

Honolulu, Hawaii

APR 06 , 2018

RE: S.B. No. 287
S.D. 1
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 287, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INSURANCE,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to require health insurers, mutual benefit societies and health maintenance organizations that require medical treatment or service preauthorization to disclose their preauthorization policies on their websites in a manner that is prominently displayed and accessible to the public.

Hawaii Medical Association, Hawaii Radiological Society, and Hawaii Chapter of the American Physical Therapy Association supported this measure. AlohaCare and Hawaii Medical Service Association opposed this measure. The Department of Commerce and Consumer Affairs and Department of Human Services offered comments on this measure.

For the purpose of facilitating public input, your Committee circulated a proposed draft of S.B.287 S.D.1, H.D. 2 (Proposed Draft) prior to holding a public hearing on April 3, 2018, on this measure. The purpose of the Proposed Draft is to promote the



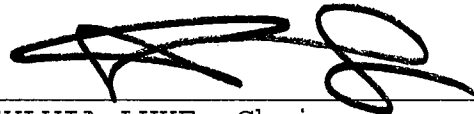
timeliness and transparency of medical treatment and service preauthorization decisions made by health insurers by:

- (1) Prohibiting an insurer from requiring a preauthorization for a medical treatment or service that causes undue delay in the patient's receipt of the treatment or service;
- (2) Exempting a licensed health care provider from civil liability for patient injuries caused by an insurer's undue delay in responding to a request for a medical treatment or service preauthorization; and
- (3) Requiring each insurer that requires a medical treatment or service preauthorization to disclose its preauthorization policies and procedures on its public website in a manner that is prominently displayed and accessible to the public.

Upon careful consideration, your Committee has amended this measure by adopting the language contained in the Proposed Draft. Your Committee further amended the Proposed Draft by making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 287, S.D. 1, H.D. 2.

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



SYLVIA LUKE, Chair



