

Honolulu, Hawaii

FEB 10 2014

RE: S.B. No. 2494

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2494 entitled:

"A BILL FOR AN ACT RELATING TO PERSONAL INJURY PROTECTION BENEFITS,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure personal injury protection benefits remain consistent with prepaid health care plans by clearly specifying requirements for the reimbursement of drugs, supplies, and materials.

Your Committee received testimony in support of this measure from the Hawaii Insurers Council and GEICO. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs; Automated HealthCare Solutions, LLC; Work Injury Medical Association of Hawaii; and two individuals. Your Committee received comments on this measure from the Hawaii Medical Service Association.

Your Committee finds that this measure is intended to provide a clear understanding relating to the prescription, delivery, and payment of drugs, supplies, and materials. However, your Committee has heard the concerns that this measure may cause problems for the State's overall insurance system. Specifically, your Committee has heard testimony that personal injury protection benefits are tied into the motor vehicle insurance and workers' compensation supplemental medical fee schedules, and not to the



individual reimbursement tables of multiple prepaid health care plans.

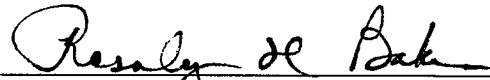
Your Committee respects and appreciates these concerns but believes that a method to contain costs, curtail overprescription, and discourage price gouging of drugs, supplies, and materials will ultimately benefit consumers and policyholders in the State; therefore, your Committee believes that this issue merits additional consideration by your Committee on Ways and Means.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494, S.D. 1, and be referred to the Committee on Ways and Means.

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

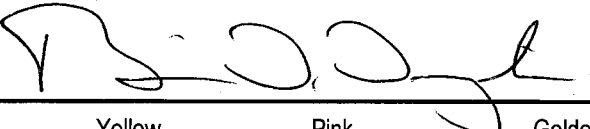


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2494	CPN, WAM	2/5/14		
<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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes