

Honolulu, Hawaii

March 18, 2016

RE: S.B. No. 2668
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 Health, to which was referred S.B. No. 2668, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to limit a patient's out-of-pocket medical costs when services are not covered by the patient's health plan or are provided by a nonparticipating provider. Specifically, the measure:

- (1) Requires providers to make certain disclosures to patients about nonemergency services that are not authorized under the patient's health care plan, prior to providing the services;
- (2) Requires nonparticipating providers to make certain cost disclosures to patients about nonemergency services, prior to providing the services;
- (3) Places a cap on the amount that a nonparticipating provider may charge a patient for services performed without the approval of the patient's health care plan;
- (4) Protects a patient from being liable to a participating provider for any sums that the patient's insurer fails to pay; and



- (5) Limits a patient's out-of-pocket costs for emergency services that are performed by a nonparticipating provider to the out-of-pocket costs that would have been incurred if the services were performed by a participating provider.

The Healthcare Association of Hawaii, UHA Health Insurance, Hawaii Medical Association, Hawaii Emergency Physicians Associated, Hawaii American College of Emergency Physicians, The Queen's Health Systems, Hawaii Pacific Health, American Congress of Obstetricians and Gynecologists, Hawaii Section, and an individual provided testimony in opposition to the measure. The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association provided comments.

Your Committee has amended this measure by:

- (1) Deleting the cap on the amount that a nonparticipating provider may charge a patient for services performed without the approval of the patient's health care plan;
- (2) Adding a section creating additional disclosure requirements for health insurance plans;
- (3) Creating a working group to evaluate the issue of balance billing in the State; and
- (4) Changing the effective date to July 1, 2112, to encourage 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. 2668, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2668, S.D. 2, H.D. 1, and be referred to your Committees on Consumer Protection & Commerce and Judiciary.



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

Della A. Belatti

DELLA AU BELATTI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 1120-16

Record of Votes of the Committee on Health

Bill/Resolution No.: SB 2468, SD2	Committee Referral: HLT, CPLTUD, FIN	Date: 3/16/16		
<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.		✓		
TOTAL (9)	6	1		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				