

STAND. COM. REP. NO.

**3287**

Honolulu, Hawaii

**MAR 28 2018**

RE: S.R. No. 25  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committees on Labor and Commerce, Consumer Protection,  
and Health, to which was referred S.R. No. 25 entitled:

"SENATE RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY  
TO ASSESS THE IMPACT OF MEDICAL BILL REVIEW COSTS ON THE  
STATE'S WORKERS' COMPENSATION SYSTEM,"

beg leave to report as follows:

The purpose and intent of this measure is to request the  
Auditor to conduct a study to assess the impact of medical bill  
review costs on the State's workers' compensation system.

Your Committees received testimony in support of this measure  
from the Work Injury Medical Association of Hawaii and O'ahu County  
Committee on Legislative Priorities of the Democratic Party of  
Hawai'i. Your Committees received comments on this measure from  
the Office of the Auditor and Department of Labor and Industrial  
Relations.

Your Committees find that although workers' compensation  
premiums in Hawaii have dropped significantly since the reforms in  
the mid-1990s, it is important to understand the impact of medical  
bill review costs, which include pharmacy benefit manager and  
third party administrator costs, on the State's workers'  
compensation system. Your Committees further find that not much  
data has been collected to allow for a review of the impact of  
medical bill review costs. Your Committees believe that it is



crucial that the State understand the fine print of the various fee structures and the implications on its total medical bill review costs.


Your Committees have amended this measure by:

- (1) Requesting the Auditor to submit a preliminary report to the Legislature by January 1, 2019;
- (2) Requesting the State Health Planning and Development Agency to make the all-payer claims database available to assist the Auditor in compiling data for the study; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As this measure moves forward, your Committees request that your Committee on Ways and Means consider providing resources in another vehicle for the Auditor to conduct the medical bill review costs study requested in this measure.

As affirmed by the records of votes of the members of your Committees on Labor and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 25, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 25, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committees on Labor and  
Commerce, Consumer Protection,  
and Health,



ROSALYN H. BAKER, Chair




JILL N. TOKUDA, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

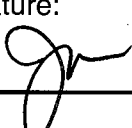
**Record of Votes**  
**Committee on Labor**  
**LBR**

Bill / Resolution No.:* <i>SR 25</i>	Committee Referral: <i>LBR / CPH, WAM</i>	Date: <i>3/21/18</i>		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
CHANG, Stanley	✓			
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.				✓
<b>TOTAL</b>	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:* <b>SR 25</b>	Committee Referral: <b>LBR/CPH, WAM</b>	Date: <b>3/21/18</b>		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	—			
TOKUDA, Jill N. (VC)	—			
CHANG, Stanley	—			
ESPERO, Will	—			— <i>JE</i>
IHARA, Jr., Les				— <i>JE</i>
NISHIHARA, Clarence K.	—			
RUDERMAN, Russell E.	—			
<b>TOTAL</b>	<b>6</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"></div>				
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