

Honolulu, Hawaii

March 4, 2016

RE: H.B. No. 2740
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2740, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LIABILITY,"

begs leave to report as follows:

The purpose of this measure is to ensure that preauthorization requirements do not negatively impact the health of Hawaii residents.

Among other things, this measure:

- (1) Prohibits insurers from requiring preauthorization of medical services or treatments so as to cause undue delay in a patient's receipt of medical treatment or services;
- (2) Stipulates that a licensed health care provider shall be defended and indemnified by an insurer for civil liability for injury to a patient that was caused by the insurer's undue delay in preauthorization of medical treatment or services;
- (3) Makes an insurer civilly liable for any injury that occurs to a patient because of undue delay in the receipt of medical treatment or services; and



- (4) Requires a health care provider to provide treatment or services without waiting for preauthorization whenever an unreasonable delay in medical treatment or services may cause exacerbation or worsening of a health condition.

Hawaii Medical Association, Hawaii Radiological Society, Hawaii Association for Justice, Maui County Medical Society, and numerous individuals testified in support of this measure. Hawaii Association of Health Plans, Hawaii Dental Service, Hawaii Medical Service Association, and UHA Health Insurance testified in opposition to this measure. The Department of Commerce and Consumer Affairs, Hawaii Neurological Society, and two individuals commented on this measure.

Preauthorization requirements for medical services or treatments can delay necessary and often critical health care coverage, especially in the area of advanced imaging studies such as magnetic resonance imagery and computed tomography testing. Your Committee recognizes that it is in the best interest of the State to ensure that preauthorization requirements do not adversely affect the health of Hawaii residents.

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 H.B. No. 2740, H.D. 1, and recommends that it pass Third Reading.

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



KARL RHOADS, Chair



