

Honolulu, Hawaii
April 5, 2012

RE: S.B. No. 2798
S.D. 1
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 Finance, to which was referred S.B. No. 2798, S.D. 1, 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 provide the State with a quarterly report listing their members for a cross-reference check of prospective and current Medicaid beneficiaries to secure the integrity of the Medicaid program and ensure that Medicaid is the payor of last resort.

The Department of Human Services supported this measure. The Hawaii Medical Service Association commented on this measure.

Your Committee has amended this measure by:

- (1) Adding language to the purpose section of the measure acknowledging the importance of supplying the State with such information on a timely basis, but noting the need to preserve confidentiality by transmitting this private information through an independent, highly secured data messaging and transmission system;
- (2) Deleting language requiring private health insurers to provide information regarding only coverage for certain

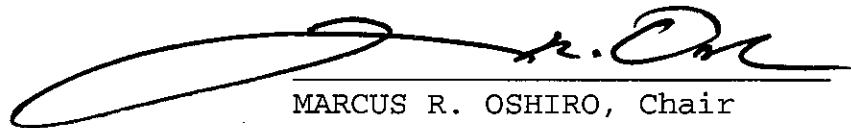


individuals to the State upon request, and inserting terms expanding the requirement to reach coverage information for all members of private health insurers;

- (3) Requiring private health insurers, beginning in 2014, to provide a report listing their members to an independent third party entity no more than quarterly, and requiring the third party to match the report with one submitted by the Department of Human Services and provide the Department with information for medical assistance recipients;
- (4) Requiring the Department of Human Services to include private health insurers in evaluating the qualifications of potential third party entities and determining the minimum data fields for matching;
- (5) Changing its effective date to upon its approval; and
- (6) 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. 2798, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2798, S.D. 1, H.D. 1.

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



MARCUS R. OSHIRO, Chair



