

Honolulu, Hawaii

FEB 15 2024

RE: S.B. No. 3239
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred S.B. No. 3239 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL DEBT,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Office of Wellness and Resilience to:
 - (A) Design and implement a three-year pilot program in collaboration with health care providers to acquire and forgive outstanding medical debt; and
 - (B) Submit a report to the Legislature; and
- (2) Make an appropriation for the establishment of the pilot program.

Your Committees received testimony in support of this measure from the Office of Wellness and Resilience; State Health Planning and Development Agency; The Queen's Health System; Holomua Collaborative; Leukemia & Lymphoma Society, Inc.; Hawai'i Children's Action Network Speaks!; American Cancer Society Cancer Action Network Inc.; Green Party of Hawai'i; Free Access Coalition; and thirty-one individuals.



Your Committees received comments on this measure from the Healthcare Association of Hawaii and RIP Medical Debt.

Your Committees find that medical debt can take a serious toll on a person's mental and physical well-being. Your Committees further find that despite the State's participation in Medicaid expansion through the Affordable Care Act, numerous households remain uninsured, incur medical debt from out of pocket costs for treatments that are not covered by insurance plans, and are financially burdened by increased cost-sharing. This measure will alleviate medical debt for residents in the State through the establishment of a pilot program to be designed and implemented by the Office of Wellness and Resilience.

Your Committees note the testimony of the Office of Wellness and Resilience requesting that the following language to be inserted into this measure:

- (1) The pilot program shall ensure that the collection of any specific personal information or health data is performed in compliance with the Health Insurance Portability and Accountability Act and is used for no purpose other than the acquisition and forgiveness of medical debt, provision of financial education, insurance, preventative measures, or similar assistance;
- (2) Program qualifiers shall include appropriate debt percentage to annual household income and poverty level percentage according to federal policy for Hawaii; and
- (3) Any prospective program structure shall include:
 - (A) Education on prevention strategies to avoid incurring future medical debt;
 - (B) Case management to connect recipients with any identified services needed; and
 - (C) Demonstration of executing formal agreements with health care entities, such as Health Insurance Portability and Accountability Act Business Associate agreements.



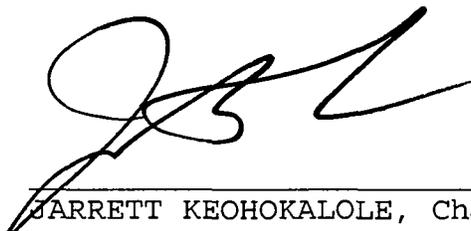
Your Committees find that the inclusion of this language into this measure merits further consideration and respectfully request that subsequent committees to which this measure is referred examine these issues.

Your Committees have amended this measure by:

- (1) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (2) 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 Human Services 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. 3239, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3239, S.D. 1, and be referred to your Committee on Ways and Means.

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



JARRETT KEOHOKALOLE, Chair



JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB3239</i>	<i>HHS/CPN, WAM</i>	<i>2/12/24</i>
<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	
KEOHOKALOLE, Jarrett (C)	✓	
FUKUNAGA, Carol (VC)	✓	
MCKELVEY, Angus L.K.		✓
RICHARDS, III, Herbert M. "Tim"	✓	
AWA, Brenton	✓	
TOTAL	<i>4</i>	<i>1</i>
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
<i>Carol Fukunaga</i>		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

*Only one measure per Record of Votes