STAND. COM. REP. NO. 1378

Honolulu, Hawaii

Mirch 23, 2007

RE: S.B. No. 1676

S.D. 2

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

Sir:

Your Committee on Health, to which was referred S.B. No. 1676, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to form a captive insurance company to insure itself against medical malpractice and other liabilities.

Furthermore, this measure appropriates unspecified amounts of funds in both fiscal years 2007-2008 and 2008-2009 to establish the captive insurance company.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation and the Hawaii Medical Association. Comments on the measure were received from the Department of Commerce and Consumer Affairs.

Your Committee finds that it is important as well as economically feasible for the Hawaii Health Systems Corporation to establish its own captive insurance company to obtain predictability, stability, and affordability in its insurance program. Additionally, the cost and coverage limits for hospital malpractice coverage is such that coverage by a captive insurance company is almost the only alternative currently available for the corporation.

SB1676 SD2 HSCR LRB 07-3590.doc

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 S.B. No. 1676, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

JOSHVA B. GREEN, M.D., Chair

HSCR 1378

State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Health

SB 1676 SD 2	Date:	- 20 - 07	}		
SB 1676 SD 2 Committee Referral: HLT, CPC, FIN		☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended Pass, with amendments					
☐ Hold	Pass, with amendments, for recommittal for further consideration				
HLT Members	Ayes	Ayes (WR)	Nays	Excused	
1. GREEN, Josh, M.D. (C)				V	
2. MIZUNO, John (VC)	V				
3. BELATTI, Della Au	<u></u>				
4. BERTRAM, Joe, III	V				
5. CABANILLA, Rida T.R.					
6. RHOADS, Karl	V				
7. SHIMABUKURO, Maile S. L.	V				
8. TAKAI, K. Mark	· · · · · · · · · · · · · · · · · · ·			V	
9. TOKIOKA, James Kunane	V				
10. AWANA, Karen Leinani	V				
11. WARD, Gene, Ph.D.					
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TOTAL	8			3	
The recommendation is:					
☐ Not Adopted					
-		did not cunn			
If joint referral, did not support recommendation. committee acronym(s)					
	•	•			
Vice Chair's or designee's signatures					
John M. Mayo	-				
Distribution: Original (White) - Committee Duplicate (Yellow) - Clerk's Office					