

STAND. COM. REP. NO.

1290

Honolulu, Hawaii

, 2021

MAR 24

RE: H.C.R. No. 85
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred H.C.R. No. 85 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY RELATING TO THE STATE'S AUTHORITY TO ALLOW COLLECTIVE NEGOTIATION BETWEEN PHYSICIANS AND HEALTH CARE INSURERS IN HAWAII TO RESTRAIN OR BALANCE THE MONOPSONISTIC MARKET POWER OF HEALTH CARE INSURERS OVER INDEPENDENT PHYSICIANS,"

begs leave to report as follows:

The purpose of this measure is to request that the Legislative Reference Bureau conduct a study on the State's authority to allow collective negotiation between physicians and health care insurers in Hawaii to restrain or balance the monopsonistic market power of health care insurers over independent physicians.

Your Committee received testimony in support of this measure from the Hawaii Physician Shortage Crisis Task Force; Health Committee of the Democratic Party of Hawai'i; Joyful Living, LLC; Hawaii Medical Association; and eight individuals. Your Committee received testimony in opposition to this measure from the Hawaii Medical Service Association. Your Committee received comments on this measure from the Legislative Reference Bureau.

2021-2705 HCR85 HD1 HSCR HMSO



Your Committee finds that the existing physician shortage in Hawaii has been exacerbated by the COVID-19 pandemic, with shortages of twenty percent on Oahu, fifty-three percent in Hawaii County, forty-two percent in Maui County, and thirty-three percent on Kauai. Your Committee further finds that one of the primary barriers in the State's inability to recruit and retain physicians is the relatively low level of physician compensation in the State, which is not competitive nationally and stems from the State's highly concentrated health insurance market. Permitting physicians to engage in collective negotiation is one way to encourage competition in the health care market. Your Committee notes that in 2009, Alaska determined that permitting physicians to collectively negotiate with health plans is consistent with the Parker immunity doctrine and passed a law permitting physicians to engage in collective negotiation with health benefit plans.

Your Committee has amended this measure by:

- (1) Inserting language recognizing the exacerbating effects of the COVID-19 pandemic on the State's physician shortage crisis;
- (2) Removing the request that the Legislative Reference Bureau include an analysis of the 2009 Alaska law and its impact on the State's Prepaid Health Care Act exemption from the federal Employee Retirement Income Security Act of 1974 in the study requested by this measure;
- (3) Removing the Senate President and Speaker of the House of Representatives as recipients of certified copies of this measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health, Human Services, & Homelessness that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 85, as amended herein, and recommends that it be referred to your Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 85, H.D. 1.



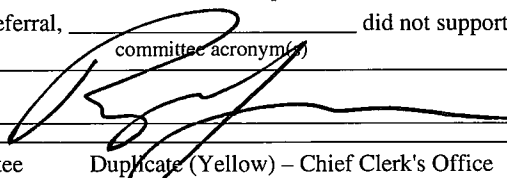
Respectfully submitted on
behalf of the members of the
Committee on Health, Human
Services, & Homelessness,



RYAN I. YAMANE, Chair



Record of Votes of the Committee on Health, Human Services, & Homelessness

Bill/Resolution No.: HCR 85	Committee Referral: HHH, CPC	Date: 3/23/21		
<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)				
HHH Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)	/			
2. TAM, Adrian K. (VC)	/			
3. GATES, Cedric Asuega	/			
4. HAR, Sharon E.	/			
5. KAPELA, Jeanne	/			
6. LoPRESTI, Matthew S.				/
7. NISHIMOTO, Scott Y.	/			
8. WARD, Gene	/			
TOTAL (8)	7			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				