

JAN 15 2014

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# A BILL FOR AN ACT

RELATING TO HEALTH.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 302 of the Medicare Modernization Act  
2 of 2003 established requirements for a new competitive bidding  
3 program for certain durable medical equipment, prosthetics,  
4 orthotics, and supplies. Under the program, suppliers compete  
5 to become medicare contract suppliers by submitting bids to  
6 furnish certain items in competitive bidding areas, and the  
7 Centers for Medicare and Medicaid Services awards contracts to  
8 enough suppliers to meet beneficiary demand for the bid items.

9           The purpose of this Act is to require vendors who have been  
10 awarded contracts through the Centers for Medicare and Medicaid  
11 Services durable medical equipment, prosthetics, orthotics, and  
12 supplies bidding program to provide supplies to the residents of  
13 the State to have a physical presence in Hawaii.

14           SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
15 amended by adding a new section to be appropriately designated  
16 and to read as follows:

17           "§346-     Durable medical equipment, prosthetics,  
18 orthotics, and supplies competitive bidding program; awardee



1 requirements. (a) Any vendor or supplier that is awarded a  
 2 contract through the Centers for Medicare and Medicaid Services  
 3 durable medical equipment, prosthetics, orthotics, and supplies  
 4 bidding program to furnish such items or services set out in  
 5 section 1834(a)(20) of the Social Security Act to the residents  
 6 of the State shall have a physical presence in the State.

7 (b) For purposes of this section, "physical presence"  
 8 means:

- 9 (1) Having a physical location in the State; or  
 10 (2) Establishing an administrative office in the State in  
 11 order to:  
 12 (A) Provide information and customer service to  
 13 consumers about supplies and services; and  
 14 (B) Maintain a business registration, mailing  
 15 address, street address, or telephone number in  
 16 the State."

17 SECTION 3. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:

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# S.B. NO. 2031

**Report Title:**

Centers for Medicare and Medicaid Services; Physical Presence; Durable Medical Equipment, Prosthetics, Orthotics, and Supplies; Bidding Program

**Description:**

Requires vendors who have been awarded contracts through the Centers for Medicare and Medicaid Services durable medical equipment, prosthetics, orthotics, and supplies bidding program to have a physical presence in Hawaii.

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