

STAND. COM. REP. NO.

399

Honolulu, Hawaii

FEB 15 2013

RE: S.B. No. 1241  
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 S.B. No. 1241 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to amend section 480-11(d), Hawaii Revised Statutes, to exclude from unfair competition and anti-trust law, certain discussions between health care providers or facilities, managed care plans, government agencies, or health care related organizations, under certain circumstances.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii and Hawaii Medical Service Association. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that developing uniform administrative standards and procedures will enhance the quality of health care in Hawaii. Such standards include pre-authorization forms, drug formularies, credentialing forms, quality metrics, and patient demographic information. In the development of these standards, it is important to encourage discussion and agreements among health care providers, insurers, and other health care organizations. Since antitrust laws are likely to have a dampening effect on such discussions, this measure will facilitate collaborative efforts among Hawaii's health care providers and



other relevant health care entities and assist them in improving health care quality while controlling costs.

Your Committees have amended this measure by deleting its contents and inserting language to:

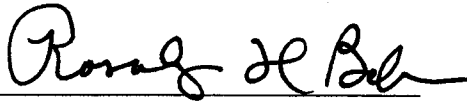
- (1) Describe in a findings and purpose section the importance of developing and implementing strategies and rules directed at improving the quality and cost-effectiveness of the health care delivery system in the State;
- (2) Establish the health care transformation program within the Department of Commerce and Consumer Affairs whose principal mission is to plan, develop, and implement initiatives and policies directed at improving the quality and cost-effectiveness of the health care delivery system in the State and ensuring that Hawaii residents and visitors have access to high quality and cost effective health care;
- (3) Specify the types of strategies that the Department shall develop in regard to the health care transformation program;
- (4) Allow the Department to informally consult with any stakeholder or subject matter expert in order to facilitate the development and monitor the effectiveness of any strategies or to facilitate the adoption or monitor the effectiveness of any rules to implement the strategies;
- (5) Require the Director of Commerce and Consumer Affairs to submit a report of strategies and findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014; and
- (6) Making technical, nonsubstantive amendments 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 S.B. No. 1241, as amended herein, and recommend that it pass Second Reading in the form attached hereto



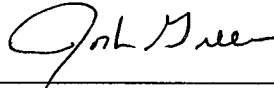
as S.B. No. 1241, S.D. 1, and be referred to the Committee on  
Judiciary and Labor.

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



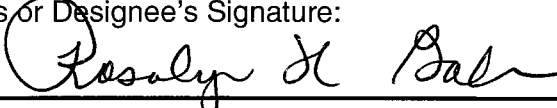
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JOSH GREEN, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB1241</i>	<i>HTH/CPN, JDL</i>	<i>02/13/13</i>		
<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>	<i>4</i>	<i>1</i>	<i>—</i>	<i>—</i>
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

