

Honolulu, Hawaii

FEB 20 2015

RE: S.B. No. 307
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Health and Commerce and Consumer Protection, to which was referred S.B. No. 307 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a licensure requirement for suppliers of durable medical equipment, prosthetics, orthotics, and related equipment (DMEPOS) participating in the nationwide competitive bidding program through an annual inspection by the Office of Health Care Assurance; and
- (2) Appropriate funds from the Office of Health Care Assurance special fund to administer the durable medical equipment licensing program.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation, Healthcare Association of Hawaii, and Hawaii Primary Care Association. Your Committees received testimony in opposition to this measure from the Executive Office on Aging. Your Committees received comments on this measure from the Department of Health, Department of the Attorney General, Department of Commerce and Consumer Affairs, and Hawaii Medical Service Association.

Your Committees find that Medicare beneficiaries in Hawaii are experiencing a reduction in access to quality care as a result



of the change in the way Medicare purchases its DMEPOS. Because only thirteen of the ninety-seven vendors selected are located within the State, the minimum shipping time is two to four days, and the typical wait time for physician-ordered wheelchairs and hospital beds is four to eight weeks.

Your Committees further find that without access to timely, local services, Medicare beneficiaries in Hawaii have been forced to forego necessary durable medical equipment devices. This restricted access to care has led to reductions in health, increases in preventable admissions and readmissions, and increases in costs to beneficiaries and the Medicare system.

Your Committees have amended this measure by:

- (1) Amending the definition of "supplier" and other references to apply licensure requirement to any supplier of DMEPOS, not just those participating in the national bidding program;
- (2) Changing the licensing agency from the Executive Office on Aging to the Office of Health Care Assurance;
- (3) Clarifying that a licensed supplier of DMEPOS must provide proof of business registration law compliance, including required tax identification numbers;
- (4) Adopting the Department of Health's recommendation to authorize, rather than require, the Office of Health Care Assurance to establish rules for the purposes of implementing the licensure program;
- (5) Clarifying that a supplier must provide proof of business registration law compliance and tax identification numbers to the Office of Health Care Assurance in order to be licensed and for annual inspections;
- (6) Expanding the purpose of the appropriations to fill two permanent full-time equivalent positions to establish the durable medical equipment licensing program as well as help support other current licensure programs;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and



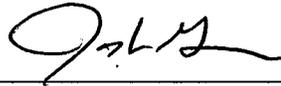
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 307, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 307, S.D. 1, and be referred to the Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair

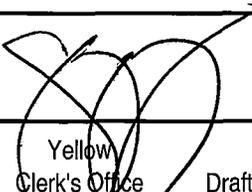


JOSH GREEN, Chair



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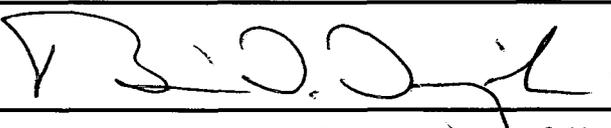
Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 307	Committee Referral: HTH/CPN, WAM	Date: 2/10/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
GABBARD, Mike				✓
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
TOTAL	5	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB307	HTH/CPN, WAM	2/10/5		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
KAHELE, Gilbert	✓			
KIDANI, Michelle N.				✓
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
TOTAL	6	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

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