

Honolulu, Hawaii

February 7, 2019

RE: H.B. No. 1464

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1464
entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to require the Insurance
Commissioner to:

- (1) Study the current capitated rate reimbursement model
used by some providers in Hawaii to reimburse primary
care physicians;
- (2) Compare the information with the payment models used in
other states; and
- (3) Report back to the Legislature prior to the 2020 Regular
Session.

The Hawaii Medical Association and an individual supported
this measure. The Department of Commerce and Consumer Affairs
opposed this measure. The Hawaii Medical Service Association
provided comments.

Your Committee notes that concerns were raised by the
Department of Commerce and Consumer Affairs' Insurance Division in



its testimony. The Insurance Commissioner testified that the study proposed in this measure would require accessing the data of parties named in this measure, and that the Insurance Division has no regulatory authority over healthcare providers. The Insurance Commissioner also stated that the study, impact analysis, and modeling are beyond the scope of its staff's expertise and would require hiring outside experts or consultants at an estimated cost of \$250,000 or more.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1464, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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


JOHN M. MIZUNO, Chair



