STAND. COM. REP. NO. 157 -20 Honolulu, Hawaii

FEB 0 6 RE: H.B. No. 2108 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2108 entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the Hawaii Health Authority to establish a five-year all-payer health care pilot program in a county with a population greater than five hundred thousand.

Your Committee received testimony in support of this measure from the Pono Hawaii Initiative, Democratic Party of Hawaii, Democratic Party of Hawaii Health Committee, Americans for Democratic Action, Progressive Democrats of Hawaii, and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii Medical Service Association and Hawaii Association of Health Plans. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Human Services, Department of the Attorney General, and Department of Health.

Your Committee finds that the health care and cost of living continue to rise in Hawaii and throughout the country. Finding a solution for these problems is essential. Your Committee notes that other states have tried single-payer health care and



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universal health care, but were unable to maintain these programs because of the high costs required. Exploring an all-payer health care pilot program could have success where single-payer and universal health care have fallen short.

However, your Committee notes the concerns raised in testimony that a project on this scale requires deliberate and careful planning with providers and stakeholders, including Medicare. Your Committee also notes the comments from the Department of the Attorney General that this measure may be preempted by section 1115 of the Social Security Act, and would likely need waivers from the federal Centers for Medicaid and Medicare Services in order for the Department of Human Services MedQUEST Division, as well as Medicare to participate in the pilot program.

In light of these concerns and in recognition of the significant undertaking such a pilot program would entail, your Committee believes implementing a pilot program is premature at this time. However, your Committee urges the Department of Human Services and Administrator of the MedQUEST Division to work together to determine the best steps moving forward.

Your Committee has amended this measure by:

- Removing language that would have required the Hawaii Health Authority to establish a five-year all-payer health care pilot program in a county with a population greater than five hundred thousand;
- (2) Inserting language requiring the Department of Health, in conjunction with the Department of Human Services and the Insurance Commissioner, to conduct a study to determine the feasibility of establishing an all-payer health care pilot program in a county with a population greater than five hundred thousand;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



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As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2108, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

> Respectfully submitted on behalf of the members of the Committee on Health,

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JOHN M. MIZUNO, Chair



## State of Hawaii House of Representatives The THIRTIETH Legislature



## **Record of Votes of the Committee on Health**

Bill/Resolution No.: HB 2108	Committee Referral: HLT, CPC,	FIN Dat	Date: 2 - 4 - 20	
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)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. MIZUNO, John M. (C)				
2. KOBAYASHI, Bertrand (VC)				
2. KODATASIII, Dertrand (VC)				
3. BELATTI, Della Au				
		en al the second		
4. NAKAMURA, Nadine K.	1			
5. SAN BUENAVENTURA, Joy A.				
6. SAY, Calvin K.Y.				
7. TOKIOKA, James Kunane				
8. WARD, Gene				
TOTAL (8)	à	-0-		
The recommendation is:  Adopted  Not Adopted    If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				