STAND. COM. REP. NO. 20

Honolulu, Hawaii March 21, 2015

RE: S.B. No. 1095 S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1095, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to update title 24 of the Hawaii Revised Statutes, relating to insurance.

Specifically, the measure:

- (1) Prohibits any person, business, or entity from changing or rerating any rate approved by the Insurance Commissioner in any subsequent transfer, sale, resale, or pass through of health insurance issued by a managed care plan;
- Authorizes the suspension, revocation, or denial of a mutual benefit society's certificate of authority under certain conditions;
- (3) Makes various changes to chapter 431M, Hawaii Revised Statutes, to conform to existing law; and
- (4) Amends the definition of "emergency services" to conform to the Patient Protection and Affordable Care Act.



Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee circulated a Proposed House Draft 1 and notified the public that it would accept testimony on the proposed draft. The proposed draft amended Senate Draft 1 by deleting its contents and inserting language that defines the term "habilitative services" to mean health care services, including but not limited to physical and occupational therapy, speechlanguage therapy, speech and swallowing therapy, applied behavior analysis, medical equipment, orthotics, and prosthetics, that help a person keep, learn, or improve skills and functioning for daily living. The proposed draft also changed the measure's effective date to July 1, 2112, to facilitate further discussion on the measure.

Your Committee received testimony in support of the proposed draft from Autism Speaks; BAYADA Habilitation; BAYADA Home Health Care on Maui; Hawaii Association for Behavior Analysis; and two individuals. Your Committee received testimony in opposition to the proposed draft from the League of Women Voters and the Hawaii Medical Service Association. The Department of Commerce and Consumer Affairs provided comments on the proposed draft.

Your Committee finds that the Patient Protection and Affordable Care Act specifies ten essential health benefit categories that must be included in any qualified health plan. Your Committee further finds that rules issued by the United States Department of Health and Human Services on essential health benefits authorize the states to define "habilitative services" for the purposes of establishing the scope of essential health benefits in each state's benchmark health plan. Your Committee believes that, by defining "habilitative services," this measure will result in more complete health insurance coverage for treatments that benefit individuals with autism and other developmental disabilities.

Accordingly, your Committee has amended this measure by adopting the proposed draft.

Your Committee notes that the federal government's analysis of the proposed definition of "habilitative services" is still unclear. Should the Committee on Finance decide to hear this measure, your Committee respectfully requests that it consider whether enactment of the definition in the proposed draft would result in the creation of a new a state-mandated insurance benefit

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for which the State must defray costs rather than a clarification of Hawaii's existing essential health benefits.

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. 1095, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1095, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

ANGUS L.K. MCKELVEY, Chair



State of Hawaii

House of Representatives The Twenty-eighth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: 68 1095 60 1	C	ommittee Referral: CPC, FIN	Date	03/25/2	2015	
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)						
CPC Members		Ayes	Ayes (WR)	Nays	Excused	
1. McKELVEY, Angus L.K. (C)					<u> </u>	
2. WOODSON, Justin H.						
3. BELATTI, Della Au				· · · · · · · · · · · · · · · · · · ·		
4. BROWER, Tom						
5. CREAGAN, Richard P.						
6. HAR, Sharon E.						
7. HASHEM, Mark J.						
8. KAWAKAMI, Derek S						
9. LEE, Chris						
10. NAKASHIMA, Mark						
11. OSHIRO, Marcus R.						
12. SAN BUENAVENTUR						
13. TAKAYAMA, Gregg						
14. YAMANE, Ryan I.						
15. FUKUMOTO CHANG, Beth					·	
16. McDERMOTT, Bob						
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TOTAL (16)		10				
The recommendation is:	• -	Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Vellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						