

STAND. COM. REP. NO.

809

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 307
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 307, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to require suppliers of durable medical equipment, prosthetics, orthotics, and related supplies to be licensed by the Office of Health Care Assurance.

Your Committee received written comments in support of this measure from the Aloha Nursing Rehab Centre, Hawaii Health Systems Corporation, Hawaii Primary Care Association, The Queen's Health Systems, Castle Home Care, and Healthcare Association of Hawaii. Written comments in opposition to this measure were received from Hawaii Association of Health Plans, The Hawaii Medical Service Association, and three individuals.

Your Committee finds that establishing a licensure program for durable medical equipment suppliers and requiring licensees to have a physical in-state presence will help to ensure that Medicare beneficiaries in Hawaii have timely access to the durable medical equipment devices that they need to maintain their quality of life.

Your Committee has amended this measure by adding a provision exempting it from a sunrise analysis by the Auditor. Your Committee finds that expedited initiation of the licensure program

SB307 SD2 SSCR LRB 15-1980.doc



is necessary because, under the Medicare durable medical equipment competitive bidding program, the vast majority of durable medical equipment suppliers for Hawaii is located outside of the State and thus unable to deliver the equipment in a timely manner. This has caused restricted access to care, including increases in preventable admissions and readmissions, increases in costs to beneficiaries, and a reduced quality of life for Medicare patients.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 307, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 307, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



