

STAND. COM. REP. NO. 3670

Honolulu, Hawaii

APR 20 2016

RE: H.C.R. No. 157  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred H.C.R. No. 157 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE INSURANCE  
DIVISION OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO CONDUCT A SURVEY OF THE MEDICAL PROFESSIONAL COMMUNITY TO  
DETERMINE THE EXTENT OF THE DEVELOPMENT OF ACCOUNTABLE CARE  
ORGANIZATIONS AND DIRECT PRIMARY CARE OR "CONCIERGE MEDICINE"  
WITHIN THE COMMUNITY AND THE IMPACT OF THESE BUSINESS  
ARRANGEMENTS ON THE ABILITY OF PATIENTS TO ACCESS PRIMARY  
CARE SERVICES IN THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to request the  
Insurance Division of the Department of Commerce and Consumer  
Affairs to conduct a survey of the medical professional community  
to determine the extent of the development of accountable care  
organizations and direct care or "conciierge medicine" within the  
community and the impact these business arrangements have on the  
ability of patients to access primary care services in the State.

Your Committee received comments on this measure from the  
Department of Commerce and Consumer Affairs.

Your Committee finds that the federal Patient Protection and  
Affordable Care Act of 2010 has prompted tremendous reform and  
change throughout the health care industry in Hawaii and across  
the nation. One type of reform has been the development of  
accountable care organizations, which are networks of physicians,



specialists, hospitals, and other health care providers that share financial and medical responsibility, with a goal to provide coordinated, high quality primary care to patients while avoiding unnecessary duplication of services and preventing unnecessary hospitalizations. Your Committee further finds that direct primary care, also known as concierge medicine, has also increased in popularity throughout the nation and Hawaii. Concierge medicine involves a relationship between a patient and a primary care physician in which the patient pays an annual fee or retainer, which may be in addition to other charges.

Your Committee additionally finds that as methods for delivery of health care in Hawaii evolve and change, it is important to consider if these changes are affecting patient access to primary care services in the State. Accordingly, this measure requests the Insurance Division of the Department of Commerce and Consumer Affairs to conduct a survey on the development and impact of accountable care organizations and direct care or concierge medicine within the community.

Your Committee has heard the concerns of the Department of Commerce and Consumer Affairs that the Insurance Division may not have direct access to the specific information for the survey requested by this measure. Your Committee understands these concerns and concludes that an amendment to this measure is necessary that requests the Insurance Division to collaborate with the medical professional community on the survey.

Your Committee has amended this measure by:

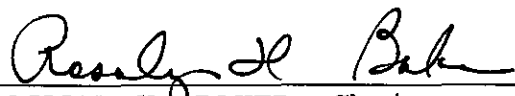
- (1) Clarifying certain information regarding accountable care organizations, the establishment of accountable care organizations, and their goals;
- (2) Noting some health care economists have expressed concern that the formation of more accountable care organizations could leave fewer independent hospitals and doctors, which could potentially limit patient choice and access to primary care services;
- (3) Clarifying that concierge medicine involves a relationship between a patient and a primary care physician in which the patient pays an annual fee or retainer, which may be in addition to other charges;



- (4) Specifying additional aspects of concierge medicine;
- (5) Noting some concerns regarding the overall affordability of concierge medicine, including the impact it may have on Medicaid and Medicare patients;
- (6) Clarifying that the Insurance Division is requested to collaborate with the medical professional community on a survey regarding the development and impact of accountable care organizations and direct care or concierge medicine within the community;
- (7) Requesting the Insurance Division to collaborate with the Board of Medicine, Hawaii Medical Association, Healthcare Association of Hawaii, and independent physicians associations for purposes of gathering the appropriate information requested for the survey;
- (8) Requesting the Insurance Division to review government websites and information from government agencies, as needed, for purposes of gathering the appropriate information requested for the survey;
- (9) Amending its title; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 157, S.D. 1.

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

  
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ROSALYN H. BAKER, Chair



