

Honolulu, Hawaii

, 2020

FEB 14

RE: H.B. No. 2504

H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2504, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to specify:

- (1) Disclosure and consent requirements for health care providers, health care facilities, and hospitals that are nonparticipating providers in a patient's health care plan;
- (2) The circumstances in which a patient shall not be liable to a health care provider for any sums owed by an insurer, mutual benefit society, or health maintenance organization; and
- (3) That insurers, mutual benefit societies, and health maintenance organizations shall enter into independent dispute resolutions with nonparticipating providers to resolve their outstanding obligations.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Hawaii Primary Care Association, Healthcare Association of Hawaii, Hawaii Chapter of



the American College Emergency Physicians, Adventist Health Castle, The Queen's Health System, Pali Momi Medical Center, Straub Medical Center, Kapiolani Medical Center for Women and Children, Hawaii Pacific Health, Wilcox Medical Center, Kauai Medical Clinic, AARP Hawaii, Maui Health Systems, and numerous individuals. Your Committee received testimony in opposition to this measure from Department of Health. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Employer-Union Health Benefits Trust Fund, Hawaii Medical Assurance Association, Hawaii Medical Service Association, Hawaii Medical Association, Kaiser Permanente Hawaii, and one individual.

Your Committee finds that surprise bills are an unwelcome shock to patients who unknowingly receive health care services from a provider outside of their network. These surprise bills place significant financial burdens on patients. These financial burdens are especially painful in a State with a high cost of living. Your Committee finds that proposals, such as this measure, are important steps needed to continue the conversation in addressing these surprise billing practices.

Your Committee has amended this measure by:

- (1) Reverting to the disclosure and consent requirements in the version of this measure, as introduced;
- (2) Conforming the definition of "emergency services" with the existing statutory definition of this term under the Patient's Bill of Rights and Responsibilities Act;
- (3) Clarifying that the hold harmless provision in this measure applies to all claims, rather than actions at law;
- (4) Clarifying the dispute resolution process for mutual benefit societies and managed care plans; and
- (5) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and



purpose of H.B. No. 2504, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2504, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

*T. Takumi*

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ROY M. TAKUMI, Chair



