STAND. COM. REP. NO. 657 -20

Honolulu, Hawaii , 2020 FEB 14 RE: H.B. No. 2504 H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2504, H.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 specify:

- Disclosure and consent requirements for health care providers, health care facilities, and hospitals that are nonparticipating providers in a patient's health care plan;
- (2) The circumstances in which a patient shall not be liable to a health care provider for any sums owed by an insurer, mutual benefit society, or health maintenance organization; and
- (3) That insurers, mutual benefit societies, and health maintenance organizations shall enter into independent dispute resolutions with nonparticipating providers to resolve their outstanding obligations.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Hawaii Primary Care Association, Healthcare Association of Hawaii, Hawaii Chapter of



STAND. COM. REP. NO. 657 -20 Page 2

the American College Emergency Physicians, Adventist Health Castle, The Queen's Health System, Pali Momi Medical Center, Straub Medical Center, Kapiolani Medical Center for Women and Children, Hawaii Pacific Health, Wilcox Medical Center, Kauai Medical Clinic, AARP Hawaii, Maui Health Systems, and numerous individuals. Your Committee received testimony in opposition to this measure from Department of Health. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Employer-Union Health Benefits Trust Fund, Hawaii Medical Assurance Association, Hawaii Medical Service Association, Hawaii Medical Association, Kaiser Permanente Hawaii, and one individual.

Your Committee finds that surprise bills are an unwelcome shock to patients who unknowingly receive health care services from a provider outside of their network. These surprise bills place significant financial burdens on patients. These financial burdens are especially painful in a State with a high cost of living. Your Committee finds that proposals, such as this measure, are important steps needed to continue the conversation in addressing these surprise billing practices.

Your Committee has amended this measure by:

- Reverting to the disclosure and consent requirements in the version of this measure, as introduced;
- (2) Conforming the definition of "emergency services" with the existing statutory definition of this term under the Patient's Bill of Rights and Responsibilities Act;
- (3) Clarifying that the hold harmless provision in this measure applies to all claims, rather than actions at law;
- (4) Clarifying the dispute resolution process for mutual benefit societies and managed care plans; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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



STAND. COM. REP. NO. 657-20 Page 3

purpose of H.B. No. 2504, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2504, H.D. 2.

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

ROY M. TAKUMI, Chair



State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2504, HD1	Committee Referral: <i>HLT₁GOC,FIN</i>		Date: 2/ 13/20	
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)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	/			
2. ICHIYAMA, Linda (VC)				
3. AQUINO, Henry J.C.			ang sugarang sang sang s	
4. BELATTI, Della Au				
5. CABANILLA ARAKAWA, Rida				
6. CACHOLA, Romy M.				
7. HAR, Sharon E.			ng an 1964 na han in tea na handi na teannan an teanna an teanna an teanna an teanna an teanna an teanna an tea	an da an anna an ann an ann an ann ann a
8. KONG, Sam Satoru			American Management And Description of American Proc. 4 Mar. P 3	
9. MIZUNO, John M.				
10. ONISHI, Richard H.K.			ling and set of the set	
11. MATSUMOTO, Lauren				
TOTAL (11)	0]	1	0	O
The recommendation is: Adopted IN Not Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

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