

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2365
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2365, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to limit the reimbursement of prescription medications to prevent drug prices from becoming an unreasonable cost driver of health care in workers' compensation and motor vehicle insurance claims, while ensuring the same standard of service and care intended for both injured employees under the workers' compensation law and injured individuals under the motor vehicle insurance law.

The Department of Human Resources Development; Department of Human Resources City and County of Honolulu; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; GEICO; and National Association of Mutual Insurance Companies testified in support of this measure. Two concerned individuals testified in opposition to this measure. The Department of Labor and Industrial Relations; Department of Commerce and Consumer Affairs; Automated Healthcare Solutions; Work Injury Medical Association of Hawaii; Property Casualty Insurers Association of America; Chamber of Commerce Hawaii; Hawaii Insurers Council; and Hawaii Medical Association commented on this measure.



Your Committee has amended this measure by removing "major" from the phrase "major retail pharmacy" to include smaller pharmacies throughout the state when determining the availability of a prescription drug in the state for reimbursement purposes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2365, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2365, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



