

STAND. COM. REP. NO.

924

Honolulu, Hawaii

MAR 20 2013

RE: H.B. No. 656  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committees on Health and Commerce and Consumer Protection, to which was referred H.B. No. 656, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE ADMINISTRATIVE UNIFORMITY,"

beg leave to report as follows:

The purpose and intent of this measure is to establish within the Office of the Governor a temporary program specially targeted to initiate and facilitate the health care transformation occurring in Hawaii vis a vis the implementation of the Patient Protection and Affordable Care Act and associated changes in the health care industry.

Your Committees received testimony in support of this measure from the Governor's Office, Healthcare Association of Hawaii, Hawaii Health Information Corporation, and Hawaii Medical Service Association.

Your Committees find that the State provides or pays for health insurance for nearly forty percent of the population. Your Committees also find that increases in premiums for health insurance coverage greatly impact not only the subscribers, but also businesses and the overall economy of the State. With the passage of the Patient Protection and Affordable Care Act, the state of health care in Hawaii is undergoing a dramatic transformation. As a result, your Committees find it necessary to establish and temporarily place in the Office of the Governor the



health care transformation program, which shall consider a broad range of initiatives, issues, and strategies, including:

- (1) Standards, measures, and goals to evaluate the quality and cost-effectiveness of health care services;
- (2) Fair and efficient payment models for health care services;
- (3) Streamlined authorization procedures for health care services;
- (4) Improvement and expansion of the use of information technologies to organize, store, safeguard, exchange, and report clinical, cost, educational, technical, administrative, regulatory, and other health care-related data;
- (5) Improvement and promotion of the establishment and use of cost-effective preferred drug lists; and
- (6) Any other issue, solution, or initiative necessary or appropriate to further the principal mission of the program.

Your Committees have amended this measure by:

- (1) Clarifying the purpose of the Act's focus on the study of processes, measures, and other matters directed at improving the quality and cost-effectiveness of health care service, standardization of processes, reducing administrative burdens facing health care providers, and supporting innovation;
- (2) Clarifying one of the Governor's duties under the health care transformation program to identify processes, measures, and goals to evaluate and improve the quality and cost-effectiveness of health care services;
- (3) Adding a directive to the health care transformation program to examine opportunities for administrative uniformity or standardization of processes;
- (4) Inserting language to require the Governor to submit a final report on the health care transformation program



to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015;

- (5) Inserting an effective date of July 1, 2013; and
- (6) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 656, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 656, 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  
Commerce and Consumer  
Protection,

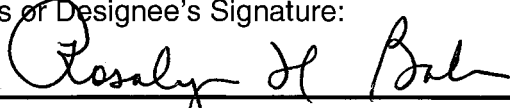
  
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ROSALYN H. BAKER, Chair

  
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JOSH GREEN, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 656, HD2	HTH/CPN, WAM	03/11/2013		
<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, Josh (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam				✓
<b>TOTAL</b>	4	-	-	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes

