

Honolulu, Hawaii
February 11, 2016

RE: H.B. No. 2740
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. 2740
entitled:

"A BILL FOR AN ACT RELATING TO LIABILITY,"

begs leave to report as follows:

The purpose of this measure is to prevent potential harm to
Hawaii residents and provide licensed health care providers with
immunity from liability that stems from unreasonable delays in
medical treatment or services caused by insurer preauthorization
or precertification requirements.

The Hawaii Radiological Society, Hawaii Medical Association,
Pacific Cancer Institute of Maui, and many individuals testified
in support of this measure. The Hawaii Medical Service
Association and University Health Alliance testified in
opposition. The Department of Commerce and Consumer Affairs,
Department of Human Services, The Queen's Health Systems, American
Council of Life Insurers, Hawaii Association for Justice and
several individuals provided comments.

Your Committee has amended this measure by:

- (1) Clarifying insurer actions that may constitute an undue
delay in the provision of medical treatment or services
to include insufficient time for the processing of a
first-time preauthorization that leads to an
exacerbation or worsening of a health condition;



- (2) Specifying that a licensed health care provider shall be defended and indemnified, rather than immune, from civil liability caused by an insurer's undue delay;
- (3) Establishing a liability framework for situations where a licensed health care provider delivers medical treatment or services notwithstanding an insurer's preauthorization requirements;
- (4) Changing its effective date to July 1, 2070, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, 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. 2740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2740, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



DELLA AU BELATTI, Chair



