

Honolulu, Hawaii
February 16, 2018

RE: H.B. No. 885
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 885, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DELAY IN PRIOR APPROVAL FOR MEDICAL SERVICES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Prohibit health insurers from requiring preauthorizations that cause undue delay in patients' medical treatments;
- (2) Clarify that insurers are civilly liable for injury resulting from an undue delay due to a preauthorization requirement; and
- (3) Permit health care providers to seek indemnification from an insurer for civil liability for injury resulting from an undue delay due to a preauthorization requirement.

The Hawaii Radiology Society, Hawaii Medical Association, Hawaii Chapter of the American Physical Therapy Association, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, and one individual testified in support of this



measure. The Hawaii Medical Service Association, University Health Alliance, and Hawai'i Association of Health Plans testified in opposition. The Insurance Division of the Department of Commerce and Consumer Affairs, Department of Human Services, and two individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 885, H.D. 1, and recommends that it be referred to your Committee on Finance.

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



SCOTT Y. NISHIMOTO, Chair



