

STAND. COM. REP. NO.

1517

Honolulu, Hawaii

March 29, 2017

RE: H.C.R. No. 201

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.C.R. No. 201 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO REPORT ON CAPITATED PAYMENT MODELS BY HEALTHCARE INSURANCE PLANS,"

begs leave to report as follows:

The purpose of this measure is to request that the Insurance Commissioner assist the Legislature in its consideration of health care and health insurance policy by asking the Insurance Commissioner to investigate and report on the anticipated effects of changes to provider reimbursement procedures by the State's largest health insurer. This measure requests that the Commissioner both provide a written report and participate in an informational briefing on the impacts of these changes to the cost and availability of health care in the State.

Your Committee received testimony in support of this measure from Hawaii Medical Association and an individual. The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association submitted comments.

HCR201 HD1 HSCR HLT HMS 2017-3371



Your Committee has amended this measure by:

- (1) Amending its title to read, "REQUESTING THE INSURANCE COMMISSIONER TO REPORT ON ALTERNATIVE PAYMENT MODELS BY MEDICARE AND HEALTHCARE INSURANCE PLANS.";
- (2) Broadening the scope of the request to the Insurance Commissioner to include evaluation of and reporting on a broader range of alternative payment models initiated by Medicare and any other healthcare insurance plans in the State rather than limiting the requested evaluation and report to the effects of a capitated payment model implemented by a single insurer;
- (3) Deleting language requesting that the Insurance Commissioner's report include analysis of the effect of new payment models on independent competition within the healthcare sector, cost for the Employer-Union Health Benefits Trust Fund, and cost for the single insurer;
- (4) Deleting language recommending postponing implementation of the capitated payment model pending the outcome of the Commissioner's report; and
- (5) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 201, as amended herein, and recommends that it be referred to your Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 201, H.D. 1.

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



DELLA AU BELATTI, Chair



Record of Votes of the Committee on Health

Bill/Resolution No.: <i>HCR 201</i>	Committee Referral: <i>HLT, CPC</i>	Date: <i>3-28-17</i>
--	--	-------------------------

The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 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. KOBAYASHI, Bertrand (VC)	✓			
3. HAR, Sharon E.				✓
4. MORIKAWA, Dee	✓			
5. OSHIRO, Marcus R.				✓
6. TODD, Chris	✓			
7. TUPOLA, Andria P.L.				✓
TOTAL (7)	4	0	0	3

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: *[Signature]*