home accept a Medicaid client, a contract for requiring liability insurance will also be necessary.

Your Committees have amended this measure by:


- (1) Deleting language that specified that the Director of Health would be the party responsible for determining a sufficient coverage amount for liability insurance that covers the operation of adult foster homes, adult residential care homes, assisted living facilities, and expanded adult residential care homes as defined in section 321-15.1, Hawaii Revised Statutes;
- (2) Deleting language that required operators of assisted living facilities, community care foster family homes, and expanded adult residential care homes as defined in section 346-331, Hawaii Revised Statutes, to obtain and maintain liability insurance; and
- (3) Inserting an effective date of January 1, 2050, to allow for further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2776, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2776, 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 Health and Human
Services,



SUZANNE CHUN OAKLAND, Chair

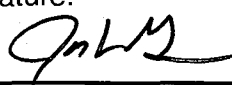


JOSH GREEN, M.D., Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

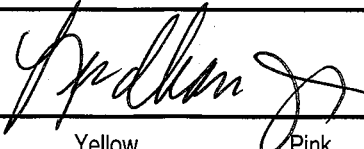
Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* HB 2776, HD2	Committee Referral: HTH/HMS, WAM	Date: 3-20-12		
<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
GREEN, M.D., Josh (C)	✓			
NISHIHARA, Clarence K. (VC)				✓
BAKER, Rosalyn H.	✓			
CHUN OAKLAND, Suzanne	✓			
SHIMABUKURO, Maile				✓
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	4	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
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
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* HB 2776, HD2	Committee Referral: HTH/HMS, WAM	Date: 3/21/12		
<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	✓			
SLOM, Sam				✓
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				

*Only one measure per Record of Votes