STAND. COM. REP. NO. 1545 Honolulu, Hawaii , 2011

RE: S.B. No. 1274 S.D. 2 * H.D. 3

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1274, S.D. 2, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to update Hawaii's Patients' Bill of Rights and Responsibilities Act under Chapter 432E, Hawaii Revised Statutes (HRS), to conform to the requirements of the federal Patient Protection and Affordable Care Act of 2010 under Public Law No. 111-148.

The Department of Commerce and Consumer Affairs and 'Ohana Health Plan supported this bill. Hawaii Medical Association and numerous concerned individuals opposed this measure. Hawaii Medical Service Association, FACE Health Care Committee, Kaiser Foundation Health Plan, Inc., and several concerned individuals commented on this measure.

Your Committee has amended this bill by:

 Including reference to the application of medical necessity criteria as defined in Section 432E-1, HRS, under factors that an assigned independent review organization must consider in reaching a decision;



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- (2) Requiring, rather than allowing, an assigned independent review organization to consider certain factors, as specified in the bill, in reaching a decision;
- (3) Changing its effective date to June 30, 2011; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1274, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1274, S.D. 2, H.D. 3.

SB1274 HD3 HSCR FIN HMS 2011-3655

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

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 1274, SD2, HD2 HLT, CPC/JUD, FIN Date: 4/4/1/				
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Image: Pass, unamended (as is) Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	V			
3. CHONG, Pono				
4. CHOY, Isaac W.	\checkmark			
5. COFFMAN, Denny	~			
6. CULLEN, Ty	~			
7. HAR, Sharon E.				
8. HASHEM, Mark J.				
9. ICHIYAMA, Linda				
10. JORDAN, Jo				
11. LEE, Chris				
12. MORIKAWA, Dee				
13. TOKIOKA, James Kunane				
14. YAMASHITA, Kyle T.				
15. MARUMOTO, Barbara C.				
16. RIVIERE, Gil				
17. WARD, Gene				1
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TOTAL (17)	15	/	\mathcal{O}	1
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Marily B. Lee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				