

Honolulu, Hawaii
February 12, 2016

RE: H.B. No. 2481
H.D. 1

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

Sir:

Your Committee on Health, to which was referred H.B. No. 2481
entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to facilitate greater
transparency in the health care sector by broadening the scope of
health and health care data and other information, including
health care services claims and payment information submitted to
the State Health Planning and Development Agency.

The State Health Planning and Development Agency and Hawaii
Health Data Center testified in support of this measure. Hawaii
Medical Service Association opposed this measure. The Department
of the Attorney General, Department of Health, Department of Human
Services, University of Hawaii System, Office of Enterprise
Technology Services, Healthcare Association of Hawaii, and Hawaii
Health Information Corporation provided comments.

Your Committee notes that in 2013, the Department of Commerce
and Consumer Protection received an award of \$3,023,387 from the
United States Department of Health and Human Services, Centers for
Medicare and Medicaid Services as part of a Cycle III Grant to
support health insurance rate review and increase transparency in
health care pricing.



According to the February 4, 2014, report "Rate Review Cycle III Final Report," Hawaii State Department of Commerce and Consumer Affairs, as part of the receipt of this grant, in November 2013, the Office of the Governor, the Department of Commerce and Consumer Affairs, and the then-Office of Information Management Technology conducted a series of stakeholder meetings with Hawaii Medical Service Association, Kaiser Permanente, and the Healthcare Association of Hawaii about the development of an All Payer Claims Database (APCD) in the State of Hawaii. Discussions among the stakeholders included:

- Value brought to the health care system by establishing an APCD;
- A plan to identify a health data governance board in relation to the APCD to develop policy regarding reporting, oversight, data confidentiality, data priorities, and data use; and
- Identification of tentative priorities and a timeline for data collection including ER and hospitalization, chronic diseases, Medicaid, Hawaii Employer-Union Health Benefits Trust Fund, Department of Health, and commercial data.

To date, the now-Office of Enterprise Technology Services manages the federal grant funds and has created a special project, the Hawaii Health Data Center, to carry out the activities of the Cycle III grant.

Your Committee finds that the work of the Hawaii Health Data Center and the creation of an APCD can play a key role to reduce overall health insurance premiums by focusing cost control efforts on healthcare pricing, identifying structural health cost drivers, providing the knowledge and tools to begin bending the health cost curve, and identifying wasteful expenditures in the health care system.

Should the House Committee on Judiciary deliberate on this measure, your Committee respectfully requests that it consider the creation of a stakeholder group comprised of key state department leaders, patient advocates, and health industry leaders to facilitate the work of the Hawaii Health Data Center and the creation of an APCD to realize the goals of healthcare pricing and cost transparency.



Your Committee has amended this measure by:

- (1) Requiring that the submittal of data, statistics, and other information be consistent with state and federal laws pertaining to security and confidentiality;
- (2) Specifying that the state agency shall submit the acquired data to a state-designated data center;
- (3) Changing its effective date to July 1, 2070, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2481, H.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Health,



DELLA AU BELATTI, Chair



