

Honolulu, Hawaii  
**March 18**, 2016

RE: S.B. No. 2389  
S.D. 1  
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 S.B. No. 2389, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to facilitate greater transparency in the health care sector by requiring:

- (1) All payers of claims for payment for health care services delivered to any person, including providers of public or private health insurance, to submit, consistent with all federal and state data use and disclosure, privacy, security, and confidentiality laws, data, statistics, and other information to the State Health Planning and Development Agency;
- (2) Health care providers and payers of health care services claims to submit information about the nature of reimbursements and any fees, discounts, incentives, or performance payments affecting the rate of reimbursement from any insurer;
- (3) The State Health Planning and Development Agency to not disclose any individual patient's personal health information in violation of state or federal law;



- (4) The State Health Planning and Development Agency to initially submit data to various data centers at the University of Hawaii; and
- (5) That an entity accepting health care services claims and payment data to enter into a negotiated data sharing agreement with any payer or insurer before data is submitted.

The State Health Planning and Development Agency, University of Hawaii, and two individuals testified in support of this measure. The Hawaii Medical Service Association and one individual testified in opposition. The Department of the Attorney General, Office of Enterprise Technology Services, Department of Human Services, Hawaii Health Information Corporation, Healthcare Association of Hawaii, and Hawaii Pacific Health provided comments.

Your Committee notes that in *Gobeille v. Liberty Mutual Insurance, Co.*, 136 S.Ct. 936 (2016), the Supreme Court of the United States found that a Vermont statute creating an All Payers Claim Database was preempted by the Employee Retirement Income Security Act of 1974 (ERISA). Your Committee notes that language in this bill regarding data collection requires that such collection is consistent with all federal laws. This statutory requirement includes ERISA.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to facilitate further discussion.

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 S.B. No. 2389, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2389, S.D. 1, H.D. 1, and be referred to your Committee on Higher Education.

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



DELLA AU BELATTI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 1121-16

**Record of Votes of the Committee on Health**

Bill/Resolution No.: <b>SP 2389, SDI</b>	Committee Referral: <b>HLT, HED, FIN</b>	Date: <b>3/16/16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> 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)	✓			
2. CREAGAN, Richard P. (VC)	✓			
3. HASHEM, Mark J.	✓			
4. JORDAN, Jo	✓			
5. KOBAYASHI, Bertrand		✓		
6. MORIKAWA, Dee	✓			
7. OSHIRO, Marcus R.				✓
8. FUKUMOTO CHANG, Beth	✓			
9. TUPOLA, Andria P.L.	✓			
<b>TOTAL (9)</b>	<b>7</b>	<b>1</b>		<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				