

STAND. COM. REP. NO.

981

Honolulu, Hawaii

MARCH 20, 2015

RE: S.B. No. 307
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committees on Health and Human Services, to which was referred S.B. No. 307, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose of this measure is to establish a licensure program, administered by the Office of Health Care Assurance and exempt from a sunrise analysis by the Auditor, for suppliers of durable medical equipment, prosthetics, orthotics, and related supplies.

The Hawaii Health Systems Corporation; Queen's Health Systems; Healthcare Association of Hawaii; Prime Care Services Hawaii, Inc.; Aloha Nursing Rehab Centre; and Hawaii Primary Care Association submitted testimony in support of this measure. The Board of Pharmacy submitted testimony in support of this measure with amendments. The Hawaii Association of Health Plans submitted testimony in opposition to this measure. The Department of Health, Business Registration Division of the Department of Commerce and Consumer Affairs, and Hawaii Medical Service Association submitted comments on this measure.

SB307 HD1 HSCR HLT-HUS HMS 2015-2696



Your Committees have amended this measure by:

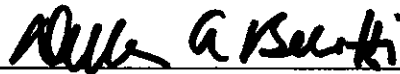
- (1) Clarifying that durable medical equipment shall not contain any prescription drug;
- (2) Allowing the Department of Health to assess by administrative rule, rather than statutorily prescribe, a licensure fee on all suppliers;
- (3) Exempting licensed pharmacies from the licensure program;
- (4) Changing to general fund revenues, the manner of funding for the two permanent full-time positions created to establish and administer the program;
- (5) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 307, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 307, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services,



DEE MORIKAWA, Chair



DELLA AU BELATTI, Chair



