

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 2076
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2076 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a durable medical equipment supplier license program for suppliers of durable medical equipment, prosthetics, orthotics, and related supplies through the Office of Health Care Assurance;
- (2) Allow license fees to be deposited into the office of health care assurance special fund;
- (3) Amend the cap on amounts of the health care assurance special fund that may be used per fiscal year for the Office of Health Care Assurance's activities; and
- (4) Amend the balance of the office of health care assurance special fund above which monies are deposited into the general fund.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Hawai'i Primary Care Association, Hawaii COPD Coalition, and Healthcare Association of Hawaii. Your Committee received comments on this measure from the Department of Health and Hawaii Medical Service Association.



Your Committee finds that in 2013, the federal government established the durable medical equipment competitive bidding program in one hundred metropolitan areas across the nation. The City and County of Honolulu was included as one of those areas and is the only Hawaii locality that was required to participate. In the years since the competitive bidding program was established, the program has reduced reimbursements drastically for local providers, compromised the quality of care for residents, disrupted health status, and increased costs for seniors and their families.

Your Committee further finds that there is also a unique problem in Hawaii of contacting vendors, since many are based on the mainland with no special phone or service hours to account for the time difference. To make matters worse, the federal government plans to roll out a form of the competitive bidding program into the neighbor islands in 2016, which will create greater challenges for rural beneficiaries when trying to access needed services, resulting in reductions in their health and quality of life.

Your Committee notes that the revenues collected from the licensing fee for durable medical equipment suppliers should cover the part-time position that the Department of Health would need to administer the licensing program.

Your Committee has amended this measure by:

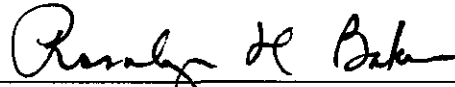
- (1) Increasing the maximum licensing fee that the Department of Health may assess from \$150 to \$350 on each durable medical equipment supplier who receives a license;
- (2) Clarifying that the monies in the office of health care assurance special fund be used for administering and supporting the durable medical equipment supplier license program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as S.B. No. 2076, S.D. 1, and be referred to your Committee on Ways and Means.

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




ROSALYN H. BAKER, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2076	CPH, WAM	2-11-16		
<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
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.				/
SLOM, Sam			/	
TOTAL	5		1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes