

Honolulu, Hawaii

MAR 28 2018

RE: S.C.R. No. 54
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Labor and Commerce, Consumer Protection, and Health, to which was referred S.C.R. No. 54 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY TO ASSESS THE IMPACT OF MEDICAL BILL REVIEW COSTS ON THE STATE'S WORKERS' COMPENSATION SYSTEM,"

beg leave to report as follows:

The purpose and intent of this measure is to request the Auditor to conduct a study to assess the impact of medical bill review costs on the State's workers' compensation system.

Your Committees received testimony in support of this measure from the Work Injury Medical Association of Hawaii and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i. Your Committees received comments on this measure from the Office of the Auditor and Department of Labor and Industrial Relations.

Your Committees find that although workers' compensation premiums in Hawaii have dropped significantly since the reforms in the mid-1990s, it is important to understand the impact of medical bill review costs, which include pharmacy benefit manager and third party administrator costs, on the State's workers' compensation system. Your Committees further find that not much data has been collected to allow for a review of the impact of medical bill review costs. Your Committees believe that it is



crucial that the State understand the fine print of the various fee structures and the implications on its total medical bill review costs.

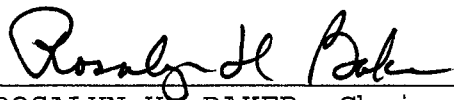
Your Committees have amended this measure by:

- (1) Requesting the Auditor to submit a preliminary report to the Legislature by January 1, 2019;
- (2) Requesting the State Health Planning and Development Agency to make the all-payer claims database available to assist the Auditor in compiling data for the study; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As this measure moves forward, your Committees request that your Committee on Ways and Means consider providing resources in another vehicle for the Auditor to conduct the medical bill review costs study requested in this measure.

As affirmed by the records of votes of the members of your Committees on Labor and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 54, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 54, S.D. 1.

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



ROSALYN H. BAKER, Chair



JILL N. TOKUDA, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

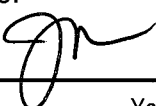
Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SCR 54</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">LBR / CPH, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3/21/18</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><input type="checkbox"/> Pass, unamended 2312</div> <div><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div><input type="checkbox"/> Hold 2310</div> <div><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
CHANG, Stanley	✓			
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.				✓
TOTAL	4	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:				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes

The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

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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)	/			
TOKUDA, Jill N. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les				—
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.	/			
TOTAL	6			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; text-align: center; margin-top: 10px;">  </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

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