

Honolulu, Hawaii
. 2020

FEB 06

RE: H.B. No. 2108
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2108
entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the Hawaii Health
Authority to establish a five-year all-payer health care pilot
program in a county with a population greater than five hundred
thousand.

Your Committee received testimony in support of this measure
from the Pono Hawaii Initiative, Democratic Party of Hawaii,
Democratic Party of Hawaii Health Committee, Americans for
Democratic Action, Progressive Democrats of Hawaii, and numerous
individuals. Your Committee received testimony in opposition to
this measure from the Hawaii Medical Service Association and
Hawaii Association of Health Plans. Your Committee received
comments on this measure from the Department of Budget and
Finance, Department of Human Services, Department of the Attorney
General, and Department of Health.

Your Committee finds that the health care and cost of living
continue to rise in Hawaii and throughout the country. Finding a
solution for these problems is essential. Your Committee notes
that other states have tried single-payer health care and



universal health care, but were unable to maintain these programs because of the high costs required. Exploring an all-payer health care pilot program could have success where single-payer and universal health care have fallen short.

However, your Committee notes the concerns raised in testimony that a project on this scale requires deliberate and careful planning with providers and stakeholders, including Medicare. Your Committee also notes the comments from the Department of the Attorney General that this measure may be preempted by section 1115 of the Social Security Act, and would likely need waivers from the federal Centers for Medicaid and Medicare Services in order for the Department of Human Services MedQUEST Division, as well as Medicare to participate in the pilot program.

In light of these concerns and in recognition of the significant undertaking such a pilot program would entail, your Committee believes implementing a pilot program is premature at this time. However, your Committee urges the Department of Human Services and Administrator of the MedQUEST Division to work together to determine the best steps moving forward.

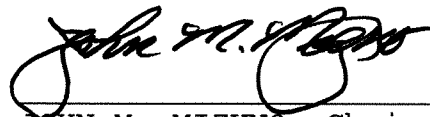
Your Committee has amended this measure by:

- (1) Removing language that would have required the Hawaii Health Authority to establish a five-year all-payer health care pilot program in a county with a population greater than five hundred thousand;
- (2) Inserting language requiring the Department of Health, in conjunction with the Department of Human Services and the Insurance Commissioner, to conduct a study to determine the feasibility of establishing an all-payer health care pilot program in a county with a population greater than five hundred thousand;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



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. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2108, 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



