

Honolulu, Hawaii

FEB 26 2010

RE: S.B. No. 2271
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which
was referred S.B. No. 2271, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide greater
transparency and accountability for how insurers spend health care
premiums.

Your Committee received testimony in support of this measure
from Hawaii Medical Service Association, Hawaii Association of
Health Plans, and one private citizen. Testimony in opposition to
this measure was received from the Insurance Commissioner of the
Department of Commerce and Consumer Affairs and 'Ohana Health Plan.
Testimony with comments was received from the Department of the
Attorney General, Hawaii Medical Association, and the American
Council of Life Insurers. Written testimony presented to the
Committee may be reviewed on the Legislature's website.

Your Committee finds that the medical data clearinghouse
created by Section 2 of this measure serves the purpose of
transparency in the spending of health insurance premium dollars
by providing a comprehensive source of information to be used by
consumers, the health care industry, the health insurance
industry, and government bodies to compare costs, services, and
reimbursements across providers in order to be able to make
informed choices in selecting health care and formulating health
care policy. Your Committee further notes that health insurance



premium spending is spread across a variety of providers and facilities. To obtain an accurate picture of health insurance premium distribution, transparency across the full spectrum of the health care system is necessary. Your Committee finds that the health care system is comprised of a broad network of providers, including direct service providers, facilities that house services, and insurers that enable access to services. The goal of transparency in health care premium spending is only achievable by promoting transparency in the system as a whole.

Your Committee finds that the minimum spending threshold and transparency reporting requirements established by Section 3 of this measure are an effective means of enforcing transparency in health insurance premium spending. Your Committee finds that the annual premium transparency report required under Section 3 of this measure will provide focused information on the exact expenditures of premium dollars that will be especially valuable in the context of the larger amount of health care spending information provided by the medical data clearinghouse.

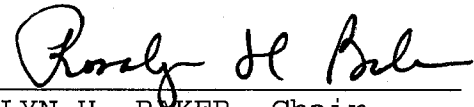
Your Committee has amended this measure by:

- (1) Adding a new section to remove a conflicting provision of the current law that would allow a mutual benefit society to exceed the minimum spending threshold established by this measure; and
- (2) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2271, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2271, S.D. 2.



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

A handwritten signature in cursive script, reading "Rosalyn H. Baker", written over a horizontal line.

ROSALYN H. BAKER, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 2271 SDI	Committee Referral: HTH, CPN	Date: 2/19/10		
<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; align-items: flex-start;"> <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)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
GREEN, M.D., Josh		✓		
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
TOTAL	4	1	0	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"> </div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: small; margin-top: 5px;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

***Only one measure per Record of Votes**