

Honolulu, Hawaii  
March 24, 2016

RE: S.B. No. 2076  
S.D. 2  
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 Consumer Protection & Commerce, to which was referred S.B. No. 2076, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

begs leave to report as follows:

The purpose of this measure is to establish a durable medical equipment supplier license program.

Specifically, this measure:

- (1) Requires that a durable medical equipment supplier obtain a license to sell, dispense, deliver, or service durable medical equipment to a consumer in the State;
- (2) Requires that a durable medical equipment supplier designate an agent to provide timely and satisfactory customer service to consumers in the State;
- (3) Requires that a durable medical equipment supplier notify consumers within two business days if any item or equipment ordered cannot be provided; and
- (4) Allocates revenue from the license fees to the office of health care assurance special fund.



Your Committee received testimony in support of the measure from the Healthcare Association of Hawaii, The Queen's Health Systems, Hawaii Pacific Health, and Hawaii COPD Coalition. The Hawaii Medical Service Association submitted comments on the measure.

Your Committee finds that the federal Durable Medical Equipment Competitive Bidding program has created discharge delays and imposed additional challenges for Hawaii patients in obtaining necessary durable medical equipment from vendors. Your Committee further finds that this measure will assist in mitigating those problems and will help to ensure that Medicare beneficiaries have consistent access to durable medical equipment.

Your Committee respectfully requests that subsequent Committees to which this measure is referred consider amending the measure to retain the existing caps of:

- (1) \$300,000 on the amount of moneys that may be used in the office of health care assurance special fund during each fiscal year for activities carried out by the office of health care assurance; and
- (2) \$356,000 on the amount of moneys that may be maintained in the office of health care assurance special fund at the end of each fiscal year.

Your Committee has amended the measure by changing the effective date to January 21, 2112, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076, S.D. 2, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2076, S.D. 2, H.D. 1.



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

  
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ANGUS L.K. MCKELVEY, Chair



