

Honolulu, Hawaii

MAR 04 2016

RE: S.B. No. 3105
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 3105, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require a health care provider who refers patients to facilities in which the health care provider has a financial interest to disclose the financial interest to the patient; and
- (2) Specify that failure to disclose a financial interest to a patient is an unfair or deceptive trade act or practice.

Your Committee received testimony in support of this measure from the Hawaii Medical Board. Your Committee received testimony in opposition to this measure from the Hawaii Medical Association and two individuals.

Your Committee finds that self-referrals, which occur when a health care provider refers a patient for services or treatments at facilities in which the health care provider has a financial interest, raise questions about financial and medical conflicts of interest. Self-referrals may lead to overutilization of expensive treatments and services, which may therefore increase the cost of insurance. Your Committee further finds that this measure



provides important safeguards for Hawaii patients when they are referred for services or treatments at facilities in which a health care provider has a financial interest and will enable patients to make better informed choices about their health care.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3105, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 3105 SD1	Committee Referral: CPH, JDL	Date: 2/26/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended <input type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)				/
GABBARD, Mike	/			
KAHELE, Kaiali'i	/			
KIM, Donna Mercado				/
THIELEN, Laura H.	/			
SLOM, Sam				/
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes