

Honolulu, Hawaii
February 19, 2016

RE: H.B. No. 1673
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1673, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to help patients in the State obtain access to critical, life-sustaining medical supplies by establishing the Durable Medical Equipment Supplier License Program to license durable medical equipment suppliers that sell, dispense, deliver, or service durable medical equipment in the State.

The Queen's Health Systems, AONE Hawaii, Hawaii Pacific Health, Healthcare Association of Hawaii, Hawaii COPD Coalition, Hawaii Primary Care Association, Castle Home Care, and Hawaii Medical Service Association testified in support of this measure. The Department of Health provided comments on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests the Committee on Finance to consider the Hawai'i Association of Health's request to raise the permit fee from \$300 to \$350, which is a move that was supported by the fee payers themselves. The Department of Health's Office of Health Care Assurance testified that although the permit fees will support a 0.25 full-time equivalent administrative clerk position, these fees will be used to catch up



and not to handle the database. However, pursuant to *Hawaii Insurers Council v. Lingle*, any fees collected from payers must be allocated to the program generating them or be returned to the fee payers. Therefore, your Committee requests your Committee on Finance to consider mandating that the \$300 or \$350 fee should only be used to administer the program as intended by this measure.

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 H.B. No. 1673, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1673, H.D. 2.

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



ANGUS L.K. MCKELVEY, Chair



