

CONFERENCE COMMITTEE REP. NO.

106

Honolulu, Hawaii

APR 29 2011 , 2011

RE: S.B. No. 1274
S.D. 2
H.D. 3
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1274, S.D. 2, H.D. 3, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to update Hawaii's Patients' Bill of Rights and Responsibilities Act, chapter 432E, Hawaii Revised Statutes, to conform to the requirements of the federal Patient Protection and Affordable Care Act of 2010, Public Law No. 111-148.

Your Committee on Conference finds that the enactment of the amendments to Hawaii's Patients' Bill of Rights and Responsibilities as contained in this measure is necessary to ensure that Hawaii remains in compliance with federal law. When the external review provisions of the federal Patient Protection and Affordable Care Act are fully effectuated, Hawaii's health care consumers will be

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prohibited from using the current procedure for external review of insurers' adverse decisions contained in the Patients' Bill of Rights and Responsibilities. Further, irrespective of any federal mandates, Hawaii's external review process has devolved from a broad consumer protection program to a narrowly available process that is inaccessible to most of Hawaii's insured individuals. Amendment of the available external review process is necessary to provide this important avenue of relief to all of the State's health care consumers.

Your Committee on Conference is mindful that many individuals have found remedy for denials of service or coverage in Hawaii's process and that the current external review system has served as a valuable locus of advocacy for equitable health care policy. However, the system is currently broken and, in the face of its narrowing applicability and a federal mandate for reform, the State is obligated to implement new and innovative measures that still provide a high level of consumer protection.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the filing fee for a request for external review shall be \$15, with an aggregate annual limit of \$60, and shall be deposited into the Compliance Resolution Fund established pursuant to section 26-9(o), Hawaii Revised Statutes;
- (2) Restoring a provision from previous Senate Drafts of this measure, which authorizes the Insurance Commissioner to approve up to three independent review organizations to serve beginning on the effective date of this measure until the initial procurement process is completed and to approve up to three independent review organizations, notwithstanding chapter 103D, Hawaii Revised Statutes, to serve in any year in which the procurement process does not yield at least three eligible independent review organizations;
- (3) Directing the Insurance Commissioner to submit a report to the Legislature prior to the convening of the 2012 Regular Session on the implementation of this measure including the names of independent review organizations contracted by the State and data on outcomes of external reviews;
- (4) Directing the Insurance Commissioner to assist the Department of Human Services and the Hawaii Employer-Union



Health Benefits Trust Fund in collecting data on outcomes of each of those organization's review processes, comparing the outcomes to those of independent review organizations, and analyzing the relative benefit to health care consumers of each review process; and

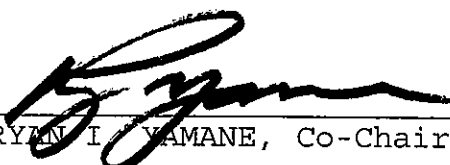
- (5) Inserting an effective date of June 30, 2011, and deleting the retroactive application of this measure to January 1, 2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1274, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1274, S.D. 2, H.D. 3, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



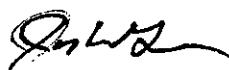
 RYAN I. YAMANE, Co-Chair



 ROSALYN H. BAKER, Chair




 ROBERT N. HERKES, Co-Chair




 JOSH GREEN, M.D., Co-Chair



 GILBERT KEITH-AGARAN, Co-Chair



 WILL ESPERO, Co-Chair



 MARILYN B. LEE, Co-Chair



Hawaii State Legislature

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: **SB 1274, SD 2, HD 3** Date/Time: **4/29/2011 9:45 am**

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

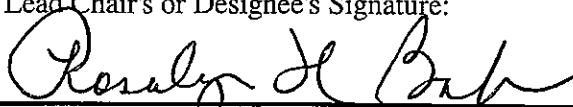
The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.


Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	<input checked="" type="checkbox"/>				YAMANE, Ryan I., Co-Chr.	<input checked="" type="checkbox"/>			
GREEN, Josh, M.D., Co-Chr.	<input checked="" type="checkbox"/>				HERKES, Robert N., Co-Chr.	<input checked="" type="checkbox"/>			
ESPERO, Will, Co-Chr.			<input checked="" type="checkbox"/>		KEITH-AGARAN, Gilbert S.C., Co-Chr.	<input checked="" type="checkbox"/>			
					LEE, Marilyn B., Co-Chr.				<input checked="" type="checkbox"/>
					MIZUNO, John M.	<input checked="" type="checkbox"/>			
					MORIKAWA, Dee	<input checked="" type="checkbox"/>			
					PINE, Kymberly Marcos		<input checked="" type="checkbox"/>		
TOTAL	2	-	-	1	TOTAL	5	1	-	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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