

STAND. COM. REP. NO. 457

Honolulu, Hawaii

FEB 20 2015

RE: S.B. No. 1217
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1217 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to align state law with the requirements of section 2706 of the federal Public Health Service Act by prohibiting insurers from discriminating against any health care provider who is acting within the scope of that provider's license or certification.

Your Committee received testimony in support of this measure from the Hawaii Society of Naturopathic Physicians; American Chiropractic Association; American Association of Nurse Practitioners; Hui Hun Health, LLC; and nine individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.

Your Committee finds that section 2706 of the federal Public Health Service Act, as added by section 1201 of the federal Patient Protection and Affordable Care Act of 2010, prohibits insurers from discriminating against any health care provider who is acting within the scope of that provider's license or certification. According to testimony received by your Committee, health plans and insurance companies in Hawaii have limited the types of health care providers permitted to provide services to their members by excluding certain non-medical doctor licensed

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providers. In particular, naturopathic physicians are often excluded from insurance contracts in Hawaii, which forces patients who choose a naturopathic physician as their primary care provider to pay out of pocket for their primary care needs.

Your Committee concludes that clarity within the State's insurance code is needed to ensure that naturopathic physicians are compensated appropriately, similar to other licensed providers and without discrimination, per the requirements of section 2706 of the federal Public Health Service Act.

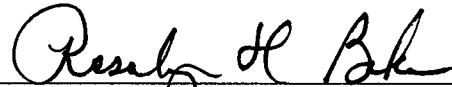
Accordingly, your Committee has amended this measure by:

- (1) Removing language that would have prohibited insurers from discriminating against any health care provider acting within the scope of that provider's license or certification, with specific exceptions;
- (2) Clarifying that insurers who provide health care coverage are required to provide coverage for medically necessary health care services covered by a health insurance policy when provided by a licensed naturopathic physician acting within that naturopathic physician's scope of practice;
- (3) Specifying that health care services provided by naturopathic physicians may be subject to certain limitations;
- (4) Specifying that limitations shall not function to direct treatment in a manner that unfairly discriminates against the practice of naturopathic medicine;
- (5) Permitting insurers to require naturopathic physician services to be provided by a naturopathic physician under contract or covered in a manner consistent with out-of-network provider reimbursement practices;
- (6) Updating the purpose section accordingly;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) 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 and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1217, S.D. 1, and be referred to the Committee on Judiciary and Labor.

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



ROSALYN H. BAKER, Chair



