

STAND. COM. REP. NO. 1429

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 12
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 12, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to ensure reasonable health
insurance rates by:

- (1) Prohibiting rates that are excessive, inadequate, or
unfairly discriminatory; and
- (2) Requiring health care insurers to submit rate filings
for approval by the Insurance Commissioner.

The Department of Commerce and Consumer Affairs, Hawaii State
Teachers Association, Hawaii Association of REALTORS, ILWU Local
142, Hawaii Government Employees Association, Kokua Council, and
several concerned individuals testified in support of this bill.
Hawaii Medical Service Association and Kaiser Permanente opposed
this measure. The Department of Taxation and AlohaCare submitted
comments.



Your Committee was informed by AlohaCare of its concerns regarding the potentially negative impacts that the provision in this bill capping reserves at 30 percent of annual total expenses might have on health plans whose revenues are solely received from government contracts, such as contracts for QUEST and Medicare. Accordingly, your Committee respectfully requests the Committee on Finance, in its review of this bill, to consider whether health plans that exclusively receive their total revenues from government contracts should be exempted from the provision on reserves.

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 S.B. No. 12, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

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



ROBERT N. HERKES, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

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Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <div style="text-align: center;">SB 12 SD2, HD1</div>		Date: <div style="text-align: center;">March 21, 2007</div>		
Committee Referral: <div style="text-align: center;">HLT, CPC, FIN</div>		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Pass, unamended <input type="checkbox"/> Hold </div> <div style="width: 45%;"> <input type="checkbox"/> Pass, with amendments <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration </div> </div>				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				✓
2. McKELVEY, Angus L.K. (VC)	✓			
3. CALDWELL, Kirk	✓			
4. EVANS, Cindy	✓			
5. GREEN, Josh, M.D.	✓			
6. ITO, Ken	✓			
7. LUKE, Sylvia	✓			
8. MORITA, Hermina M.				✓
9. SONSON, Alex M.	✓			
10. SOUKI, Joseph M.	✓			
11. TSUJI, Clift				✓
12. YAMANE, Ryan I.	✓			
13. YAMASHITA, Kyle T.	✓			
14. MARUMOTO, Barbara C.	✓			
15. THIELEN, Cynthia				✓
TOTAL	11			4

The recommendation is:

☒ Adopted
 ☐ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature:

Kirk Caldwell

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