

Honolulu, Hawaii
March 21, 2014

RE: S.B. No. 2054
S.D. 3
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 2054, S.D. 3, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for screening, diagnosis, and treatment of autism spectrum disorders up to a maximum benefit of \$50,000 per year and a maximum lifetime benefit of \$300,000, with adjustments for inflation beginning after July 1, 2015, for individuals under 9 years of age.

The Department of Health; State Council on Developmental Disabilities; Representative of the Twenty-Fourth District of the State of Hawaii House of Representatives; Special Education Advisory Council; Hawaii Medical Association; Amazing Behaving, LLC; KJN Corporation; Autism Behavior Consulting Group, Inc.; Behavior Analysis No Ka Oi, Inc.; and several individuals provided testimony in support of this measure. The Hawaii Medical Service Association and a few individuals provided testimony in opposition to this measure. The Department of Human Services; Department of Budget and Finance; Kaiser Permanente Hawaii; Hawaii Association of Health Plans; Autism Speaks; Hawaii Disability Rights Center; Hawaii Behavioral Health; Autism Society of Hawaii; Chamber of



Commerce of Hawaii; Easter Seals Hawaii; Unite Here! Local 5; and several individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Requiring coverage for treatment of autism spectrum disorders for individuals up to 18 years of age;
- (2) Including Medicaid plans in coverage requirements;
- (3) Requiring notice to insured individuals regarding coverage for treatment of autism spectrum disorders within calendar year 2016, but no later than December 31, 2016;
- (4) Requiring the University of Hawaii Economic Research Organization (UHERO) to contract, exempt from procurement code requirements, for an actuarial analysis considering specified factors of the projected costs of providing insurance coverage for screening, diagnosis, and treatment of autism spectrum disorders as required by this measure and to report findings and recommendations based on the analysis to the Legislature prior to the 2015 Regular Session;
- (5) Appropriating an unspecified amount to the University of Hawaii to contract for the actuarial analysis; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests that should your Committee on Finance consider this measure, it examine the cost of completing the actuarial analysis at its public hearing on the measure. Your Committee further notes that the possibility of establishing maximum benefit levels until 2016 through an innovation waiver under the Patient Protection and Affordable Care Act should be explored. Your Committee notes that its intent in requiring coverage for treatment of autism spectrum disorders for individuals up to 18 years of age is not meant to imply that autism spectrum disorders are not a lifelong disability.

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 purpose of S.B. No. 2054, S.D. 3, H.D. 1, as amended herein, and



recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2054, S.D. 3, H.D. 2.

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



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.: SB2054SD3HD1	Committee Referral: HLT, CPC, FW	Date: 3/19/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. KAWAKAMI, Derek S.K. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CACHOLA, Romy M.	/			
6. CREAGAN, Richard	/			
7. EVANS, Cindy	/			
8. HAR, Sharon E.		/		
9. ITO, Ken	/			
10. LEE, Chris				/
11. NAKASHIMA, Mark M.	/			
12. OSHIRO, Marcus R.				/
13. TSUJI, Clift	/			
14. YAMANE, Ryan I.				/
15. MCDERMOTT, Bob				/
16. THIELEN, Cynthia				/
TOTAL (16)	10	1		5
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: [Signature]				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				