

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committee on Health, to which was referred H.B. No. 138, 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 owners and operators of food service establishments to provide calorie information for menu items.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed H.D. 2, which deletes the contents of this measure and inserts language to provide a general excise tax exemption for medical services provided by physicians licensed in the State.

Your Committee received testimony in support of the proposed H.D. 2 from the Office of the Mayor of the County of Hawaii; American Physical Therapy Association; Hawaii Chapter of the American Academy of Pediatrics; Hawaii Radiologic Society; Hawaii Physician Shortage Crisis Task Force; Hawaii Medical Association; Wellness Partners Hawaii Inc.; East Hawaii Independent Physicians Association Board of Directors; Hawaii Association of Professional Nurses; and fifteen individuals. Your Committee received comments on the proposed H.D. 2 from the Department of Taxation and one individual.

Your Committee finds that the current physician shortage in Hawaii is well documented and particularly acute in the State's rural areas. The federal Centers for Medicare and Medicaid Services do not allow providers to pass the general excise tax on to patients, effectively creating a disincentive for providers to care for Medicare patients. This measure strives to improve access to health care for Hawaii's families by exempting the gross proceeds of medical services provided by physicians, and thereby removing that as a financial obstacle to practicing in this State.

Your Committee has amended this measure by adopting the proposed H.D. 2 and further amending the measure by:

- (1) Changing the effective date to taxable years beginning after July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests that should your Committee on Consumer Protection & Commerce choose to hear this measure, that it consider broadening the general excise tax exemption to cover medical services provided by advanced practice registered nurses.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 138, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 138, H.D. 2, and be referred to your Committee on Consumer Protection & Commerce.

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

JOHN M. MIZUNO, Chair