

Honolulu, Hawaii

APR 25 2013

RE: S.B. No. 933  
S.D. 1  
H.D. 1  
C.D. 1

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

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 933, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TRICARE PROGRAM,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to make permanent the state general excise tax exclusion for the amounts received by a managed care support contractor of the TRICARE program for the actual cost or advancement to third-party health care providers, pursuant to a contract with the United States for the administration of the TRICARE program.

Your Committee on Conference finds that the TRICARE program is a federal government program that provides health care services to over nine million Americans, composed of active duty, reserve, and retired members of the United States uniformed services, their family members, and survivors, including approximately one hundred



fifty thousand current and former service members and their family members who reside in Hawaii. The TRICARE program contracts with third-party administrators, known as "managed care support contractors," to establish and maintain networks of TRICARE-authorized civilian health care providers in various regions of the United States. On behalf of the United States Department of Defense, managed care support contractors make advances to health care providers, including doctors, hospitals, and other providers, for costs of health care services provided to TRICARE beneficiaries. The United States Department of Defense reimburses managed care support contractors for the actual cost or advancement made to third-party health care providers.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Extending the state general excise tax exclusion for five years, rather than making the exclusion permanent; and
- (2) Changing the effective date from July 1, 2050, to July 1, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 933, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 933, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf  
of the managers:

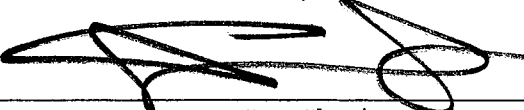
ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

  
K. MARK TAKAI, Co-Chair

  
DAVID Y. IGE, Chair

  
DELLA AU BELATTI, Co-Chair

  
SYLVIA LUKE, Co-Chair



Hawaii State Legislature

CCR 44

Record of Votes of a  
Conference Committee

|  |                                     |
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| Bill / Concurrent Resolution No.:<br><b>SB 933, SD 1, HD 1</b> | Date/Time: <b>4/24/2013 3:12 pm</b> |
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

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| <input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure | <input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure. |
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| Senate Managers     | A        | WR       | N        | E        | House Managers             | A        | WR       | N        | E        |
|---------------------|----------|----------|----------|----------|----------------------------|----------|----------|----------|----------|
| IGE, David Y., Chr. | ✓        |          |          |          | TAKAI, K. Mark, Co-Chr.    | ✓        |          |          |          |
| ESPERO, Will        | ✓        |          |          |          | BELATTI, Della Au, Co-Chr. | ✓        |          |          |          |
| KOUCHI, Ronald D.   | ✓        |          |          |          | LUKE, Sylvia, Co-Chr.      | ✓        |          |          |          |
| SLOM, Sam           |          |          |          | ✓        | TAKAYAMA, Gregg            | ✓        |          |          |          |
|                     |          |          |          |          | WARD, Gene                 | ✓        |          |          |          |
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| <b>TOTAL</b>        | <b>3</b> | <b>0</b> | <b>0</b> | <b>1</b> | <b>TOTAL</b>               | <b>5</b> | <b>0</b> | <b>0</b> | <b>0</b> |

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

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| Senate Recommendation is:<br><input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | House Recommendation is:<br><input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted |
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| Senate Lead Chair's or Designee's Signature:<br> | House Lead Chair's or Designee's Signature:<br> |
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