

STAND. COM. REP. NO. 3146

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2278  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B.  
No. 2278, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Specify circumstances in which a patient is not liable to a health care provider for any sums owed by an insurer, mutual benefit society, or health maintenance organization;
- (2) Specify the rate at which a health insurance plan must reimburse a nonparticipating provider who provides health care to a patient, unless otherwise agreed to by the nonparticipating provider and the health insurance plan;
- (3) Require health insurance payors to use a transparent, third-party database to calculate out-of-network provider reimbursements for emergency services; and
- (4) Require mandatory mediation to resolve disputes between insurers and providers to be overseen by the Insurance Division of the Department of Commerce and Consumer Affairs.



Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees, Hawai'i Primary Care Association, AARP Hawaii, Hawaii Medical Service Association, and Kaiser Permanente Hawai'i. Your Committee received testimony in opposition to this measure from the Hawaii Medical Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs Insurance Division, The Queen's Health Systems, Healthcare Association of Hawaii, and Hawai'i Pacific Health.

Your Committee finds that patients with health insurance who receive treatment from an out-of-network provider may be subject to the practice known as "balance billing" or "surprise billing", where the provider bills the patient for the difference between what the patient's health insurance chooses to reimburse and what the provider chooses to charge. There is no comprehensive protection from surprise bills or balance bills at the federal level and, while there is a growing trend toward state action to protect patients from surprise bills or balance bills, most state laws do not provide comprehensive protections. This measure would protect Hawaii patients from being caught in the middle of balance billing disputes between health insurers and providers or being hit with significant surprise bills.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2278, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,

*Karl Rhoads*

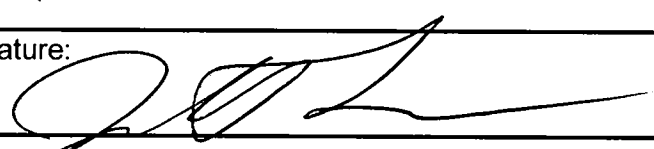
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KARL RHOADS, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

Record of Votes  
Committee on Judiciary  
JDC

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 2278 SDI</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPH, JDC</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/25/2020</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; align-items: flex-start;"> <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
RHOADS, Karl (C)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike				/
KIM, Donna Mercado	/			
FEVELLA, Kurt				/
<b>TOTAL</b>	3			2
Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"> <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; margin-top: 10px;">  </div>				
Distribution: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <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>				

\*Only one measure per Record of Votes