Honolulu, Hawaii

Rebuan U, 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 ALI DELATEL Chair

## State of Hawaii House of Representatives The Twenty-eighth Legislature

## Record of Votes of the Committee on Health

Bill/Resolution No.:	Committee Referral:	Date	· • 8 - 1	1
HB 2740	HLT, CPC, JUD Date: 2-8-16		6	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)				
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2. CREAGAN, Richard P. (VC)				
3. HASHEM, Mark J.				
4. JORDAN, Jo				•
5 KODAWASHI D. 4				
5. KOBAYASHI, Bertrand				
6. MORIKAWA, Dee				
7. OSHIRO, Marcus R.				
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8. FUKUMOTO CHANG, Beth				
8. FUKUMOTO CHANG, Beth				
Approximately the second				
Approximately the second				
	5			3
9. TUPOLA, Andria P.L.  TOTAL (9)  The recommendation is:	opted	ted		3
9. TUPOLA, Andria P.L.  TOTAL (9)  The recommendation is:	opted	did not supp	ort recommendation	3
9. TUPOLA, Andria P.L.  TOTAL (9)  The recommendation is:	opted	did not supp	ort recommendation	3
9. TUPOLA, Andria P.L.  TOTAL (9)  The recommendation is:	opted	did not suppo	ort recommendation	3