

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1676
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1676, S.D. 1, 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 its own domestic captive insurance company under a five-year pilot project to insure the corporation against medical malpractice and other liabilities.

Furthermore, this measure transfers general funds into the corporation's special fund in order to establish the captive insurance company.

Your Committee received comments in support of the measure from the Hawaii Health Systems Corporation.

Your Committee finds that the Hawaii Health Systems Corporation requires long-term stability in risk financing for insurance. A captive insurance company offers the flexibility to control losses, thereby effectuating savings and eliminating the uncertainty surrounding the insurance market.

Your Committee has amended this measure by:



- (1) Removing the sunset date of the measure and thereby making the captive insurance company authorization permanent and deleting references to a pilot project;
- (2) Including appropriations for fiscal year 2008-2009; and
- (3) Clarifying that the expending agency for the appropriations in both years of the fiscal biennium is the Hawaii Health Systems Corporation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1676, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 1676 SDI</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">HTH/CPH, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/26/07</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul				/
TOTAL	10	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;"> </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> </div>				

*Only one measure per Record of Votes